



**60 YEARS**  
*of endless possibilities*





## About The Cover

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### 60 YEARS OF ENDLESS POSSIBILITIES

Bank of Commerce is celebrating its 60th anniversary, marking an exciting milestone in its history! The anniversary logo, featuring the overlapping numbers 6 and 0, symbolizes the endless possibilities ahead. With a positive outlook for the future and an unwavering commitment to our customers, BankCom is dedicated to delivering innovative products and services that meet all banking needs. The future holds endless possibilities, and there is much to look forward to in the years to come.

### ABOUT OUR PAPER

The 2023 Bank of Commerce Annual Report cover was printed on Toccata paper certified by the Forest Stewardship Council (FSC). The FSC certification ensures that materials come from responsibly managed forests that provide environmental, social and economic benefits. The main pages were printed on Chroma paper certified by the Programme for the Endorsement of Forest Certification (PEFC). The PEFC certification ensures that the product can be traced back to a sustainable source that has been managed with environmental, social and economic factors taken into consideration. Kodak Sonora process-free plates, nonpetroleum-based soy ink, and a Heidelberg carbon neutral offset press were utilized in the printing of this report.



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# Company Profile

**B**ank of Commerce, a universal bank licensed by the Bangko Sentral ng Pilipinas (“BSP”), traces its origins to the Overseas Bank of Manila, established in Binondo, Manila in 1963. In 2008, San Miguel Corporation (“SMC”) bought into the Bank and became a major stakeholder through the voting stake of San Miguel Properties, Inc. in the Bank. In December 2020, the Intellectual Property Office (IPO) granted the copyright license for “BankCom” as the Bank’s official short name.

The Bank provides innovative banking solutions and a complete range of products and services in deposit, commercial loans, credit card services, consumer banking, transaction banking, corporate banking, investment banking, treasury, asset management, trust and investments. In terms of service reach, the Bank has retail and corporate internet banking facilities, 140 branches and 242 automated teller machines (“ATMs”) strategically located nationwide as of December 31, 2023.

## UNIVERSAL BANKING LICENSE APPLICATION

On November 2022, the Monetary Board of the BSP conferred on the Bank the authority to operate as a universal bank.

With a universal banking license, the bank will have more opportunities to generate and warehouse interest bearing assets like marketable securities, generate more fee-based income, and manage risk of securities underwritten and held for trading. This will also enable the Bank to enhance its marketing relationship with existing and prospective clients in the large corporate and middle market segments as it will be carrying a broader range of products, from traditional working capital lines and term loans to project finance, initial public offerings, mergers and acquisitions, financial advisory, etc. The latter services are essential to large businesses in planning their expansion programs as a response to the increasing demand brought about by the robust economy.



## 1963

The Bank began operating as Overseas Bank of Manila

## 1980

Overseas Bank of Manila became known as ComBank

## 1988

ComBank became known as Boston Bank of the Philippines



## 2022

BSP conferred on the Bank the authority to operate as a universal bank

## 2023

BankCom bags two awards—Best PPP & Blended Financing Infrastructure Deal of the Year and Best Local Currency Bond Deal of the Year in the Philippines—at the 17th Annual Best Deal & Solutions Awards 2023 spearheaded by Alpha Southeast Asia in Hong Kong

BankCom formally commences its core banking modernization and digital transformation project with Infosys Finacle, a global leader in banking technology

BankCom successfully re-fleets its ATM network with advanced security and user-friendly features

BankCom launches its Japan remittance business in December



## 2021

BSP approved the universal banking license subject to an Initial Public Offering (IPO)



## 2020

BankCom — the Bank's official short name with copyright license from the Intellectual Property Office (IPO) was granted



## 2018

The new Bank of Commerce logo included the San Miguel Corporation affiliate text

## 1991

The Bank changed its official name to Bank of Commerce



## 2008

Bank of Commerce became an affiliate of San Miguel Corporation in 2008 and introduced its new logo bearing the SMC escudo

## 2016

Bank of Commerce unveiled its new tagline "WE THINK CUSTOMERS" encapsulating the Bank's Service Promise

*We think CUSTOMERS*



## ABOUT US

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### VISION

We will be the best conglomerate bank in the Philippines, helping our clients, our communities, employees and stakeholders to prosper as we support the SMC Group in its work toward nation-building.

### CORE PURPOSE

Harnessing the SMC Group's strengths, we deliver the best choice of financial services for the good of all we serve.

### SERVICE PROMISE

With integrity and financial stability, we commit to deliver superior service to you, our discerning customers.

Through competent and warm professionals who understand, anticipate, and fulfill your needs with a sense of urgency in a safe and guest-friendly environment, we promise you a meaningful banking experience.

*We think **CUSTOMERS***

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# Economic Report and Forecast

## GROSS DOMESTIC PRODUCT (GDP)

The Philippines' gross domestic product (GDP) grew by 5.6% in the fourth quarter (Q4) of 2023 due to stronger domestic demand despite an elevated inflation, interest rate hikes, and external challenges. This outturn brought the full-year (FY) GDP to 5.6%, slower than the 7.6% performance in 2022 and falls short of the government's target of 6% to 7%.

The country's GDP was one of the best performances among the major economies in the region surpassing China (5.2%) and Malaysia (3.4%).

The robust domestic demand was mainly supported by strong capital formation and higher household spending but was offset by the contraction in government expenditures.

Growth in total investments accelerated to 11.2% in Q4 2023. The expansion was driven by the significant growth in fixed capital particularly the expansion of durable equipment.

Meanwhile, growth in household consumption accelerated to 5.3% in Q4 2023. This reflected strong spending, supported by a healthy job market, consistent inflows of remittances from overseas Filipinos, and a surge in demand for goods and services.

On the other hand, government spending contracted by 1.8% in Q4 2023 mainly due to the fiscal consolidation program.

The Department of Finance commented that the strong economic performance demonstrates the government's efforts to create an environment conducive to enhancing the purchasing power of Filipinos.

Despite domestic and external headwinds, the government projects faster GDP growth of 6.5% to 7.5% in 2024 to be driven by strong consumer demand supported by a vibrant labor market.

## INFLATION

The country's inflation rate cooled at 3.9% in December, the lowest level in 2023. This brought the year-to-date (YTD) headline inflation rate to 6.0%, slightly higher than last year's 5.8% and missing the government's target band of 2% to 4%.

The downtrend in inflation was primarily brought about by the lower year-on-year growth in the index of housing, water, electricity, gas and other fuels (1.5%). This was followed by food and non-alcoholic beverages (5.0%) as inflation in rice continues to accelerate due to persistent higher prices in the international market.

Lower annual increments were also noted in the indices of clothing and footwear (4.2%), furnishings, household equipment and routine household maintenance (4.5%), health (3.7%), information and communication (0.5%), recreation, sport and culture (4.2%), and personal care, and miscellaneous goods and services (4.6%). These were tempered by an annual increase in transport (0.4%).

As inflation remains manageable, it is expected to settle within the 2% to 4% target range in 2024, lower than global average and developing economies.

## INTEREST RATES

In 2023, the Bangko Sentral ng Pilipinas (BSP) raised monetary policy interest rates by a total of 100 basis points (bps) in an effort to control inflation and weather external factors.

The balance of risks to the inflation outlook still leans significantly toward the upside. Key upside risks were associated with potential pressures emanating from higher transport charges, increased electricity rates, and higher oil prices. Meanwhile, the impact of a relatively weak global recovery as well as government measures to mitigate the effects of El Niño weather conditions could reduce the central forecast.

As of end-2023 the following are the effective key policy rates of the BSP:

	RATE
Overnight RRP	6.50%
Overnight Deposit	6.00%
Overnight Lending	7.00%

The Monetary Board (MB) will keep monetary policy settings "restrictive" in order to ensure anchored inflation expectations.

Thus, the BSP is expected to deliver fewer and later rate cuts given the upside risks to inflation. Policy easing could begin by August 2024 and could reduce by as much as 150 bps in the next two years.



## Report from the Chairman, and the President and CEO

*Last year was diamond year—literally and metaphorically. As we turned the leaf to our 60th anniversary following our maiden year as a universal bank, BankCom broke all-time records yet again.*

**D**uring the Annual Stockholders' Meeting held in April, we declared that 2022 was the banner year. With income at Php 1.8 billion it was the highest since San Miguel Corporation (SMC) acquired the Bank in 2008.

In 2023 we proved that we could raise the bar as we accomplished our five-year growth plan.

For with Php 2.8 billion in Net Profit, not only did we exceed our previous year's income by a billion, but also outstripped all prior years since we became part of SMC. Rising 56% over 2022, this growth is the highest among listed Philippine banks for 2023. Evidently, BankCom's already steep trajectory of growth has shifted upwards even further.

With this income, BankCom's Return on Equity (ROE) jumped to 9.5%, 250 basis points higher than 7% in 2022. We have come closer to our ambition of landing double-digit ROE levels.

### **SHARPENING OUR FOCUS**

For 60 years, BankCom has been a stable partner to large businesses, entrepreneurs and consumers in helping them achieve their financial dreams. That singular purpose has been permanently inscribed in the words "We think CUSTOMERS" and continues to motivate us every day.

It's both a responsibility and an aspiration to make sure our clients are being served in the smartest and most empathic way, to enable them with financial leverage to accomplish their goals with efficiency and mitigating risk;



to deliver on our performance targets for the benefit of our shareholders and investors; and to act on our promise to continually motivate and engage our employees towards our common goals.

We derive strength from our affiliation with SMC. Within the last 15 years, especially during the pandemic and the three (3) years that followed, SMC's commitment to build BankCom has become increasingly impactful in terms of shareholder support, wherewithal, business growth, and vision. Our award-winning deals and loan syndications for San Miguel Group's massive projects that build the nation are a testament to this.

Rightfully, we saw it timely to re-align our vision and core purpose with SMC. Clearly, we have decided to claim that space where no other bank has mustered the bravado to set foot on:

**Vision** – We will be the best conglomerate bank in the Philippines, helping our clients, our communities, employees and stakeholders to prosper as we support the SMC Group in its work toward nation-building.

**Core Purpose** – Harnessing the SMC Group's strengths, we deliver the best choice of financial services for the good of all we serve.

With the entire Bank set on enabling SMC to lead in building the nation, we have sharpened our focus on the immense growth opportunities that lie right within the neighborhood of BankCom. Comprised of more than 4,000 suppliers and dealers of fuel, beer, and other SMC products ultimately intended for consumers, penetrating the SMC Ecosystem market is undoubtedly the largest element in our formula for growth.

This growth comes with a bias for resiliency and sustainable development. We operate within the SMC Group's Environmental, Social and Governance (ESG) and Sustainability roadmap that puts having a purpose beyond profit above optimizing business to ensure long-term success. Alongside our regulatory commitments as a publicly-listed universal bank, the SMC roadmap guided us in how we executed our own ESG and Sustainability Framework together with our employees, customers and suppliers well into 2023.

At the center of these developments remains our focus on the customer. Cognizant of the regulatory environment, we have enhanced our capability to exercise our responsibilities under the Financial Products and Services Consumer Protection Act.

## **STRENGTHENING OUR TALENT BENCH AND INFRASTRUCTURE**

We believe that achieving our vision to become the best conglomerate bank in the Philippines and to support the SMC Group in its work toward nation-building can only be possible if we invest in building the organization through our people and our technology.

In a cut-throat environment where competition for the right talent has extended beyond the traditional banking space, we needed to strategize on hiring and employee retention with industry-recognized partners. We leveraged the Bank's social media to reach a wider, next-generation audience to join the Bank. These improved our overall 2023 hiring numbers.

Alongside human capital, we invested in information technology (IT) according to a highly-organized Five-Year Roadmap. Reaffirming our commitment to providing convenient and secure banking solutions that continuously strive to exceed our customers' expectations and enhance their overall banking experience, this investment in IT was the game-changer.

First is our Core Banking System Modernization Project that enables us to build products and services which are secure, simple, accessible, fast, automated, and promoting customer delight. For this huge endeavor, we chose Infosys Finacle for its widely-vetted market presence built upon a robust solutions suite and record of reliable delivery.

Second, as promised during our IPO, we completed the re-fleeting of BankCom's ATM infrastructure, through a partnership with NCR Corporation, deploying a total of 242 machines, consisting of 214 ATMs and 28 cash recycling machines or CRMs. These machines were successfully installed in BankCom branches, Petron stations, major malls, and other offsite locations.

Third is upgrading our BankCom [Business] channel—dubbed the Cash Management 2.0 Project—to meet the need of our corporate clients, especially from within the SMC ecosystem, to digitally manage their business accounts, fund transfers, and payments securely and conveniently.

The fourth project aimed to enhance banking experience by ensuring we meet global standards in our ability to protect our clients' transactions from nefarious activities in the digital space. The enhanced Fraud Management System is designed to systematically run the complex algorithms that detect fraud, enforce rules, manage scoring, send alerts and reports, and perform analytics for six (6) digital channels and host systems.

## **ACCOMPLISHING OUR 2023 COMMITMENTS**

The story of how BankCom achieved its record high profit in 2023 becomes more dramatic in the context of the circumstances prevailing in the economy during the year.

The slower business activity and tighter monetary policy placed banks in a challenging economic situation. At 5.6%, the growth in Gross Domestic Product (GDP) was lower than 7.6% the previous year despite strong domestic demand from higher household consumption, improved labor market conditions, and investor confidence in public infrastructure. The year 2023 also saw inflation settling to 3.9% at end-December, but the full-year average rate went

up to 6%, breaching the government's inflation target of 2% to 4%. These trends led the Monetary Board to take urgent off-cycle monetary actions and hike monetary policy rates by a total of 100 basis points—50 bps in February, 25 bps in March, and another 25 in October.

The local currency appreciated by 38.5 centavos or 0.7%, closing at ₱55.37:\$1 at end-2023, and emerging as one of the best performing currencies in Asia albeit being described as a “mixed bag of volatility”.

Despite these pressures, the domestic banking system remained strong and capitalization of key players remained within adequate levels.

Amidst this backdrop, our performance results clearly indicate not only the resilience of BankCom's balance sheet but also the well-managed execution of its business growth strategy led by an invigorated management team under the direction of a stronger board.

- FY Net Income Php 2.8 billion, 56% increase from last year's Php 1.8 billion and the highest since 2008, mainly driven by the sustained growth in net interest income, service charges, fees, and commissions, trading gains and ROPA related gains.
- Gross Revenue grew by 23% to Php 9.98 billion from Php 8.12 billion in 2022.
- Net Interest Income rose to Php 8.3 billion, up 24% from 2022's Php 6.68 billion on account of the robust growth in interest on loans and receivables and investment securities due to higher yields.
- Other income posted at Php 1.68 billion, 17% higher than Php 1.43 billion year-on-year, propelled by the increase in service charges, fees and commissions totaling Php 886.38 million mainly on account of Investment Banking deals in 2023, which hauled in substantial fees for the bank; trading and investment securities gains posted a recovery from the losses in 2022; and a rise in gains on foreclosure, and sale of property and equipment and foreclosed assets.
- Total assets sustained a 7% growth to Php 231.67 billion from last year's Php 217.52 billion on the back of the expansion in loans and investment securities, translating to an ROA of 1.25%.
- Total Loans and Receivables, accounting for 47% of total assets, maintained a steady growth amounting to Php 109.57 billion from Php 105.09 billion last year, mainly due to the growth in corporate loans. The growth resulted to a loan-to-deposit ratio of 70%. Net NPL ratio at end-2023 was at 0.44% from 0.60% in 2022, reflecting strength in asset quality due to the Bank's focused risk appetite. Meanwhile, Gross NPL ratio posted 1.54%, better than the industry average of 3.23% as of December 2023. This is also an improvement from the 2.10% at end-2022.
- Deposits, representing 80% of the total assets, expanded by Php 9.64 billion to Php 185.91 billion driven by the 7% growth in CASA amounting to Php 164.24 billion.

- Investment Securities nearly doubled to Php 11.44 billion from Php 6.19 billion in 2022
- Total Capital funds grew by 10% year-on-year to Php 30.85 billion, mainly driven by the notable performance and ploughed back earnings. In addition, the Bank's Tier 1 and CAR stood strong at 19.09% and 19.88% and remained well above the minimum regulatory requirement of 7.5% and 10.0%, respectively.

#### **INVESTMENT BANKING DEALS**

BankCom takes pride in being a catalyst for capital-raising solutions. It has taken part in a series of high-impact projects crucial to nation-building, of which two (2) transactions bagged awards at the 17th Annual Best Deal & Solutions Awards 2023 spearheaded by Alpha Southeast Asia, a Hong-Kong based institutional investment publication.

1. Best PPP & Blended Financing Infrastructure Deal of the Year – Joint Lead Arranger of the Php 100 billion Syndicated Term Loan Facility for SMC Mass Rail Transit 7, Inc. (MRT-7)
2. Best Local Currency Bond Deal of the Year in the Philippines – Joint Lead Underwriter & Joint Bookrunner of the Php 60 billion Fixed Rate Bonds by San Miguel Corporation

#### **IN CONCLUSION**

The growth story that started five (5) years ago has been a compilation of milestones in financial and historic terms. There is a lot of work ahead now that we've set foot in the big leagues. A clearly communicated strategy, aligned organization, and meticulous execution are the cornerstones to get the job done.

As we celebrate our diamond 60th year, we thank our clients for continuing to trust in our abilities and making us an integral part of achieving their financial dreams;

We thank our shareholders and investors for believing in our vision and determination to succeed;

And we thank our employees and members of the BankCom community for their dedication, dependability, and *malasakit* in everything we do to take BankCom to even further heights.



**FRANCIS C. CHUA**  
Chairman of the Board



**MICHELANGELO R. AGUILAR**  
President & CEO



# Business Model

## PRODUCT RANGE AND REVENUE SOURCES

BankCom provides innovative banking solutions and a complete range of products and services in deposit, commercial loans, credit card services, consumer banking, transaction banking, corporate banking, treasury, investment banking, asset management, and trust and investments.

### LOANS

BankCom extends loans and other credit facilities to corporate institutional, and middle-market clients to support their working capital and/or capital expenditure requirements. Corporate lending may be in the form of term loans, credit lines, or project finance. The target market is divided into:

- Ecosystem accounts - suppliers/providers, dealers, and distributors
- Non-ecosystem - conglomerate, large corporations, and strong middle market

BankCom also provides home, automobile, and salary loans for individual customers around the country. The Bank maintains partnerships with real estate developers as well as automobile dealers through its account officers to capture the market.

BankCom generates revenue from its lending activities in the form of net interest income and non-interest income (i.e., fees).

## BRANCH-BASED TRANSACTIONS

With a network of 140 branches, BankCom provides a consistent and comprehensive financial experience for its affluent and middle-market customers, while extending dependable access to basic banking services to the mass segment.

For financial consumers who transact with merchants or other customers, these branches service their deposits to fund their personal or operating accounts, facilitate withdrawal through over-the-counter or onsite ATMs, accept check clearing and encashment, and fulfill various account-related requests.

BankCom also services the needs of business customers through its check releasing counters, deposit pick-up facilities, and account maintenance for auto-credit and auto-debit arrangements performed by branches.

For customers who aim for a higher return on their funds, these branches offer not only time deposits but also various investment products from BankCom's other business units.

Depending on the type of product, BankCom pays interest and credits it to the customers' account at certain periods, thereby incurring interest expense. The pool of funds generated from these accounts is then used to support the Bank's lending and investing activities.



## **ELECTRONIC BANKING TRANSACTIONS**

BankCom's electronic banking channels consist of a mobile app and online banking channel designed for retail or individual customers, i.e., BankCom [Personal], a web-based channel specially made for corporate or institutional accounts, i.e., BankCom [Corporate], Automatic Teller Machines (ATMs), Cash Recycling Machines (CRMs), and point-of-sale (POS) terminals.

For retail transactions such as InstaPay and PESONet fund transfer, as well as acquirer-based ATM withdrawals and balance inquiries, the Bank earns fee revenues net of agreed sharing with the external partner (e.g., BancNet). On the other hand, for corporate transactions delivered through cash management services, the revenue may be generated through fees entirely, through float from the required deposit ADB, or a combination of both.

## **TREASURY**

BankCom's treasury business covers money market, trading and treasury services, foreign exchange, as well as management of the Bank's funding operations by use of treasury bills, government securities and placements and acceptances with other banks. The Bank earns net interest income and non-interest income from this business.

## **TRADE FINANCE**

BankCom's trade finance business caters to the needs of customers requiring guarantees to secure ordered goods through standby letters of credit (SBLCs). Distributors and merchants whose businesses are based on consumer demand are among the target customer segments. The Bank earns fee revenue from the asset and foreign exchange flows generated by this business.

## **REMITTANCE**

Aside from cash management, trade finance, and digital channels, BankCom manages a remittance business within the purview of transaction banking. BankCom develops and manages tie-ups with various partners to facilitate remittances from overseas Filipino workers (OFWs) mostly from the Middle East.

To support this business, BankCom will continue to develop the BankCom SIKAPPINOY Debit Card and SIKAPPINOY Asenso program. SIKAPPINOY Asenso is an all-in-one service to help OFWs and their families handle their hard-earned money in the most convenient, secure, and smart way possible towards establishing a business of their own.

## **CREDIT CARD AND DEBIT CARD MARKETING**

BankCom's credit card product is a revolving loan facility that is offered to clients and applicants that meet certain acceptance criteria. On the other hand, the debit card device is a feature of certain BankCom deposit account products.

The Bank rolls out various marketing activities to promote use of its debit card and credit card products. To support this, the Bank maintains relationships with various



establishments (i.e., merchants). Purchases made using these card products generate billings and usage transactions which earn fee revenues. The Bank's Credit Card Group also promotes the usage of its card products.

## **TRUST SERVICES**

BankCom's trust and fiduciary management arm is responsible for developing new business, account solicitation, and administration of personal and corporate investment accounts under the scope of trust, other fiduciary business, and investment management activities specifically licensed by the BSP.

Through its Trust Services business, such as asset management activities performed in its capacity as Trustee or Investment Manager under local regulations, the Bank is able to generate assets under management to realize its growth objectives, and earn trust fee revenues.

## **INVESTMENT BANKING**

As a universal bank, BankCom engages in and offers investment banking products and services to capitalize on its retail (investors) and corporate (issuers and investors) client base and extensive distribution capabilities from its branch network and established Treasury and Trust businesses. These include but are not limited to: (i) managing, underwriting, and arranging to distribute equity and debt securities; and (ii) providing financial advisory services across various mandates including mergers and acquisitions and capital raising. BankCom has been actively participating in capital market transactions, thereby generating fee revenues and cross-sell opportunities with its Trust and Treasury Groups.

## STRATEGIC FOCUS AREAS

BankCom's focus areas of business comprise a four-point agenda aimed at countering the economic headwinds and securing the growth uptrend that shaped its first year as a universal bank.

### **FOCUS AREA 1: CORE-BUSINESS INCOME**

BankCom considers building its core business income first and foremost. Responding to the continuing scenario of abated movement of the economy due to interest rate and inflationary pressure, the Bank will maximize every opportunity where our strength lies. This includes deepening the Bank's absorption into the SMC ecosystem through well-thought out loans for small and medium-scale enterprises (SMEs), a thrust that has resonated since the Bank's universal license was approved by the Bangko Sentral ng Pilipinas (BSP). BankCom plans to stay on course in its trajectory of growth in its overall loan portfolio while keeping its Non-Performing Loans ratio to within a healthy range.

### **FOCUS AREA 2: CROSS-SELLING**

As the economy pulls harder towards recovery, BankCom believes that the banking needs of its customers will expand and be felt at various marketing touchpoints. To ride on this trend and ensure visibility to its target market segments, BankCom will fortify its core business with more aggressive cross-selling of consumer loans, credit card, trust services, and other investment products. This will be accomplished through extensive frontline training and effective data science.

The systematic use of data science methodologies in studying and predicting customer needs and behavior patterns from both primary and surrogate data has been in development by a high-level team consisting of no less than the heads of branch banking, consumer, credit card, transaction banking, corporate banking, and business intelligence (information technology side), under the guidance of SMC's Head of Business Intelligence and Data Science.

Using the Recency-Frequency-Monetary data model, the team has unearthed customers from within the original affluent, emerging affluent, and mass market categories which reveal the potential for advancing to the next higher category(ies) when offered with the appropriate product mix.

### **FOCUS AREA 3: INFORMATION TECHNOLOGY**

Outside of lending, major information technology (IT) capital expenditure has remained the key for the Bank to push digitalization in 2023. The Bank's IT roadmap includes combining cash recycling with a more robust ATM network, deploying automation projects to make business units run more efficiently, and building the infrastructure to expand stable sources of fee revenue streams.

Through strategic innovation, BankCom will endeavor to continually bring right-sized solutions to more customers and with even greater efficiency. BankCom continues to enhance its existing electronic banking delivery channels such the BankCom [Personal] mobile app, BankCom [Corporate], as well as roll out up-to-date automated solutions for corporate disbursements and collections.

### **FOCUS AREA 4: FEE REVENUES**

BankCom is cognizant of the view that a continued rise in interest rates alongside elevated inflation makes it more urgent to accelerate fee-based businesses. As such, BankCom will continue to maintain a stable income stream derived from transaction-based fee revenues.

Maintaining growth in fee revenues such as what was experienced in 2022 will be managed through keener sales focus on foreign exchange transactions, generation of trade finance contingent liabilities, the new investment banking business, trust fee expansion, and continued improvement in consumer loan volume and credit card billings.



# Products and Services

## RETAIL PRODUCTS

- Savings Account with Debit Card (Mastercard)
- Savings Account with Passbook
- Savings Account Plus
- Checking Account
- Complete Checking Account
- Executive Payroll Account
- US Dollar Savings Account
- Euro Savings Account
- Yuan Savings Account
- Junior Smart Savers Savings Account
- One Passbook Investment Account
- Time Deposit
- One-Year Time Deposit
- Future Secure Time Deposit
- US Dollar Time Deposit
- Euro Time Deposit
- SSS Pension Account
- US Veterans Pension Savings Account (Peso and Dollar)
- Payroll Savings Account
- Philippine Retirement Authority (PRA) Savings and Time Deposit Accounts (Peso and Dollar)
- Cash Card (Mastercard)
- Long-Term Negotiable Certificate of Time Deposit
- Corporate Savings Account
- Corporate Savings Account Plus
- Corporate Checking Account
- Corporate Checking Account Plus with Corporate Access Number

## CORPORATE BANKING

- Working Capital Loan
- Term Loan
- Capital Expenditure Financing
- Project Financing
- Small Business Loan – Term Loan
- Small Business Loan – Business Credit Line
- Foreign Currency Denominated Loan
- Trade Financing
- Letters of Credit
- Export Packing Credit
- Export Bills Purchase
- Domestic Bills Purchase

## CONSUMER LOANS

- Home Loan
- Auto Loan
- Salary Loan



## CREDIT CARD

- Bank of Commerce Mastercard
  - Classic
  - Gold
  - Platinum
  - World

## TRUST PRODUCTS AND SERVICES

### • Unit Investment Trust Funds (UITFs)\*

- Diversity Money Market Fund
- Diversity Peso Bond Fund
- Diversity Dollar Bond Fund
- Diversity Dividend Focused Fund

*\*All UITFs can be enrolled in the Easy Investment Plan (EIP) to regularly subscribe or invest.*

### • Trust and Other Fiduciary Services

- Personal Management Trust
- Life Insurance Trust
- Employee Benefit Trust
- Trust Under Indenture
- Collateral Trust
- Special Purpose Trust/Other Institutional Trust
- Safekeeping

### • Investment Management Accounts

- Discretionary
- Directional/Non-Discretionary

### • Other Agency Accounts

- Facility/Loan Agency
- Escrow Agency

- Buyer and Seller Escrow
- POEA Escrow
- BIR Escrow
- HLURB Escrow
- Source Code Escrow
- Other Escrow Accounts

## TREASURY PRODUCTS

- Fixed Income Government Securities (Peso and Dollar)
- Corporate Bonds
- Foreign Exchange

## TRANSACTION BANKING

### Cash Management Solutions

- BankCom PAY
  - cashPAY
  - directPAY
  - checkPAY
  - govPAY
- BankCom COLLECT
  - depositCOLLECT
  - directCOLLECT
- BankCom CONNECT
  - BankCom [Business]
  - BankCom [Business] Direct

### Digital Channels

- BankCom [Personal] – Retail Online
- Banking (Web and Mobile App)
- BancNet Point of Sale
- Automated Teller Machines (ATMs)
- Fintech/Card Solutions
- Cash Deposit Machine

### Remittance Services

- SIKAPPINOY OFW Savings Account
- SIKAPPINOY Asenso Program
- SIKAPPINOY Domestic Remit
  - Cash Pick up at RD Pawnshop
- SIKAPPINOY International Remit through Overseas Remittance Partners\*:
  - Credit to Accounts with Bank of Commerce
  - Credit to Accounts with Other Philippine Banks via PESONet
  - Credit to Accounts with Other Philippine Banks via InstaPay
  - Credit to Mobile Wallets (GCash, Maya, Coins.ph, GrabPay)
  - Cash Home Delivery
  - Cash Pick-up Services via Bank of Commerce Branches
  - Cash Pick-up Services via Philippine Payout Partners:
    - M Lhuillier
    - Cebuana Lhuillier
    - LBC Express

- Palawan Pawnshop
- RD Pawnshop
- E-Government Payments of OFWs through International Remittance Partners\*:
  - SSS Contributions/Loan Payments
  - PhilHealth Contributions
  - Pag-IBIG Contributions/Loan Payments

### \*Overseas Remittance Partners:

- Al Ansari Exchange LLC (United Arab Emirates)
- Arab National Bank – Telemoney (Kingdom of Saudi Arabia)
- Bank Aljazira – Fawri (Kingdom of Saudi Arabia)
- Bank Albilad – Enjaz (Kingdom of Saudi Arabia)
- Eastern & Allied Pty Ltd – HaiHa Money Transfer (Australia)
- Family Express (Canada)
- Iremit International (Global)
- Kookmin Bank (South Korea)
- Mastercard Transaction Services – formerly Transfast (Global)
- Peragram/MoneyGram (Global)
- Pacific Ace Forex HK Ltd (Hong Kong)
- Pinoy Express Padala (Hong Kong)
- Prabhu Money Transfer (Global)
- Speed Money Transfer KK (Japan)
- U Remit International Corp. (Canada)

### International Trade Services

- Import
  - Import Letter of Credit
  - Standby Letter of Credit (SBLC)/Bank Guarantees
  - Import Collections
  - Documents Against Payment (DP)
  - Documents Against Acceptance (DA)
  - Trust Receipt Loan
  - Payment Abstract Secure (PAS6) Enrollment, and Bureau of Customs Duties and Taxes payment
  - Shipside Bond Guarantee
  - Airway Bill Endorsement
  - Foreign Exchange (FX) Purchase for Advance Payment of Importation
  - Direct Remittance (DR)
  - Open Account (OA) Arrangement
- Export
  - Export Bills for Collection
  - Export Bills Purchased
  - Export Advances
  - Export LC Advising/Confirmation/Transfer
- Domestic
  - Letter of Credit
  - Standby Letter of Credit/Bank Guarantees
  - Negotiation of Domestic Letter of Credit
- Supply Chain
  - Trade Finance Receivable

# Financial Highlights

	2023	2022
PROFITABILITY	<i>in billions</i>	<i>in billions</i>
Total Net Interest Income	8.30	6.68
Total Non-Interest Income	1.68	1.43
Total Non-Interest Expenses	(6.17)	(5.47)
Expense from Income Tax	(0.93)	(0.67)
Pre-provision profit	2.88	1.97
Provision for Credit and Impairment Losses	(0.08)	(0.17)
Net Income	2.80	1.80
SELECTED BALANCE SHEET DATA	<i>in billions</i>	<i>in billions</i>
Liquid Assets	222.23	209.13
Gross Loans	109.41	105.54
Total Assets	231.67	217.52
Deposits	185.91	176.27
Total Equity	30.85	28.03
SELECTED RATIOS		
Return on equity	9.52%	7.01%
Return on assets	1.25%	0.86%
CET 1 capital ratio (for UBs/KBs)	15.32%	13.45%
Tier 1 capital ratio (for UBs/KBs)	19.09%	17.22%
Capital Adequacy Ratio	19.88%	17.97%
PER COMMON SHARE DATA		
Net Income per share:		
Basic	1.86	1.24
Diluted	1.54	1.03
Book Value	18.14	16.96
OTHERS		
Cash Dividends Declared	N/A	N/A
Headcount	1,976	1,865
Officers	979	906
Staff	997	959



# Operational Highlights

**T**he Bank marked significant milestones this 2023 with its 60th anniversary celebration, record high profit and growth rate. The strong results were driven by growth across all of the Bank's lending segments and good revenue performance from its investment banking, credit card and trust businesses. Additionally, building collaboration with strategic technology partners and enhancing employee retention initiatives were also focused on by the Bank to align with its digital transformation and employee experience strategies.

## CORPORATE BANKING GROUP

Corporate Banking Group (CBG) achieved a 3.52% growth in its assets at the end of 2023 versus the previous year amidst the cautious lending environment in the local banking industry coupled with stricter financial system regulations.

This performance was matched with a consistent double-digit growth in loan volume on an average daily balance (ADB) basis from 2022 to 2023.

The bulk of this growth came from major deals with highly rated, credit-worthy companies in telecommunications, consumer finance, electronics and cement manufacturing.

The higher loan ADB volumes combined with competitive loan rates brought interest income higher. This was tempered, however, by a higher-than-expected rise in interest expense, resulting in a modest improvement in net interest income over the previous year.

Responding to the challenging lending scenario, CBG built on its strengths in the fee revenue business and other income streams. Through higher transaction fees, settlement gains, and dacion gains, CBG surpassed its 2022 non-interest income level by almost 50% at the end of 2023.

## BRANCH BANKING GROUP

In celebration of the Bank's 60th anniversary, the Branch Banking Group (BBG) organized a series of celebratory events held in three (3) distinct locations: Iloilo City, Mandaluyong City, and Clark Freeport Zone, Angeles, Pampanga. These events were a testament to BBG's enduring legacy and commitment to excellence.

BBG's anniversary festivities were not only a reflection of its remarkable journey but also a heartfelt expression of gratitude to its valued customers.

BBG has demonstrated impressive growth and resilience in its financial performance, evident in its latest achievements. Notably, there was a 7.03% increase in CASA deposits, amounting to Php 164.24 billion, driving the Bank's total deposits to Php 185.91 billion at end-2023.

Moreover, through the collaborative efforts of various business units, BBG achieved remarkable milestones. These include the approval of 5,069 credit cards, the booking of Php 1.95 billion in consumer loans, and the generation of foreign exchange gains as well as trust fees. Furthermore, BBG made strategic investments,



as evidenced by the booking of Php 2.26 billion Petron Preferred Shares and Php 6.72 billion San Miguel Corporation (SMC) Preferred Shares. These ventures not only demonstrate BBG's financial acumen but also underscore its adaptability in navigating unpredictable market conditions.

Overall, BBG's performance reflects its agility and effectiveness in responding to dynamic market landscapes while maintaining a strong financial footing. Such achievements reaffirm BBG's position as a leader in the banking sector and set a solid foundation for continued success in the future.

In the past 60 years of the Bank, BBG has remained steadfast in its commitment to serve its customers by consistently delivering innovative products and services. Guided by the Bank's core principle, "We think CUSTOMERS," BBG puts customers at the heart of all its operations. Looking ahead, BBG will continue to strive to anticipate and fulfill the evolving needs of its esteemed clients, ensuring unmatched satisfaction and nurturing enduring relationships founded on trust and reliability.

## TRANSACTION BANKING GROUP

Transaction Banking Group (TBG) runs four businesses, namely, Cash Management, Trade, Remittance, and Digital Channels. Its key purpose is to increase overall flows from customers within the "ecosystem" by understanding their supply chain and providing electronic banking tools for it, thus becoming an avenue for incremental deposits, assets (trade finance), fees and foreign exchange (FX) to the Bank. Transaction flows which either originate or are fulfilled by these businesses generate revenue in the form of interest income and fee/non-interest income.

Cash Management and Digital Channels led TBG's expansion in platform solutions. In financial terms, most of TBG's income in 2023 was derived from interest income and the rest from fee revenues.

### CASH MANAGEMENT

Cash Management solutions for corporates, such as checkPay (Manager's Check and Corporate Check), directPay (Instapay, PESONet, BankCom to BankCom transfers), cashPay (Payroll) and govPAY (Tax Payment), contributed significantly to TBG's deposit ADB in 2023.

Payment Transactions from corporates grew 84% in terms of value versus last year with breakdown of 63% for checkPay, 28% for directPAY, 38% for cashPAY and 383% for govPay.

This was linked to the strategy of concentrating on key accounts aside from pursuing continual product development and innovation that led to the rollout of check releasing centers in 10 key cities in the Philippines, located within proximity to where a number of SMC business units operated.

### DIGITAL CHANNELS

Similarly, BankCom experienced a double-digit growth in the retail segment particularly on domestic fund transfers, bills payments, and prepaid mobile phone reload made through its BankCom [Personal] mobile app and web channel managed by TBG's Digital Channels team.

Instapay and PESONet transaction volume rose by 37% and transaction value by 31% year-on-year as Digital Channels bolstered product awareness through social media and maintained a conservative pricing throughout the year. Likewise, bills payments grew by nearly 20% in volume and more than 42% in value. Prepaid mobile phone reload garnered the highest growth in value at close to 50%.

The enrollment base of BankCom [Personal] has grown to 134,000 and continues to be an important source of transaction flows and deposit ADB from the retail segment. Heavier usage is expected as the QRPH functionality was deployed for peer-to-peer (P2P) and payments-to-merchants (P2M) transactions using QR codes.

Besides BankCom [Personal], the Digital Channels team also handled the rollout of new ATMs at strategic offsite locations in 2023.

### REMITTANCE

TBG's Remittance business expanded its network in 2023 by entering the Japan market, the fourth largest contributor to the Philippines' inbound remittances, following the US, Singapore, and Saudi Arabia.

BankCom launched SIKAPPINOY, an all-in-one-service program for OFWs residing in Japan which has widened the options for clients to remit money whether directly into their accounts with other banks, or into a number of



e-wallets that are available in the Philippines. Prior to this, BankCom used to be present only in Australia, Middle East and certain Asian cities.

BankCom likewise rolled-out its SIKAPPINOY Asenso program (aptly named after the Filipino translation of "prosperity"), to support Japan-based OFWs and their families with practical business investments, providing them the confidence of a financially stable future. Asenso offers OFWs with over 200 franchising options in the Philippines through BankCom's partner, U-Franchise.

In 2023, TBG's Remittance business experienced a double-digit volume growth, mainly driven by the Middle East corridor. Further growth is expected with more new partners in the pipeline.

### **TRADE**

TBG's Trade business maintained its double-digit performance in terms of trade-related contingent liabilities. This achievement was on the back of transaction flows generated including SMC Ecosystem entities with a growth at 49% year-on-year from 2022 to 2023. This include dealings with the SMC Group's food and beverage, fuel, infrastructure, and automotive business units.

TBG's Trade business continues to be a key contributor to the Bank's fee business, providing about a third of its total composition.

With its key projects rolled out in 2023, TBG has prepared a lineup of features and solutions that BankCom clients can look forward to in the years ahead.

### **INVESTMENT BANKING GROUP**

The Investment Banking Group (IBG) generated revenues of Php 149 million in 2023, a 35% year-on-year increase from its revenues of Php 110 million in 2022. In addition to its banner year, two IBG transactions were recognized by Alpha Southeast Asia in the publication's 2023 Best Deals & Solutions Awards: the Php 60 billion San Miguel Corporation Fixed Rate Bonds as "Best Local Currency Bond Deal"; and the Php 100 billion MRT-7 Project Finance Facility as "Best Public-Private Project (PPP) & Blended Financing Infrastructure Deal". BankCom's investment banking business has shown to be in full swing demonstrated by a significant increase in capital raising transactions spearheaded and participated in compared to the previous year.

### **PUBLIC CAPITAL RAISING**

IBG marked its first capital market transaction for 2023 with an outstanding performance as the Joint Lead Underwriter & Joint Bookrunner that delivered the largest volume for the Php 14 billion Petron Corporation Preferred Shares Follow-on Offering for Series 4A, 4B, and 4C (listed on the Philippine Stock Exchange on July 7, 2023). Despite challenging market conditions and competing investment opportunities, BankCom was able to deliver through its

synchronized distribution channels and their respective operations divisions.

Following this successful run, IBG was appointed as Joint Issue Manager and Joint Lead Underwriter & Joint Bookrunner for the Php 34 billion San Miguel Corporation Preferred Shares Follow-on Offering for Series 2L, 2N, & 2O (listed on the Philippine Stock Exchange on December 1, 2023). BankCom once again emerged as the top performer in terms of volume generated among syndicate banks. As one of the Joint Issue Managers, BankCom spearheaded the issuance and ensured a timely listing to close the transaction before year-end.

### **PRIVATE CAPITAL RAISING**

IBG has proven its expertise in the field of private capital raising by arranging debt transactions for nation-building initiatives. These include the 630MW coal-fired thermal power plant of Masinloc Power Partners Co. Ltd., the MRT-7 Project of SMC Mass Rail Transit 7, Inc., the Battery Energy Storage Systems of San Miguel Global Power, and the integrated port and cement production facility of Advantage Concrete Industries Corporation. Through innovative capital solutions, IBG has provided financing for the various project sponsors in tandem with its Corporate Banking Group, alongside some of the largest banks in the country.

### **CONTINUED GROWTH**

2023 has been a year of exceptional growth for IBG in terms of deals and roles undertaken. The group aims to continue this trajectory in the coming years as it builds its pipeline, expands its team, and builds its track record in other product offerings such as Advisory and Equity Capital Market transactions.

### **TREASURY MANAGEMENT GROUP**

Treasury Management Group (TMG) successfully navigated through the challenges of 2023. Its trading activity got a boost from its foreign exchange (FX) business. Gains from FX trading reached Php 141 million as the previous years' efforts to expand FX flows continued to bear fruit in 2023. Competitive pricing and exemplary management of FX positions paved the way for a profitable year in FX. TMG, through its Foreign Exchange Sales Division, will endeavor to further increase volume and broaden its client base in 2024. Attention will also be given to third currencies. Vigilance in monitoring client requirements will be intensified to serve all FX needs of current clients.

Interest rates remained elevated in 2023 as inflation rose globally. Inflation pressures mounted as nations continued to feel the impact of various stimulus packages during the height of the pandemic. Domestic PH inflation peaked at 8.76% at the start of the year distorting projections for the entire year. In its bid to put a lid on inflation, the Bangko Sentral ng Pilipinas (BSP) delivered another 25-basis point hike in its policy rate in Q4 which brought the policy rate to 6.5%. Hope for rate cuts to start in 2023 eventually faded.



Consequently, TMG's fixed income business struggled due to this trend in interest rates. Despite this development, it was able to stay in the black in terms of income from sale of government securities, thanks due to disciplined trading and prudence. Whatever opportunity was lacking in trading the fixed income market, TMG made up with hefty accrual income. For the year, total interest income from the Bank's securities portfolios aggregated to Php 2.3 billion. It strategically took advantage of the high interest rate environment to slowly improve the yields of its Hold-to-Collect (HTC) and Hold-to-Collect and Sell (HTCS) portfolios. For 2024, TMG will continue to work on the development of bond futures to give it opportunity to express its views despite a rising interest rate environment. At the same time, it will keep on looking for opportunities to lock-in high yielding assets while yields are still on the high side.

TMG also helped Investment Banking Group in distributing the latter's primary issuances. The Group's Treasury Marketing and Sales Division (TMSD) was able to sell as much as Php 5.4 billion. Anticipating further expansion in this area and aspiring to grow its fixed income flows business, it onboarded a new Head for TMSD. For 2024, TMSD envisions to lay the ground work to build a strong fixed income flows business. This year, it plans to intensify its partnership with the Branch Banking Group and Corporate Banking Group to spot potential fixed income business for fresh and old accounts. Work on expanding product offerings to provide more value for clients will also be undertaken.

Moreover, TMG adopted a proactive approach to liquidity and asset liability management (ALM), thus ensured the continued stability and profitability of the Bank's balance sheet. Effective liquidity management involved monitoring and managing cash flows and maintaining a sufficient level of liquid assets while effective ALM involved maximizing profits while managing interest rate and liquidity risks on both the asset and liability sides of the balance sheet. In 2023, the strong loan growth and high interest rates primarily boosted net interest margin amid post-pandemic economic recovery. In addition, excess liquidity was deployed into assets with more favorable yields which helped drive increases in asset yields (up 179 bps) and ultimately, interest income.

Funding costs, on the other hand, rose considerably (up 116 bps) given the elevated interest rate environment as well as to stem deposit outflows and support asset expansion. Nonetheless, the benefit from growing the balance sheet fully offset the increased funding costs. Consequently, the Bank's net interest income surged by 24.166% to Php 8.310 billion in 2023 from a year ago, accounting for 83% share of total revenues and contributed largely to the Bank's record high net income of Php 2.870 billion for the year.

For 2024, to ensure the achievement of the NII target, TMG will focus on reducing funding costs, maintaining

a balanced mix of earning assets and interest-bearing liabilities and capitalizing on opportunities arising from the Bank's solid balance sheet to counter the drag in net interest income caused by expected declining asset yields.

## **CONSUMER GROUP**

For three straight years since the pandemic, Consumer Group (CoG) recorded improvements in its operating results characterized by year-on-year growth in interest income, non-interest income, and net profits. Throughout 2023, CoG focused on prudent lending practices and enhancing risk management strategies which resulted in a notable reduction in non-performing loans. This improvement in asset quality reflected the Group's commitment to maintaining a healthy loan portfolio and mitigating credit risks effectively.

Despite the economic uncertainties, the consumer loan portfolio saw steady growth, driven by strategic product offerings and targeted marketing initiatives. The calibrated approach to lending proved to be a successful blueprint to drive improvements in revenues and asset quality.

Looking ahead to 2024, CoG is optimistic about the growth potential in the consumer lending market. With the Philippine economy poised for recovery and consumer confidence on the rise, CoG anticipates increased demand for credit products. CoG remains dedicated to delivering innovative solutions, expanding its market reach, and fostering long-term relationships with customers to capitalize on these opportunities.

In conclusion, 2023 has been a year of resilience and progress for BankCom's consumer business. With a strengthened asset quality, a growing consumer loan portfolio, and a promising outlook for the future, the Bank is well-positioned to navigate the evolving landscape and sustain the growth in the years to come.

## **TRUST SERVICES GROUP**

BankCom's Trust Services Group (TSG) maintained its Assets Under Management (AUM) at Php 70.21 billion. The synergy between TSG and BBG has started to unlock numerous opportunities for SMC ecosystem clients to seek the Bank's trust products and services. It has completed its UITF Certification Program, with 170 certified UITF salespersons covering BankCom's 140-branch network.

BankCom's Investment Management Account was stable at Php 65.58 million, while Other Fiduciary Accounts AUM grew 8.6% to Php 3.32 billion.

TSG continues to expand its reach to achieve a 20% compounded annual growth rate (CAGR) increase in both AUM and revenues by 2024. It has rolled out initiatives to create value for clients and key stakeholders by providing employees, suppliers, distributors, and consumers with relevant and appropriate programs to protect and grow their savings through prudent and informed investing.



## CREDIT CARD GROUP

Credit Card billings hit a record high of Php 5.3 billion, reflecting the active cardholder base and successful marketing campaigns launched throughout the year. The growth in its revenues is an indication of increasing consumer spend and confidence in the market. The rise of billings and revenues is expected to continue as we build better card products and features. With the support of digital development and enhancement, BankCom is now able to provide online access to credit card accounts, a result of the continued efforts of Credit Card Group (CCG) to build a stronger cards business.

Debit cards also performed better than the previous year, reaching Php 2 billion in retail billings and generating Php 13 million in commission revenue. Debit card usage campaigns focused on online use, creating better customer product understanding, building the easy, convenient, and safe way to pay.

The cards business will continue to grow guided by a seasoned and adaptive management team, and most importantly, with the customers always in mind.

## SUPPORT INITIATIVES

### DIGITAL SERVICES GROUP

As BankCom celebrated its 60 years of service, the Bank forged or renewed collaboration with strategic technology partners in 2023 and marked a pivotal milestone in executing its technology strategy aligned with its overall business goal of growth.

Some of the key highlights of the digital transformation projects include the implementation kickoff of its next generation core banking system with Infosys Finacle that will run on IBM's LinuxOne platform, deployment of

NCR automated teller and cash recycling machines, the upgrading of its Corporate Internet Banking system with Solutions Exchange Inc., and the expansion of the platform of BPC Technologies to include Fraud Management, and the use of 'greener' servers, laptops and desktop computers of Lenovo, to name a few. All these initiatives are aimed at improving operational efficiencies, enhancing customer experience, and driving growth and innovation.

Cybersecurity and Risk Management remain to be a priority IT investment to mitigate threats and ensure data protection and compliance with regulations. Performance Metrics and indicators related to IT performance, such as system uptime, response times, and user satisfaction including client facing systems were closely monitored for improvement. IT Talent Development and Management required innovation as well for retention and skills development through training opportunities and hands-on skills enhancement. The journey on data maturity continues to improve from awareness to proficiency as transactional data are harnessed for actionable insights.

Definitely, the Bank will continue to leverage technologies to stay competitive and achieve strategic objectives.

## HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT DIVISION

In the past year, the Human Resource Management and Development Division (HRMDD) has made significant strides in improving employee retention through various initiatives.

To mitigate attrition and enhance employee satisfaction, HRMDD, with support from the management and the Board, initiated salary adjustments resulting from the engagement of Willis Towers Watson (WTW). By conducting thorough market research and benchmarking analyses, HRMDD and WTW identified areas where adjustments were necessary to remain competitive in the talent market. These adjustments were complemented by enhancements to employee benefits.

To address vacancies brought about by the high attrition in 2022 and ensure the steady influx of talent, HRMDD enhanced its recruitment strategies. The employee referral program incentives were significantly increased to encourage employees to refer qualified candidates. HRMDD continued to participate in job fairs to connect with potential candidates and maximize the visibility of the Bank and its job opportunities. Furthermore, it leveraged the Bank's social media accounts and website to reach a wider audience and attract top talent to join the Bank. These initiatives improved the overall hiring numbers for the year.

Acknowledging the importance of employee appreciation in fostering a positive work culture, HRMDD organized various activities and events throughout the year to celebrate the hard work and dedication of employees. The donuts and coffee as well as the block screening events were a welcome treat for the Bank's hardworking



employees. HRMDD spearheaded the Bank's Christmas Party and the celebration of the Bank's 60th Anniversary. This is the first bank-wide face-to-face activity since the pandemic. BankCom employees also participated in San Miguel Corporation's (SMC) sports tournaments where BankCom finished as champion in badminton and darts, and runner-up in chess, bowling, and billiards. These initiatives not only boosted employee morale but also reinforced a sense of belonging and camaraderie within the organization as well as the SMC group.

Promoting employee well-being was also a focus of HRMDD where regular infographics related to physical, mental and emotional health were shared with the employees. HRMDD, through its wellness partners, provided counseling services to employees upon request to ensure their well-being is prioritized.

Investing in employee development, HRMDD implemented comprehensive training programs aimed at enhancing skills, knowledge, professional conduct, and others, to pave the way for career growth opportunities. These programs covered various areas such as leadership development, technical skills training and personal development workshops. HRMDD partnered with the Bank's subject matter experts on the conduct of in-house and e-learning programs and with external providers such as Bankers Institute of the Philippines (BAIPHIL), Ateneo Graduate School of Business, and Asian Institute of Management, among others. By empowering employees

with the necessary tools and resources to succeed, BankCom fostered a culture of continuous learning and professional growth within the organization.

Recognizing the evolving nature of the business environment, HRMDD in coordination with the concerned units, continued to review and update job roles and responsibilities. This proactive approach ensures that the workforce remains agile and adaptable to changing industry trends and business needs. By aligning job roles with the strategic objectives of the organization, we optimize employee productivity and performance, driving overall business success.

One of the major accomplishments of HRMDD and the Bank's Management Panel was the successful negotiation and implementation of the collective bargaining agreement. This not only ensured fair and equitable treatment of employees but also strengthened the relationship between the organization and its workforce. Through transparent communication and collaborative efforts, the Bank of Commerce Employees Union (BCEU) and Management were able to reach mutually beneficial terms that align with the organization's goals while addressing the need and concerns of employees.

Management and HRMDD remain committed to continuously enhancing employee experience and driving positive organizational outcomes for all.



# Corporate Social Responsibility

**E**mbedded within the San Miguel ecosystem, the Bank mirrors the guiding principle of "Malasakit", as advocated by its parent company. Throughout the year, the Bank has exemplified its dedication to Corporate Social Responsibility (CSR), emphasizing not only its financial performance but also its role in fostering positive impacts within the communities it operates and contributing to broader societal welfare in support of nation-building initiatives.

These CSR endeavors stem from the Bank's long-standing commitment to community development, the promotion of financial literacy, and the championing of volunteerism among its employees. Such initiatives have been made feasible through strong partnerships with esteemed corporate collaborators and non-governmental organizations, which have provided initial support and sustained ongoing efforts within the communities.

Celebrating its 60th anniversary this year, the Bank's CSR initiatives underscore its proactive engagement in community affairs, striving to be an integral part of problem-solving endeavors.

This year's initiatives include:

## NAVOTAS COASTAL CLEAN-UP

In September, BankCom employees participated in the annual Coastal Cleanup organized by the San Miguel Foundation Inc. (SMFI) at the Tanza Marine Tree Park in Navotas. The event aims to address the pressing issue of marine pollution. With 600 volunteers, including BankCom employees, the cleanup gathered 2,276 kilograms in just six (6) hours, underscoring the foundation's commitment and marking a notable victory for ocean and waterway preservation efforts.

## ONE GOOD DEED DAY

During Team Malasakit's annual "One Good Deed Day" initiative in December, BankCom employees showed their enthusiasm by actively participating in this yearly observation. "One Good Deed Day" is an annual outreach program that pulls together volunteers from San Miguel Corporation to do one act of kindness each in their respective communities. This one-day event highlights the importance of financial contributions as well as the physical act of being with the beneficiaries. Through this initiative, BankCom employees demonstrated their commitment to making a difference by generating monetary donations totaling Php 37,900 and providing Php 15,000 worth of in-kind donations, including Christmas baskets and toys for children.







### MT. PURRO NATURE RESERVE SEED POTTING ACTIVITY

BankCom's commitment to protecting the environment and engaging with the community was put into action when members of its Senior Executive Team and branch and head office employees participated in a seed potting activity at the picturesque Mt. Purro Nature Reserve in Antipolo in December. Split into two batches, they collectively potted a total of 300 seeds, highlighting their dedication to nurturing sustainable ecosystems and safeguarding natural habitats. This initiative not only had a tangible impact on the environment but also promoted a sense of unity, purpose, and shared responsibility among BankCom's employees.



Joining BankCom in this partnership for the environment were the administration and faculty of Diliman Preparatory School and Diliman College led by their president and former Philippine Senator, Ms. Anna Dominique ML. Coseteng.

Showing strong leadership, BankCom's President and CEO, Mr. Michelangelo R. Aguilar, pledged to make this initiative an annual event, emphasizing the Bank's ongoing commitment to environmental stewardship.







### **BANKCOM FINANCIAL LITERACY PROGRAM**

With the goal of pursuing financial literacy within the San Miguel Group, BankCom rolled out its FinLit Program, led by its Consumer Protection Department in partnership with the Branch Banking Group, Trust Services Group and Digital Channels Division, to different locations and across various consumer segments. Focusing on educating people about important financial concepts such as saving through different bank products, understanding factors to consider before borrowing money, and highlighting the importance of online banking, BankCom successfully reached nearly 2,000 individuals nationwide, comprising of students and school faculty, government employees, and employees of SMC and other private entities.

### **SPONSORSHIPS FOR A CAUSE**

This year, BankCom has been actively involved in sponsoring initiatives aimed at supporting various social causes including education, children's rights, and healthcare. This involvement began in April with a donation of Php 9,000 to the Rotary Club of Makati Dasmariñas (RCMD). The funds were designated for medical assistance, counseling services, basic needs provision, and environmental care. The Bank contributed Php 20,000 to San Roque National High School's Brigada Eskwela program in October. This program, conducted annually, seeks to improve Philippine public school facilities by engaging the community in volunteer efforts. The goal is to create safe and conducive learning environments for students through collective action. In November, a Php 20,000 donation was given to PhilAm International Nourishment of Youth, Inc. (P.I.N.O.Y., Inc.), an organization committed to enhancing the lives of underprivileged and abused children through various means including educational support, counseling, and recreational programs.





# Environmental, Social and Governance (ESG) Report

## SUSTAINABILITY IN BANKCOM

**B**ankCom sees sustainability both as our responsibility to manage environment and social impacts of our activities and operation as well as an opportunity to pursue success that benefits not only our stakeholders but also contributes to the greater sustainable development agenda. Bank of Commerce is one with the Bangko Sentral ng Pilipinas (BSP) in recognizing the critical role the financial industry plays in pursuing sustainable and resilient growth for Filipinos under the Philippine Development Plan. Under this plan, the National Government, in collaborative partnership with the private sector, media, the academe, global development partners, civil society organizations, and policy- and decision-makers, work together to transition the country towards the achievement of the UN Sustainable Development Goals.

To achieve this, BankCom has identified five (5) areas of action where there are opportunities to pursue sustainability and create shared value:

- 1. Leadership & Governance** – We remain vigilant in maintaining sound banking practices and methods through a rigorous system of checks and balances based on risk management programs that are continually reassessed and updated.
- 2. Environment** – We responsibly manage resources and continue to improve our operational efficiency. With our improved operational efficiency, we minimize the impact of our internal processes to the environment.
- 3. Social** – We strive to make banking inclusive, fair and accessible to financial consumers while ensuring that our products and services are developed and operated in the best interest of our depositors and other stakeholders.
- 4. Business Model & Innovation** – Guided by our core values and service promise, we commit to deliver banking services through competent and attentive

individuals, innovative digital solutions and segment-driven programs that put customers' needs first.

- **5. Human Capital** – We provide skills training and focus on employee engagement so we can develop and nurture an innovative, customer-focused and resilient team.

To advance the Bank's commitment to sustainable development, the Bank continues to implement policies and programs to integrate sustainability principles in its corporate governance, risk management, business strategy, and operations, attuned to the directives issued by its regulators, National Government decrees, and sustainability programs and initiatives of San Miguel Corporation (SMC) of which it is an affiliate. This includes set up of a governance structure to drive ESG in the organization, developing and implementing environmental and social (E&S) risk measurement tools and systems to guide the Bank in decision making, building the internal capability of employees to promote a culture that fosters environmentally and socially responsible business decisions throughout support units and operations, communicating our sustainability efforts and initiatives with transparency and consistency across all channels and providing products and services contributing to the sustainable development agenda.

## SUSTAINABILITY GOVERNANCE

The governance of sustainability is institutionalized in BankCom through its ESG and Sustainability Framework Manual. Sustainability is effectively overseen at the highest level, where the Board of Directors and Board-level committees have a role to play to ensure that sustainability strategies, programs, and activities are properly managed and executed.

- The **Board of Directors (BOD)** determines the overarching ESG direction, implementation, and strategies of the Bank. The Board leads the Bank's adoption of sustainability principles through incorporating them into the corporate governance framework as well as in the Bank's strategic objectives and operations, risk strategy, risk appetite and risk management policies and procedures. The Board approves the Bank's Environmental and Social Risk Management (ESRM) System and keeps track of BankCom's progress in meeting its E&S strategic objectives and targets and ensures that issues and challenges are addressed.
- Two Board-level bodies, the **Corporate Governance Committee (CGCOM)** and the **Board Risk Oversight Committee**, oversee the Bank's implementation of ESG regulations issued by the Securities and Exchange Commission (SEC) and the BSP. The CGCOM ensures that sustainability principles are integrated in the corporate governance framework, strategies, and operations. One of the duties of the CGCOM is to oversee the reporting and disclosure of ESG information. This covers adherence with

existing regulations and ethical obligations toward stakeholders. The BROCOM, on the other hand, oversees the Bank's adherence to the risk appetite statement, risk policy, and ESG-related risk limits.

- The **Senior Executive Team** is responsible for the execution of the Board-approved strategies and policies in relation to the sustainability objectives of the Bank. They ensure that the Bank's activities are aligned with the overall E&S strategic objectives and target and that methodologies and tools that will effectively identify, quantify/measure, monitor and control E&S risks are adopted.
- The **ESG Technical Working Group (TWG)** composed of heads and representatives of Risk Management Division, Corporate Communications and Consumer Protection Division, and Compliance Division. The TWG executes the approved direction and strategies as well as facilitates the adoption of tools to identify and assess E&S risks in relevant business units and oversee the formulation, approval, and implementation of policies, procedures, and processes to monitor and control identified E&S risks. The designated members apprise the BOD, CGCOM, and BROCOM on the Bank's exposures on E&S risks and status of implementation of the Bank's sustainability program.
- The **Internal Audit Division and Compliance Division** are in charge of assessing the Bank's adherence to policies related to management of E&S risks and evaluation of the effectiveness and relevance of said policies.

## RISK MANAGEMENT

### Environment and Social Risk Management System

The BSP has released a series of policies aimed at strengthening climate risk management of banks. In 2020, BSP issued Circular No. 1085 on the Sustainable Finance Framework. The Circular sets out the BSP's expectations on the integration of sustainability principles in the corporate governance and risk management frameworks as well as the strategic objectives and operations of banks. This was followed by Circular No. 1128 which provides specific guidance on how to integrate Environment and Social Risk Management in the operational risk management and credit risk management of banks. BSP also issued Circular No. 1149 outlining the expectations on the integration of sustainability principles in the investment activities of banks. BankCom complies with the requirements of the BSP and has instituted an ESRM System. Through this, the identification, assessment, and management of climate risks is integrated in the Bank's credit risk and operational risk management system.

The Bank's ESRM System covers the policies, procedures and tools that the Bank utilizes in order to identify, assess, monitor and mitigate exposures to E&S risks. The ESRM System ensures that the risk of financial loss, a weakened reputation, or diminution of stakeholder value stemming from the impact of major environmentally and socially

related incidents and national or global developments is adequately mitigated. The Bank's ESRM System is aligned with its existing enterprise risk management framework.

### Identify

The Bank's ESRM system identifies physical and transition risks that have a potential impact on its operations and portfolio. This is stated in the Bank's Risk Appetite Statement as well as in the materiality analysis conducted as part of its sustainability reporting to the SEC. For its own operations, the Bank conducts physical hazard assessments in its branch site selection and monitoring and instituted a supplier sustainability questionnaire to identify and understand sustainability risks in the supply chain.

### Assess

E&S considerations form part of the methodology of the Bank's stress testing activity under the internal capital adequacy assessment process (ICAAP). The Bank also regularly assesses E&S risks through the Bank's Risk and Control Self-Assessment (RCSA) and Business Impact Analysis (BIA) Process.

E&S due diligence is part of the Bank's initiatives under the ESRM system. This covers evaluation of Credit Risk exposures to ensure that E&S risks are adequately measured and managed. Identification of E&S risk is included in the Bank's credit templates.

### Control

The Bank's policies specify the E&S related controls, limits, approval authorities which Bank personnel should comply with, including how to evaluate E&S considerations in the clients and vendors/suppliers of the Bank. The control aspect likewise covers activities to support sustainability principles in the performance appraisal of employees.

An effective ESRM system includes mechanisms to address non-compliance promptly. This involves corrective actions, monitoring, and reporting to prevent or mitigate adverse impacts. Internal controls are documented in the relevant Bank manual and/or OPPMs. The Risk Management Division and the Compliance Division provide oversight and assurance that internal controls are adequately designed and effectively implemented to address E&S risks. The Compliance and Internal Audit Programs of the Bank cover implementation of the ESRM System and integration of ESG/sustainability principles within the Bank.

### Monitor

The Bank maintains a management and monitoring system to monitor E&S risks. The Bank prepares periodic reports to track management of Bank's E&S objectives or risks. Covering both operations and credit risk, breaches in risk limits or thresholds or non-compliance with sustainability-related standards, laws and regulations are reported to relevant Board committees and the accountable unit will be directed to develop and implement an action plan.

The Bank monitors effectiveness of management controls and continued compliance with relevant sustainability-related standards, laws and regulations.

### Report

Reporting activities include escalation and notation of potential or actual ESG issues to relevant Management-level and Board committees. Updates on such issues are to be presented on a regular basis. ESG activities are also reported to third parties such as customers, stakeholders, and regulators. Disclosure requirements and other information relevant to stakeholders are included in the Bank's Annual Report, Sustainability Report submitted to the SEC as well as in the BankCom website.

### Risk Appetite Statement

Every year or as may be required, the Bank formulates its Risk Appetite Statement to guide the decision-making on various transactions of the Bank.

For each type of risk—credit, market, liquidity, operational, information technology—a dashboard showing the current risk exposure against approved limits or risk appetite is presented to the Board Risk Oversight Committee (BROC) and the Board of Directors (BOD). Any mandates or directives from the BROC or the BOD are further tackled by the responsible Risk Management unit with the affected business or support unit. The outcome of these discussions may be further escalated to the Senior Executive Team (SET) if certain decisions are required. ESG focuses on two types of E&S risk, i.e., physical risk and transition risk.

**Physical risk** refers to the potential loss or damage to tangible assets arising from climate change and/or other weather-related conditions such as floods, typhoons, droughts, earthquakes, extreme weather variability and rising sea levels. The Bank's Risk Appetite Statement on physical risk is constructed as follows:

- Impact of physical risk shall be considered in the overall assessment of a counterparty. A commentary section or sensitivity analysis around the location of operations and/or collateral shall be included in the account officer's evaluation. The evaluation shall also include the health and safety (ex. labor conditions) of workers of the counterparty.
- On disasters, the Bank has a low physical risk appetite, which means it aims to minimize physical risks to its business operations, assets, employees, and other stakeholders. The Bank prioritizes safety and security measures to protect against natural disasters, physical damage, theft, and other physical risks that could disrupt its operations or harm its people. It ensures that it has adequate and updated business continuity plans and that any residual financial impact shall be sufficiently covered by insurance, whenever feasible.



**Transition risk**, on the other hand, refers to the potential economic adjustment cost resulting from policy, legal, technology and market changes to meet climate change mitigation and adaptation requirements. The Bank's Risk Appetite Statement on transition risk is stated as follows:

- Exposures shall be aligned with identified transition risks. Additional due diligence will be required for industries and companies with E&S risks:
  - » Environmental permits and/or certificates ("ECC") for relevant industries (e.g., Mining and Power sectors);
  - » Awareness in possible changes to regulations, technology, or market conditions and estimate potential impact to loan repayment.

#### **Breakdown of E&S Risk Exposures of the Bank per Industry or Sector**

The table below provides a breakdown of the Bank's exposure to E&S risks based on the outstanding balance of loans extended to clients falling under the industries or economic activities indicated:

Industry	% of Outstanding Loans
Electricity, gas, steam and air-conditioning supply	35.8
Real estate*	17.2
Construction	10.7
Manufacturing	10.0
Wholesale and retail trade, repair of motor vehicles and motorcycles	5.4
Information and communication	4.6
Financial and insurance	2.3
Agriculture, forestry and fishing	1.7
Mining and quarrying	1.7
Accommodation and food service activities	1.4
Water supply, sewerage, waste management and remediation activities	1.3
Transport and storage	1.2
Administrative and support services	0.5
Others**	6.2

\* Commercial and individual real estate

\*\* Professional, scientific, technical; public administration, defense, social work; education; human health and social work, arts, entertainment and recreation, other services activities

The Bank has already incorporated ESG/climate consideration in credit evaluation to identify, assess, measure, and monitor ESG/climate risks in light of its impact on the Bank's loan portfolio. The Bank performs E&S due diligence on the borrower as part of the evaluation of the borrower's creditworthiness and E&S risk profile at the beginning of the client relationship. It actively manages, monitors, and controls E&S risks both at the borrower and portfolio levels, including regular engagement with borrowers to ensure continuing alignment with the Bank's E&S strategic objectives and targets throughout the term of the loan or duration of the client relationship.

#### **CAPACITY BUILDING AND AWARENESS RAISING ACTIVITIES**

BankCom is working on increasing the knowledge and capacity of the management and employees on the topics of sustainable development, ESG, environment and social risk management as well specific topics on sustainability in the financial industry.

The ESG TWG and the Senior Executive Team attend trainings provided by universities, third-party consulting services, industry bodies, and regulators to take stock of best practices, trends, as well as upcoming policies, standards and regulations on sustainability that can be applied to the Bank.

Some of the trainings/webinars attended include:

- Asian Institute of Management's Sustainability and Sustainable Finance Training for Financial Institutions and Civil Society Organizations

- BAIPHIL Webinar on BSP Guidelines on the Implementation of the Environment and Social Risk Management (ESRM) System
- Philippine Stock Exchange – MSCI Webinar on ESG 101 for Listed Companies
- UN Global Compact Network Philippines 5th Sustainability Summit
- The Sustainability Imperative: ESG from Concept to Action, A Sustainability Management Program for the San Miguel Group Top Leaders

Starting in 2023, the Bank rolled out a Sustainability and ESG Module in the New Employees Orientation. The module introduces the topics of corporate sustainability, ESG, climate change as well as the policies and regulations covering the financial industry. The Bank also shares with new employees the Bank's sustainability focus areas and its activities. In line with the implementation of the supplier sustainability questionnaire as part of the supplier accreditation process, the Bank conducts an orientation for suppliers on ESG and sustainability, the Bank and SMC Group's commitments, and provides guidance on how to accomplish the supplier sustainability questionnaire (SQ).

The Bank considers communications to be a critical tool in instituting a sustainability culture within the Bank. It raises awareness of employees and its partners on the importance of implementing a responsible and sustainable business, and implement transparency and accountability principles by informing stakeholders on the Bank's sustainability commitment and performance. The Bank issued information materials on its Facebook page and website as well as through emails to employees.

## INFORMATION ON EXISTING AND EMERGING ENVIRONMENT AND SOCIAL RISKS

In determining material topics, BankCom reviewed which topics could have positive and negative impacts to the realization of the Bank's Vision and Core Purpose. The Bank also considered which topics could be of interest the Bank's primary and secondary stakeholders, particularly how risks and opportunities on each topic could affect the stakeholders. The Bank also looked into specific material topics in the financial industry through review of international standards on sustainability reporting, publicly available methodologies of third-party rating providers, as well as international and local regulations, particularly the circulars issued by the Bangko Sentral ng Pilipinas (BSP) on Sustainable Finance and the Implementation of the Environmental and Social Risk Management (ESRM) System.

The Bank also identified topics that contribute to the Bank's Environmental, Social, Governance (ESG) Focus Areas outlined in the Bank's ESG and Sustainability Framework Manual.

In addition, the Bank also considered the priority topics identified in the materiality analysis of our parent company, San Miguel Corporation.

This materiality process is managed by a cross-functional Technical Working Group assigned to facilitate the Bank's ESRM System. As BankCom continues to improve its processes, enhance its policies and develop responsive products and services, the Bank's materiality process and topics will be reviewed and updated accordingly.

Environment	Social	Human Capital	Leadership and Governance	Business Model and Innovation
Resource Consumption	Corporate Social Responsibility	Diversity, Equal Opportunity and Anti-Discrimination	Supply Chain Accreditation Policy	Direct economic value generated to stakeholders
Environmental Impact Management	Customer Privacy	Employee and Hiring Benefits	Business Ethics and Anti-Corruption	Products and Services Contribution to SDG
Climate Risk Management	Procurement Practices	Employee Training		
	Consumer Financial Protection	Occupational Health and Safety		

## STAKEHOLDER ENGAGEMENT

We acknowledge the critical role that our stakeholders play as the Bank's moves forward with its sustainability journey. We identified the key stakeholders that have an interest in or impacted by the Bank's performance and business operations. We aim to find synergies, address concerns, and align our actions with our stakeholders' interests and/or values.

Stakeholder	Relevant Sustainability Topics	Management Approach	Communication/ Engagement Channels
Clients/Customers	Customer Privacy	Continue to prioritize customer welfare through improving products, services, system, particularly on accessibility, privacy and data security  Ensure timely resolution of concerns and understanding of needs	BankCom Official website
	Data Security		BankCom Official Facebook and LinkedIn pages
	Consumer Financial Protection		BankCom Email Blast Facility and SMS notifications
			Client meetings
Employees	Employee Management Practices	Continuously engage with employees to understand needs or challenges  Review compensation and benefits  Provide incentives on performance and support professional development	Employee engagement activities
	Occupational Health and Safety		Internal Advisories
			Labor management meetings
			Performance Evaluation Townhalls, meetings
Shareholders/ Investors	Climate Risk Management	Provide transparent information on the company's performance  Effectively implement and consistently improve the Bank's ESRMS	Annual Stockholders' Meeting
	Resource Consumption		Investor Surveys
	Environmental Impact Management		Regular Meetings
Suppliers	Procurement Practices	Continue to increase awareness and understanding of third-party service providers and suppliers in sustainability  Continue to improve procurement processes to maintain quality and cost-effectiveness	Performance Evaluation
	Supply Chain Accreditation Policy		Suppliers Accreditation Process
			Regular meetings/ correspondences
Regulators	Business Ethics and Anti-Corruption	Continue to promote and strengthen culture of compliance within the Bank	Consultations/Surveys
	Data Security		Formal correspondence
	Consumer Financial Protection	Provide timely, complete, and transparent disclosures  Continue to monitor developments on sustainability-related policies and regulations, ensuring Bank's alignment and compliance	Annual/Quarterly Reports
	Climate Risk Management		Sustainability Report
Communities, Civil Society	Environmental Impact Management	Provide positive contributions to the environment and society through the Bank's CSR activities and financial literacy programs  Publish timely, complete, and transparent disclosures	Community engagement/ Corporate Social Responsibility activities
	Community Involvement		



## SUSTAINABILITY PERFORMANCE AND INITIATIVES TO PROMOTE ADHERENCE TO SUSTAINABILITY STANDARDS AND PRACTICES

### ENVIRONMENT

#### Energy Consumption

	2022	2023
Total electricity consumption (in kwh)	6,162,541	5,429,641
(a) Head Office	1,600,987	1,648,431
(b) Manila TAT Building	499,314	472,232
(c) Branches	4,062,240	3,308,978
Electricity use intensity (kwh/employee)	3304.31	2747.79

	2022	2023
Percentage of LED, CFL, and other energy-saving lamps to total electric lighting devices (%)		
(a) Head Office	LED (20%); CFL (80%)	LED (30%); CFL (70%)
(b) Manila TAT Building	LED (10%); CFL (90%)	LED (10%); CFL (90%)

	2022	2023
Total energy consumption (gasoline and diesel) (in liters)	28,420.25	182,942.57
(a) Head Office	17,871.45	8,627.72
(b) Manila TAT Building	2,300.00	750.00
(c) Branches	8,248.80	173,564.85

BankCom's direct environmental impact is through its business operations, primarily in the resources consumed for the effective functioning of offices, branches, data centers, and other information technology and physical facilities. BankCom uses grid electricity to power its facilities and uses fuel for bank-assigned cars used for official business activities (motor pool) as well as for the regular testing/maintenance of generator sets and use during power interruptions.

The data for 2023 is higher compared to 2022 due to improved data collection on fuel usage with the issuance of Petron cards to branch officers for official business use such as client and marketing-related travel.

As the government's policy gradually shifts towards promoting the use of energy-efficient technologies and boosting renewable energy use, BankCom may be affected in the following ways:

- Higher energy costs due to the use of outdated and inefficient technologies;
- Reputational risk when benchmarked with other organizations with more pronounced sustainability initiatives within their operations;
- Regulatory action that may come with future environmental regulations.

We aim to manage our environmental impacts by identifying and pursuing ways to reduce our operational carbon footprint through instituting resource management policies, evaluating the use of green

technologies, and participating in activities to create positive environmental impacts. ESG education for employees started in 2023. The ESG team is developing communication materials/infographics to encourage employees to be more conscious in using resources. The ESG Team, together with the Bank's General Services Division (GSD) and Branch Operation Division will look into applicable solutions and best practice recommendations to further improve sustainability in own operations.

The Bank's General Services Division, which is part of the Operations Group, monitors the energy consumption of the Bank's physical facilities. The ESG TWG works with GSD to come up with recommendations on how to manage energy consumption, e.g., shifting to LED lights, solar panels, and similar devices, and ultimately, to contribute to the achievement of the National Government's goals on energy. The Bank also conducts regular preventive maintenance of generator sets and Bank-assigned vehicles. The Bank also continues to utilize online platforms to conduct meetings and webinars, which contributes to the reduction of fuel consumption for travel.

As early as 2005, BankCom has already issued a policy on cost management. The policy prescribes specific measures to manage the usage of the lighting system, air-conditioning system, electric fans and office appliances, and water conservation. The ESG TWG is studying expanding this policy into a more comprehensive environmental management framework.

## Water Consumption

	2022	2023
Water consumption (in m <sup>3</sup> )	23,733.40	25,992.89
(a) Head Office	7,206.00	8,685.00
(b) Manila TAT Building	2,533.00	763.00
(c) Branches	13,994.40	16,544.89
Water intensity (m <sup>3</sup> /employee)	12.72	13.15

Water is used in BankCom's premises primarily to ensure cleanliness and upkeep of the facilities and maintain sanitation and hygiene for the health and safety of employees. BankCom is committed to ensure that uninterrupted and clean water supply is available to all its employees in its Head Office and Branches, while at the same time ensuring water use is kept to a reasonable volume so as not to create water stress in the areas where we operate. Since banking is not a water-intensive business, the main risk for BankCom is the possibility of water unavailability or shortages particularly in water-stressed regions where it operates, which will impact the health and safety of its employees. This risk may be exacerbated by effects of climate change, such as drought and damage to water sources from extreme weather events and flooding, as well as increased demand from growing populations and economic facilities.

The Bank's GSD and Branch Operations Division (BOPD) continue to make concerted efforts to identify and launch projects to manage water consumption of its branches and head office. This will include selecting building contractors with good track record in terms of the durability and appropriateness of materials used for installing the water connection, plumbing, and water fixtures in branches and head office facilities. To better control the Bank's water use, the ESG TWG will investigate appropriate solutions and best practice recommendations in collaboration with GSD and BOPD.

## Paper Use

	2022	2023
Paper consumption in kg	36,060	22,950
Paper intensity (kg/employee)	19.33	11.61

Paper production is associated with environmental impacts such as water stress, greenhouse emissions, and forest degradation. As BankCom commits to reducing environmental impact, measures are undertaken to limit paper consumption and paper waste. BankCom uses paper for communication with customers, issuance of statement of accounts, as well internal documents such as account statements, loan agreements, and other legal documents required to be retained by the Bank. Automation and digitalization are at the core of the innovations that the Bank is currently implementing and these activities are expected to result in lesser need for paper.

BankCom has started to roll out programs to reduce the need for paper. One example is the decision to replace paper brochures in the branches with QR-based, PDF versions which can be downloaded from the Bank's website. The Bank is also utilizing electronic statement in lieu of paper statements for trust management clients and credit card customers. Everyone is encouraged to use collaborative workspaces for business purposes, including general document review and approval, in order to minimize the amount of paper used for internal use.

## Greenhouse Gas Emissions

	2023
Direct (Scope 1) GHG Emissions (in MT CO <sub>2</sub> e)	441.95
Energy indirect (Scope 2) GHG Emissions (in MT CO <sub>2</sub> e)	3,887.73
Emissions intensity (MTCO <sub>2</sub> /employee)	2.19

In 2023, BankCom started to calculate its greenhouse gas emissions from within its own operations. The Bank's emissions arise from the use of diesel and gasoline for bank-issued vehicles and the purchase of grid electricity. Increased levels of GHG emissions emitted from the burning of fossil fuels contributes to the worsening of changes in the climate, translating to substantial negative impacts, losses and damages. The risks from GHG emissions are linked to climate change risks. These include policy and regulatory changes (i.e., pricing of emissions and additional climate reduction/transparency requirements), reputation (i.e., climate controversies), and physical risks (i.e., damage to assets, disruption of operations due to extreme weather events).

As part of BankCom's climate risk management, the ESG TWG together with GSD and BOPD monitors the emissions coming from the Bank's own operations. It is also in charge of preparing a strategy for integrating sustainability in the Bank's own operations, including the mechanism to reduce energy use and transition to low-carbon technologies.

## SOCIAL

### Corporate Social Responsibility

The Bank's CSR program has contributed to community development and environmental stewardship through events organized in partnership with San Miguel Foundation. For more information, **see Corporate Social Responsibility Section.**

	2023
Total volunteers	95
Total volunteer hours	1,045
Total number of donors of in-kind donations	42
Total value of cash donations	Php 162,900

BankCom ensures that its CSR activities are strategic and aligned with the Bank's core values. The Bank has instituted a CSR policy framework that will serve as a guiding document on the implementation of CSR activities. The Bank's CSR activities focuses on expanding its financial literacy activities, supporting community development, and promoting environmental sustainability.

### Customer Privacy

	2023
Number of personal data breaches, including leaks, thefts and losses of data	0

Data security, along with data privacy, are among the top material risks for financial institutions. It refers to the risks that could lead to the unauthorized collection, use, disclosure, or access of personal data. It includes the risks that the confidentiality, integrity, and availability of personal data will not be maintained, or the risk that processing will violate the rights of data subjects or the privacy principles such as transparency, legitimacy, and proportionality. Financial institutions are frequently targeted by cybercriminals because they hold sensitive and private client data. Financial losses may arise from data breaches and consumer data losses as a result of reputational harm and legal and regulatory repercussions.

BankCom is committed to protecting clients' personal data and fully complies with the requirements of the Data Privacy Act of 2012. The Bank's Privacy Policy provides consumers guidance on the Bank's use of personal data, including approach for collection, sharing, and retaining data. The Bank's Data Privacy Officer (DPO), under the Compliance Division is in charge of monitoring the Bank's compliance with regulatory rules and regulations by the National Privacy Commission and BSP, among others. The Bank's DPO and Data Privacy Statement are registered with the National Privacy Commission.

The Bank implements an IT security program composed of the Bank's policies and process to protect its information assets and IT resources. The program includes physical and technical safeguards covering topics such as, but not limited to, physical security, software and hardware controls, backup, storage, disposal and disaster security,

internet and network security. This also covers personnel responsibilities such as IT asset management, information security trainings and incident management.

The program is complemented by an IT risk management system. The strategies to implement IT security policies and procedures include conducting risk assessments, vulnerability assessments, monitoring, and logging IT activities, and developing and implementing disaster recovery plans.

The Digital Services Group leads in the enhancement of the Bank's IT systems and processes to ensure compliance with data security regulations, expanding the Bank's financial technology solutions and ensuring efficient service to our customers. **See additional info on Operational Highlights: Digital Services Group.**

### Consumer Financial Protection

	2023
Percentage of complaints lodged in the Consumer Assistance Management System resolved within turnaround time <sup>1</sup>	95%

<sup>1</sup> The Consumer Assistance Mechanism System provides support and resolution for consumer issues and complaints related to products or services. It typically involves a process for consumers to report grievances, seek assistance, and receive resolutions from relevant business units. The Bank is required to notify the clients of the investigation result within 3-5 banking days.

BankCom is committed to protecting consumers' right to access accurate, and complete information regarding the products and services they avail from the Bank. Consumer protection principles are considered in product development and design, labeling and advertising, as well as in customer interactions. Aggressive selling practices, including the use of misleading or deceptive statements that hinder customers from making informed decisions, are not condoned by the Bank.

BankCom ensures it complies with BSP regulations on financial consumer protection: BSP Circular Nos. 857 and 1048 (BSP Regulations on Financial Consumer Protection), and the recent release of BSP Circular No. 1160 (Regulations on Financial Consumer Protection to implement Republic Act No. 11765, also known as the "Financial Products and Services Consumer Protection Act"). BankCom's business activities are guided by FCP standards on protecting the rights of consumers to equitable and fair treatment, disclosure and transparency of financial products and services, protection of consumer assets against fraud and misuse, data privacy and protection and timely handling and redress of complaints. See section on **Consumer Financial Protection.**

### HUMAN CAPITAL

To ensure that BankCom operates at an optimum level and delivers outstanding performance, there is a need for talented and highly skilled individuals with a strong work ethic and professionalism as well as skills in client relations, strategy, communication and critical

thinking. Beyond attracting the right individuals, it is also critical to sustain the Bank's capacity to operate and perform at a high level through cultivating and retaining committed and loyal employees. A key factor particularly in recruitment, engagement, and retention is the quality and

competitiveness of the Bank's benefits program. BankCom offers its employees a comprehensive remuneration and benefits package that is regularly reviewed to ensure competitiveness with the industry.

	2022	2023
Total number of employees	1,865	1,976
Female	1,160 (62.20%)	1,210 (61.23%)
Male	705 (37.80%)	766 (38.76%)
Attrition rate (in %)	17.28%	15.73%
Ratio of compensation of lowest paid employee versus minimum wage		
Probationary employee	111%	106%
Regular employee	120%	102%

### Compensation and Benefits

	2022		2023	
List of Benefits	Number of male employees who availed for the year	Number of female employees who availed for the year	Number of male employees who availed for the year	Number of female employees who availed for the year
SSS (loans)	139	265	116	236
PhilHealth (certifications)	11	49	33	75
Pag-IBIG (loans)	59	128	56	127
Solo Parent Leave	2	17	2	22
Maternity Leave	-	61	-	51
Paternity Leave	35	-	32	-
Vacation Leaves	642	1073	439	647
Sick Leaves	394	681	301	455
Medical Benefits (aside from PhilHealth), SSS Sickness & Maternity	34	87	41	124
Housing Assistance (aside from Pag-IBIG)	285	492	323	508
Retirement Fund (aside from SSS)	49	112	50	110
Further Education Support	4	2	2	2
Company Stock Options	Not offered		Not offered	
Telecommuting	Not offered		Not offered	
Flexible Working Hours	Not offered		Not offered	
Others				
Life Insurance	1	0	1	1
Accident Insurance	0	0	2	0
Emergency Leaves	327	580	335	532
Rice Subsidy	322	563	317	574
Clothing Allowance (in Kind / in Cash)	667	1108	725	1132
Burial Assistance (Employees / Dependents)	12	31	19	49



On the area of compensation and benefits, BankCom provides its employees competitive remuneration—with base pay, healthcare benefits and bonuses comprising its overall compensation package. Staff (rank-and-file) compensation is aligned to the collective bargaining agreement.

BankCom's compensation package goes beyond salary and statutory benefits. BankCom's benefits package, depending on position and rank, includes various affordable financing programs; health management organization (HMO) program for employees and qualified dependents; life insurance, medical and optical allowance, study leave and scholarship reimbursement, as well as food allowances/free lunch. The Bank also maintains a retirement program which is managed professionally.

The Bank also looks into upskilling/capacity building and employee engagement as a way to retain employees. HRMDD has launched programs aimed at employee development and retention including free virtual, onsite, and offsite training for all levels of employees; management development programs for senior executives at the country's prestigious business-oriented academies; tuition reimbursements for employees taking up masters education; regular job evaluation to recognize expanded roles; employee engagement activities such as appreciation month; and various medical and mental health awareness programs. This will be further discussed in the succeeding section.

Finally, HRMDD continues to maintain good relations with the BankCom Employee Union (BCEU) through regular engagement meetings with HR Leaders. The BCEU represents Rank and File Employee (781 personnel or 40% of all employees). In 2023, the HRMDD conducted six (6) monthly meetings with the BCEU and one (1) Labor Management Council Meeting. As of the end of the year, no outstanding employee grievance was reported.

### Training and Development

2023

Total training hours <sup>2</sup>	60,614 hours
Average Training Hours per Employee	31 hours
Percentage of Employees receiving Performance Reviews and Career Development Reviews	100% of eligible employees

<sup>2</sup> Training refers to all types of trainings: all types of vocation training and instruction, trainings on specific topic, including paid trainings or education pursued externally and paid for in whole or in part by the organization.

	2022	2023
Percentage (%) of Employees Offered E-Learning Training on:		
a. Information Security Awareness	100%	100%
b. Financial Consumer Protection	100%	100%
c. Business Continuity Management	100%	100%
d. Anti-Money Laundering	100%	100%

BankCom advocates training and employee development to meet the objectives of providing employees with skills and competencies to be future-ready at the same time enabling the Bank as an organization to deliver on its mission and purpose for its customers and other stakeholders. Providing training and development opportunities is also part of the employee engagement as it communicates the Bank's intention to support the career advancement and well-being of employees.

BankCom employs a strategic training management approach whereby high-potential and high-performing employees are determined through an appraisal system that measures performance in the areas of achieving financial goals, strengthening internal business processes, and enhancing visibility and relevance to customers. Based on these areas, an employee's strengths and potentials are identified and matched against a career path to determine gaps that can be addressed through external training, on-the-job mentoring, and other forms of management interventions. These are articulated in a Development Action Plan (DAP).

BankCom, through HRMDD's leadership, conducted several trainings directed to advancing employees' technical and functional competencies and sponsored external trainings on areas of operations, compliance and all other relevant areas of knowledge in Banking such as AML/CTF, auditing, accounting, risk management, cybersecurity, data privacy and sustainability among others.

For the Senior Executive Team and selected officers, the Bank through HRMDD has also arranged leadership programs as well as executive training such as the Executive Management and Development Program of the Asian Institute of Management through the auspices of San Miguel Corporation's Corporate Human Resources (SMC Corporate HR).

For mandatory trainings required by BSP, such as on anti-money laundering, information security risk, financial consumer protection, and data privacy, HRMDD has rolled out the E-Learning Module, a browser-based training platform with post-training exam. The ESG team, together with HRMDD, has incorporated a Sustainability and ESG Module in the NEO. The ESG team likewise participates in external trainings and workshops and in doing so, has gathered information on ESG frameworks and best practices for banks that can be integrated into BankCom either through capacity building/training or technical solutions. The Team is expected to roll out a specialized training plan on ESG and sustainability for existing employees.

## Diversity and Equal Opportunity

	2022	2023
Workers in the workforce (%)		
Male	37.80	38.77
Female	62.20	61.23
Rank and File (%)		
Male	36.64	36.21
Female	63.36	63.79
Junior Officers (%)		
Male	36.87	38.82
Female	63.13	61.18
Senior Officers (%)		
Male	50.00	57.47
Female	50.00	42.53
Senior Executive Team (%)		
Male	73.68	68.42
Female	26.32	31.58
Board of Directors (%)		
Male	73.33	73.33
Female	26.67	26.67

The Bank provides equal employment opportunities to employees and applicants. Recruitment, compensation, training and development are based on the personal skills, knowledge, and capabilities of each candidate. Selection in key positions, promotions, and transfers is open to all qualified candidates and employees and is based solely on merit and aptitude.

The Bank does not condone discrimination. BankCom abides by related Philippine laws such as the RA 6725 Prohibition of Discrimination Against Women, RA 7877 Anti-Sexual Harassment Act, RA 8972 Solo Parents'

Welfare Act, RA 10911 Anti-age Discrimination in Employment Act, and RA 7277 Magna Carta of Disabled Persons.

The Bank has a Sexual Harassment Policy since 2002. This states the types of harassment covered, the process of investigation, as well as provisions on education and training. The Bank's Whistleblowing Policy applies to criminal offenses and acts that pose serious threat to the well-being and safety of any persons, covering incidents of discrimination and sexual harassment.

## Occupational Health and Safety

	2023
Employees covered by an Occupational Health and Safety (OSH) System	100%

As a recognized human right, initiatives that safeguard employees' health, safety, and well-being are prioritized at BankCom. Beyond national regulations requiring companies to institute an Occupational Health and Safety System, BankCom actively works beyond the prevention of harm but also in promoting and securing physical and mental health for our employees. BankCom's commitment to health and safety is integrated in its policies and programs on internal communications, risk management and employee engagement.

The Bank implements an annual Occupational Health and Safety Program covering its Head Office and all branches. It conducts a hazard and risk assessment to identify health and safety hazards and risks and corresponding control measures.

All employees are required to undergo annual medical examination, including drug testing to support in early detection and management of occupational and work-related diseases. The Bank provides first-aid, medicines,

and healthcare facilities through an in-house clinic and a health management organization insurance covering emergency medical services. The Bank has trained safety officers and first aiders deployed in its Head Office and branches. The Bank has a data management system regularly monitoring work accidents and illness exposure.

The Bank has policies in place to cover promotion, prevention and control:

- Drug-free Workplace Policy and Program in compliance with RA 9165
- Workplace Policy and Program Human Immunodeficiency Syndrome (HIV/AIDS) in compliance with (RA 8504) RA 11166
- Workplace Policy and Program on Tuberculosis in compliance with EO 187-03

- Workplace Policy and Program on Hepatitis B in compliance with DOLE Advisory No. 05 Series of 2010
- Covid-19 Prevention & Control Policy

The Bank, through its designated Health Maintenance Organization (HMO), provides regular employees a medical insurance and healthcare plan covering emergency, outpatient and in-patient care. The healthcare plan also covers direct dependents.

All new employees are required to undergo an Occupational Health and Safety training, as part of the NEO. Safety drills for fire and earthquakes and other emergency incidents are also conducted. Seven (7) drills were conducted in 2023. The HRMDD regularly issues Safety and Health Bulletins to heighten employee awareness on common health concerns and provides advice on how to live a healthy lifestyle.

## LEADERSHIP AND GOVERNANCE

### Procurement Practices

Percentage of procurement budget used for significant locations of operations that is spent on local suppliers <sup>3</sup>	2022	2023
<b>a. Construction</b>	67%	43%
<b>b. Consumables</b>	100%	100%
<b>Percentage of local/Philippine-based suppliers that underwent the accreditation process in 2023</b>	97%	

*The data covers both capital expenditure such as for branch renovations/repairs including updating of signages and other branding elements, and operating expenses such as replenishment of pre-printed forms and other transaction media used in branch over-the-counter transactions.*

Bank of Commerce procures majority of its suppliers and services from local businesses, contributing to the economy in areas where BankCom operates. The Bank also supports small and medium enterprises through its procurement activities. Procurement from local suppliers also helps support the environment through lower carbon footprint resulting from lower transportation costs, compared to procuring goods and services from foreign sources.

While local procurement mitigates certain risks compared to foreign sourcing, the Bank may still be exposed to certain risks that may affect the effectiveness and quality of the supply chain. Any material deviation from policies and processes in supplier selection, negotiation, and delivery of materials and services concerned may severely affect the Bank's reputation.

BankCom has an established procurement process as well as an accreditation process for new suppliers. This ensures that the sourcing of services and materials is fair, cost-effective, and consistent with standards for quality and track record. On a yearly basis, third party service providers are subjected to a performance evaluation conducted by the concerned business or support unit. The results of the performance evaluation are used in making decisions

when new requests for materials or services are submitted for canvassing.

BankCom recognizes that organizations may have indirect environmental impacts through its business relationships, particularly through its supply chain. Beyond ensuring the quality or technical capability of products and services offered, it is now critical to ensure that vendors and third-party service providers are aware and are transparent of their environmental and social impacts, and to encourage them to start taking steps to manage these impacts by integrating sustainability into their own operations. Sustainable and responsible sourcing and supply chain management start with understanding the extent of environmental and social impact of suppliers and encouraging them to rethink unsustainable practices through raising awareness on sustainability. These steps are integrated in the supplier accreditation process of BankCom.

BankCom has updated the supplier vendor accreditation process to include requirements for ESG disclosures:

- Suppliers are required to submit a supplier sustainability questionnaire (SSQ). The SSQ is a tool that helps the Bank understand the environmental and social practices of its suppliers and how they manage sustainability-related risks in their business activities.

- Suppliers are also required to acknowledge the Bank's no-gift policy which prohibits all employees and their immediate families from soliciting gifts, favors, and services starting with any current or potential third-party provider.

The Bank's SSQ and No-Gift Policy are communicated to all suppliers undergoing accreditation by the Procurement Management Department. Suppliers are required to provide documents such as a Business Continuity Self-

Assessment and a Risk Profile Self-Assessment which requires information on risk topics such as human capital, information security and physical hazards.

The Bank conducts an orientation for suppliers on ESG and sustainability, the Bank and SMC Group's commitments, and provides guidance on how to accomplish the SSQ. Further supplier engagement and communication initiatives will be planned such as additional awareness trainings and/or regular sustainability-related advisories.

## Business Ethics and Anti-Corruption

### Training on anti-corruption policies and procedures

	2022		2023	
Percentage of employees to whom the organization's anti-corruption policies and procedures have been cascaded	100%	1920 qualified employees	100%	1976 qualified employees
Percentage of directors and management that have received anti-corruption training	100%	18 SET 15 BOD	100%	18 SET 15 BOD
Percentage of employees that have received anti-corruption training	100%	1920 qualified employees	100%	1976 qualified employees
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been cascaded	100%	Policy is required to be signed by all existing/active suppliers and service providers	100%	Policy is required to be signed by all existing/active suppliers and service providers

### Incidents of Corruption

	2022	2023
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0

BankCom believes that banking is a public trust. BankCom, as a financial institution, places the interests of its customers and the public at the forefront of its existence. It firmly believes that maintaining public trust necessitates unwavering integrity, proven expertise, and dedicated effort. The Bank's core values revolve around enhancing the lives of its stakeholders, keeping their trust, striving for excellence, while ensuring prudence. BankCom does not tolerate bribery and corruption and is seriously committed to prevent money laundering, terrorist financing and proliferations financing. The Bank upholds the highest moral standards in the way it conducts business and makes sure it doesn't become a channel for illicit funds or a victim of money laundering. Its policy commitments are backed by its strong risk management and compliance programs against such unethical and illegal activities. These topics are a key focus of the Bank's corporate governance, risk management, compliance and human resource management programs.

The Bank has various policies in place to ensure that the bank's actions and decisions comply with high standards of integrity and follow ethical and legal approaches.

- **Trust Investments Guidelines** for BankCom employees, including portfolio managers and traders covers instances of processing transaction belonging to the employee, relatives and related entities. BankCom employees are prohibited to use Bank proprietary information and other non-public information to advance their own interest.
- **Related Party Transactions Policy** ensures that certain transactions involving Related Parties that present a heightened risk of conflicts of interest or the perception thereof are entered into on arm's length bases and are consistent with the Bank's and its stakeholders' best interests.
- **Policy on Interlocking Positions and Secondment of Director and Officers** aims to manage conflicts of interest that may arise from interlocking positions of the Bank's Directors and Officers to comply with the highest standards of integrity while at the same time allowing entities within the conglomerate to benefit from organizational synergy or economies of scale and effective sharing of managerial and technical expertise.



- **Code of Professional and Ethical Standards for Treasury Personnel** covers responsible marketing and sales, insider trading, fair dealing, disclosure of conflicts of interest, among others.
- **Policy on Solicitation or Acceptance of Gifts** prohibits soliciting and accepting gifts, favors and entertainment, including sponsoring of non-company activities and events.
- The Bank's **Code of Conduct** reiterates that employees should exercise responsible and ethical business practice, including avoiding conflict of interest. New employees are required to acknowledge the Code of Conduct during onboarding.

The Bank regularly reviews its policies, updates it whenever necessary, and communicates it to all the officers and employees of the Bank through regular advisories and an annual training program.

The Bank has a **Whistleblowing Policy** that enables the protection of “whistleblowers” and conduct of due process in case of reports by employees and third parties on the commission of fraud, criminal offenses, corruption and bribery, serious danger, disregard of Bank policy, or deliberate concealment of the foregoing, by an employee or unit of the Bank. The Bank provides confidential channels for reporting persons and has a policy against reprisal or retaliation.

## Climate Risk

### Governance

The role of governance bodies and senior management in assessing and managing climate-related risks and opportunities is captured in the Bank's Environmental and Social Risk Management (ESRM) Framework, embedded in the Bank's ESG and Sustainability Framework Manual (“ESG Manual”).

### Strategy

BankCom is aware that environmental concerns and climate change could seriously jeopardize the long-term viability of its core business and financial stability. First, there is a chance that the company could suffer financial losses as a result of structural damage brought on by earthquakes, flooding, and other extreme weather events. Second, when climate, environmental, or social risk impacts borrowers and/or their collateral, the lending institution's financial stability is put at risk.

BankCom is cognizant that environmental risks translate to financial risks, as both transition and physical risks affect businesses, households and the economy. This will ultimately affect BankCom's level of exposure to financial, operational, and other types of risks.

Risk	
Technology	Cost requirements to transition to lower carbon operations
Policy and Legal	Energy transition policies such as carbon tax, enhanced disclosure requirements on emissions
Market	Shifting sentiment for high carbon companies, increased cost of input materials which can affect borrowers
Reputation	Negative stakeholder feedback and/or increased investor concern/oversight
Acute Physical	Damage to property and assets arising from increased severity of extreme weather events
Chronic Physical	Changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures and sea levels, affecting operations, facilities, resulting in loss/lower value of certain assets and that of our clients
Opportunities	
Resource Efficiency	Reduction of energy consumption
Energy Source	Use of green/low carbon sources resulting in energy efficiency and cost savings
Product and Services	Development of green products and services that cater to shifting consumer preferences and support sustainability initiatives of corporate clients

At the strategic level, both physical and transition risks are included in the formulation of BankCom's Risk Appetite Statement. It guides the decision making on various transactions of the Bank for each type of risk—credit, market, liquidity, operational, reputation, information technology. Further, climate considerations form part of the methodology of the stress testing activity under the internal capital adequacy assessment process (ICAAP). Credit stress test scenarios were applied to the high-risk industries in the Bank's portfolio that are particularly vulnerable to ESG factors such as climate change, social concerns and governance issues.

## Risk Management

The identification, assessment, and management of climate risks is integrated in the Bank's Environmental and Social Risk Management System. **See more information in the ESRM Section.** For its own operations, the Bank conducts physical hazard assessments in its branch site selection and monitoring and instituted a supplier sustainability questionnaire to identify and understand sustainability risks in the supply chain. BankCom also regularly assesses and monitors climate risks through the Bank's Risk and Control Self-Assessment (RCSA) and Business Impact Analysis (BIA) Process.

Physical risks from climate change are considered in the Bank's Business Continuity Plan. BankCom has a Business Continuity Management (BCM) Committee headed by the Branch Banking Group Head and composed of BankCom senior executives, managers, and employees in critical positions. The BCM Committee provides direction and decision-making on proposals for new or amended business continuity facilities and policies, disaster recovery (DR) testing activities, and IT infrastructure requirements.

## Metrics and Targets

On metrics and targets used to manage climate-related risks, BankCom has set a limit to funding non-renewable energy sources (in Peso amount) that is aligned with the Department of Energy projections under a Clean Energy Scenario. Further, starting 2023, the Bank measured the CO2 equivalent of its Scope 1 and 2 greenhouse gas emissions. The Bank is in the process of preparing a climate change strategy starting with the collection of baseline data on the aggregate emissions and emissions intensity of its operations and value chain and conduct of climate risk assessments.

## BUSINESS MODEL AND INNOVATION

### Direct Economic Value Generated and Distributed

Disclosure	2022 (in million Pesos)	2023 (in million Pesos)
Direct economic value generated (revenue)	8,117	9,975
Direct economic value distributed:		
a. Operating costs, including payments to suppliers and third party service providers	5,484	6,159
b. Employee wages and benefits	1,905	2,258
c. Interest payments <sup>4</sup>	1,283	3,466
d. Taxes paid/remitted to the government <sup>5</sup>	1,482	1,861

<sup>4</sup> 2022 data updated to include the following: deposits, bonds and bills payable

<sup>5</sup> Provision for income tax, license payments and real property tax

As a universal bank, Bank of Commerce plays a critical role in economic growth through its delivery of financial services all across the country. BankCom has been instrumental to the viability and continued expansion of small- and medium-scale industries, middle market establishments, and large corporates and conglomerates in various sectors, including beverages, food, packaging, energy, fuel and oil, infrastructure, property development and leasing, cement, car distributorship, and related financial services. Through its deposit, consumer credit, and corporate lending, trade, investment banking, trust, treasury management and remittance facilities, the Bank has enabled Filipino individuals and companies to achieve their financial goals and meet day-to-day transactional requirements. With a network of 140 branches located nationwide and online banking channels, BankCom provides retail and institutional financial consumers secure and efficient access to professionally designed and executed financial products.

BankCom continues to identify and develop new ways to enhance shareholder value and maintain significant and sustainable profitability and growth. Priority strategies include strengthening core business income, optimizing cross-selling activities, ramping up participation in capital markets, innovation of products and services, developing SMC ecosystem and affiliates to support loans expansion. **See more information on Key Business Areas**

## PRODUCTS AND SERVICES ALIGNED WITH SUSTAINABILITY STANDARDS AND PRACTICES

### SDG Portfolio

BankCom's products and services contribute to the sustainable development goals.

#### 1. Bank Accounts

BankCom provides various types of banking accounts:

- Savings Account with Debit Card (Mastercard)
- Savings Account with Passbook
- Savings Account Plus
- Checking Account
- Complete Checking Account
- Executive Payroll Account
- US Dollar Savings Account
- Euro Savings Account
- Yuan Savings Account
- Junior Smart Savers Savings Account
- One Passbook Investment Account

BankCom supports customers in building financial resiliency through savings by offering easily accessible, low maintenance savings and deposit accounts that cater to different populations, such as employees, students, and business owners. This helps the company contribute to SDG 1. It also helps achieve SDG 8 since it gives small enterprises the financial credibility and savings they need to make capital expenditures that will grow their operations and eventually lead to the creation of jobs.



#### 2. Consumer Loans

BankCom also provides home, automobile, and salary loans for individual customers around the country. The Bank maintains partnerships with real estate developers as well as automobile dealers through its account officers to capture the market.

These products align with SDG 1 as it contributes to improvement in living standards through homeownership and increased mobility options for individuals. Salary loans foster economic resilience by reducing the reliance on predatory lending options. These accessible and fair financial solutions contribute to social equality and stability which is aligned with the goal of SDG 8.



#### 3. Branch Banking

With a network of 140 branches, BankCom provides a consistent and comprehensive financial experience for individual and business clients.

For clients who transact with merchants or other customers, these branches service their deposits to fund their personal or operating accounts, facilitate withdrawal through over-the-counter (OTC) or onsite ATMs, accept check clearing and encashment, and fulfill various account-related requests. BankCom also services the needs of business customers through its check releasing counters, deposit pickup facilities, and account maintenance for auto-credit and auto-debit arrangements performed by branches.

By facilitating other products and services such as deposit and savings account and consumer, BankCom's branch networks support relevant SDGs 1 and 8.



#### 4. Remittance Products

- SIKAPPINOY OFW Savings Account
- SIKAPPINOY Domestic Remit
- SIKAPPINOY International Remit
- E-Government Payments of OFWs

BankCom develops and manages tie-ups with various partners to facilitate remittances from overseas Filipino workers (OFWs) mostly from the Middle East through its SIKAPPINOY Asenso program.

An all-in-one service to help OFWs and their families handle their hard-earned money in the most convenient, secure, and smart way possible towards establishing a business of their own. Beyond providing a savings account and accessible remittance channels, SIKAPPINOY Asenso Program includes assistance to access business franchising opportunities (e.g., U-Franchise and Potato Corner for qualified BankCom OFW account holders).

This program helps Filipinos living abroad and their families manage their remittances, save money, and make investments. This primarily supports SDG 1 as it makes it easier for money to be transferred to OFW families in need and promotes saving and investing, which helps the OFW and their families become financially resilient over the long term and end poverty cycles. Remittance channels support the macroeconomic growth and stability of the Philippine economy by

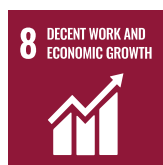
facilitating the transfer of capital (SDG 8). Remittance schemes help OFWs and their families become more integrated into the financial system (SDG 10).



## 5. Digital Channels

BankCom's electronic banking channels consist of a mobile app and online banking channel designed for retail or individual customers, i.e., BankCom [Personal], a web-based channel specially made for corporate or institutional accounts, i.e., BankCom [Corporate], ATMs (and soon, Cash Recycling Machines or CRMs), and point-of-sale (POS) terminals.

The objective of strengthening domestic financial institutions to increase access to banking, insurance, and financial services is supported by BankCom's digital banking channels (SDG 8). These channels guarantee easy, quick, and accessible access to BankCom's services.



## 6. Financial Literacy Program

BankCom's Financial Literacy Program is a comprehensive initiative designed to empower individuals with essential financial knowledge and skills. Through interactive workshops, educational resources, and tailored courses, the program aims to enhance understanding in budgeting, investing, and responsible financial management.

In order to reduce poverty and increase financial resilience (SDG 1), BankCom works to empower adults with greater financial literacy, which in turn helps them make better financial decisions. By giving people from all backgrounds access to financial information and skills (SDG 4), financial literacy also helps to reduce inequality (SDG 10).

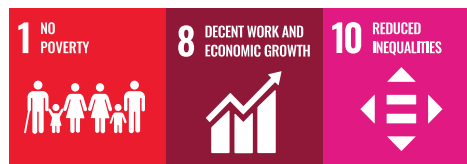


## 7. Loans for small enterprises

- Small Business Loan – Term Loan
- Small Business Loan – Business Credit Line

By offering loans to small businesses, BankCom advances the national financial inclusion strategy. It also promotes SDGs 1 and 8, which aim to reduce poverty by fostering the expansion of small businesses and the generation of jobs.

Because it gives small businesses access to capital, it also advances SDG 10's objective.



## 8. Corporate Loans

BankCom extends loans and other credit facilities to corporate, institutional, and middle market clients to support their working capital and/or capital expenditure requirements. Corporate lending may be in the form of term loans, credit lines, or project finance.

The Bank's financing portfolio includes, among others:

### • Agriculture, Forestry, and Fishing

The Bank's Agriculture, Forestry, and Fishing (AFF) portfolio is composed of companies involved in crop and animal production, fishing, and aquaculture. AFF companies directly support SDG 2 on ensuring access to safe and nutritious food.

Some of these companies have integrated sustainability into their production processes which contributes to the goal of SDG 2 and 12 on sustainable agriculture and responsible consumption and production, respectively. Examples include eco-friendly land preparation, use of sustainable planning materials, water source and plant disease management, and food waste reduction through upcycling and food donations.



### • Construction

Majority of the companies under the Construction Portfolio are general construction, engineering, and contracting services, which consistently contribute to the economy through providing employment opportunities (SDG 8). Several companies are involved in activities that support the SDGs, such as construction for wind energy, road transport, urban mass rail transit, and building of LNG terminals and import facilities. These contribute to SDG 7 in ensuring access to sustainable energy sources, SDG 11 in creating inclusive, resilient and sustainable urban environments, and SDG 13 in supporting the transition to clean energy.





- **Electricity and Gas including renewable energy (hydropower, solar, battery and other energy storage systems)**

The Bank's Electricity and Gas portfolio is comprised of companies in Development and Operation of Liquefied Natural Gas (LNG) Terminal Facilities, Power Generation, Wholesaler of Electrical Power, Power Transmission Service Provider. Forty-two percent (42%) of the Electricity and Gas Portfolio is composed of companies involved in battery energy storage systems, renewable energy projects covering wind, hydro, and solar, contributing to the National Renewable Energy Program 2020-2040 targets and SDG 7 on providing clean and modern energy sources and relevant infrastructure as well as the climate action agenda under SDG 13.



- **Financial and Insurance Activities**

The Bank extends financing to other financial institutions, including thrift and retail banks. These banks provide salary loans for teachers, school personnel, and government employees, as well as general motorcycle loans for employed or self-employed individuals, sole proprietors, pensioners, remitters, and corporations, contributing to SDG 1 through providing access to finance as well as to mobility options for individuals.



- **Manufacturing (e.g. Food and Beverage, Textile, Apparel, Furniture)**

Manufacturing industry contributes to economic growth through employment and income generation. The Bank finances manufacturing companies from large industrials to small and medium enterprise contributing to SDG 1 and 8. The Bank also supports food and beverage companies contributing to SDG 3.



- **Commercial Real Estate**

BankCom's commercial real estate portfolio is 9.5% of its total portfolio. The Bank lends to corporate customers comprising of Property/Real Estate Developers, Real Estate Commercial Developing/Leasing Mall/Retail Developing and Operation, Real Estate Leasing/Rental, Real Estate Lessor, Real Estate Selling and Developing. Many of these customers which are developers have embraced sustainability in planning and designing human settlements including construction of certified green buildings which makes use of low carbon, energy efficient design and technologies. The Bank also finances real estate developers focused on affordable or mass housing, contributing to SDG 11 in creating sustainable urban infrastructures and provision of safe and affordable housing.



- **Water supply, sewerage, waste management and remediation activities**

BankCom's Water Portfolio includes customers providing bulk water supply facilities and wastewater and sewerage treatment firms contributing to SDG 6, ensuring availability and sustainable management of water and sanitation.





# Corporate Governance

## MANUAL ON CORPORATE GOVERNANCE

The Bank has adopted a Manual on Corporate Governance ("Manual"), which institutionalizes the principles of good corporate governance in the entire organization. It emphasizes the Board of Directors' Commitment to prudently manage the Bank thereby preserving the trust and confidence reposed on it by its clients and stakeholders. The Bank believes that it is a necessary component of sound strategic business management, hence, we undertake efforts to create awareness within the organization.

The Manual formalizes the principles of sound corporate governance to be observed across all segments of the entire Bank. Corporate governance being a necessary component of sound strategic business management, the Bank's directors, officers and employees are expected to exert every effort to foster awareness and consistent implementation thereof on a continuing basis.

The Manual is reviewed and updated annually to capture current and best practices and recent regulatory updates issued by the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC). Proposed

amendments thereof are presented to and approved by the Board as reviewed and endorsed by the Corporate Governance Committee.

## BOARD GOVERNANCE

Setting the tone from the top, the Board of Directors (the Board) is primarily responsible for the sound governance of the Bank. It approves and oversees the implementation of the Bank's strategic objectives. Aware of its duty of setting the policies for the accomplishment of corporate objectives, the Board fosters the long-term success of the Bank and sustains its competitiveness and profitability in a manner consistent with its corporate objectives and the best interest of the stockholders. The Board likewise conducts an independent check on Management.

## BOARD OF DIRECTORS

The Bank's Board of Directors (BOD) is composed of fifteen (15) members. The Board is a healthy mix of individuals with diverse experiences, backgrounds, and perspectives and a combination of executive and non-executive directors such that no director or small group of directors dominates the decision-making process. Five (5) of the total Board seats are independent directors.



This number of independent directors is compliant with the representation of independent directors required by the Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC) rules and regulations. All directors were chosen based on integrity, probity, market reputation, conduct and behavior, relevant education and training, physical and mental fitness, knowledge and relevant experience.

They possess such qualifications and stature that enable each of them to effectively participate in the deliberations of the Board. Prior to election as a Director, any nominee or candidate passes through the evaluation of the Nominations, Compensation, and Remuneration Committee (NCRC).

The Chairman of the Board provides leadership in the Board of Directors. He ensures effective functioning of the Board, including maintaining a relationship of trust with members of the Board, and steers it toward an effective performance of its bounden duties. Consistent with the Corporate Governance Principle under the Manual of Regulations for Banks (MORB), the Chairman of the Board is an independent director who has not served as CEO of the Bank within the past three (3) years. In his absence, the Vice Chairman of the Board is responsible for overall governance of the institution. The Bank's Chief Executive Officer is responsible for day-to-day management of the Bank.

The Bank's Independent Directors, apart from possessing minimal shareholding, are independent of management and free from any business or other relationship with the Bank, other than transactions which are conducted at arm's length, and could not interfere with their exercise of independent judgment when carrying out their responsibilities as directors. Further, they are not retained professional advisers or consultants of the Bank, not a nominee of any director or substantial stockholder, nor member of any advisory board. Independent Directors only serve as such for a maximum cumulative term of nine (9) years reckoned from 2012, after which, they shall be perpetually barred from serving as Independent Directors but may continue to serve as a regular director of the Bank.

The above term limit is consistent with SEC Memorandum Circular No. 4 dated March 9, 2017 and BSP Memorandum 2021-025 dated April 23, 2021, which stated that an independent director shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director.

The Board has also adopted a Policy on Interlocking Positions and Secondment to provide guidelines on the maximum number of directorships in other entities that its members can hold, taking into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities as director of the Bank.

Directors are expected to act in the best interest of the Bank and in a manner characterized by transparency, accountability, and fairness. As a member of the Board upon which the corporate powers of the Bank rest and are exercised, and through which the Bank's strategic objectives, risk appetite/strategy, corporate governance and corporate values are set, a Director should demonstrate leadership, observe prudence, exercise sound and objective judgment, and maintain integrity in directing the Bank toward sustained progress. The Board formulates the Bank's vision, mission, strategic objectives, policies, and procedures that guide its activities, including the means to effectively monitor Management's performance.

To effectively carry out their duties and responsibilities, the members of the Board are required to attend a program on corporate governance conducted by a duly accredited training service provider by the BSP. To maintain their professional integrity, enhance their skills and knowledge, understand the activities that the Bank is engaged in or intends to pursue, and keep abreast with the developments in the banking industry and changes in regulatory landscape, members of the Board of Directors participate in seminars, lectures, or symposia as part of their continuing education or training. The Board has likewise adopted a policy on continuing education and training across all segments of the Bank's manpower complement, commensurate with their duties and responsibilities in order to keep up with developments in the banking industry, ensure that skills and knowledge remain relevant, and that requirements of the law, rules, and regulations are understood and complied with.

For the year 2023, the Board held fourteen (14) meetings:

## BOARD ATTENDANCE SUMMARY

### THE BOARD MEETING

Name	Position	Attendance	Percentage
Francis C. Chua	Chairman, Non-Executive Director	14/14	100%
Benedicta A. Du-Baladad	Vice Chairperson, Non-Executive Director	13/14	92.86%
Michelangelo R. Aguilar	Member, Executive Director	14/14	100%
Roberto C. Benares	Member, Non-Executive Director	13/14	92.86%
Marito L. Platon	Member, Non-Executive Director	14/14	100%
Melinda Gonzales-Manto	Member, Non-Executive Director	14/14	100%
Fe B. Barin	Member, Non-Executive Director	14/14	100%
Alexander R. Magno	Member, Non-Executive Director	14/14	100%
Mariano T. Katipunan, Jr.	Member, Non-Executive Director	13/14	92.86%
Jose Carmelo C. Nograles	Independent Director	14/14	100%
Rebecca Maria A. Ynares	Independent Director	12/14	87.71%
Ricardo D. L. Fernandez	Independent Director	14/14	100%
Daniel Gabriel M. Montecillo	Independent Director	14/14	100%
Simon R. Paterno	Independent Director	14/14	100%
Leonardo J. Matignas Jr. <sup>1</sup>	Independent Director	7/7	100%
Winston A. Chan <sup>2</sup>	Independent Director	4/5	80%

<sup>1</sup> Independent Director effective June 28, 2023

<sup>2</sup> Resigned as Independent Director effective May 30, 2023

### SECURITY OWNERSHIP OF DIRECTORS

Name	Position	Years of Service as of December 31, 2023
<b>Board of Directors</b>		
Francis C. Chua	Chairman, Non-Executive Director	15 yrs. & 7 mos.
Benedicta A. Du-Baladad	Vice-Chairperson, Non-Executive Director	9 yrs. & 11 mos.
Michelangelo R. Aguilar	President and CEO, Executive Director	5 yrs. & 5 mos.
Roberto C. Benares	Former President and CEO, Non-Executive Director	10 yrs. & 8 mos.
Fe B. Barin	Non-Executive Director	9 yrs. & 8 mos.
Marito L. Platon	Non-Executive Director	13 yrs. & 8 mos.
Mariano T. Katipunan, Jr.	Non-Executive Director	5 yrs. & 8 mos. 2 <sup>nd</sup> appointment as Caritas nominee, previously for 2yrs – 1st appointment as Caritas nominee
Alexander R. Magno	Non-Executive Director	9 yrs. & 5 mos.
Melinda S. Gonzales-Manto	Non-Executive Director	9 yrs. as Independent Director; 1 yr. and 8 mos. as Non-Executive Director since elected on April 29, 2022
Jose Carmelo C. Nograles	Independent Director	8 yrs. & 8 mos.
Rebecca Maria A. Ynares	Independent Director	7 yrs. & 5 mos.
Ricardo D. Fernandez	Independent Director	3 yrs.
Daniel Gabriel M. Montecillo	Independent Director	1 yr. & 8 mos. (elected on April 29, 2022)
Simon R. Paterno	Independent Director	1 yr. & 7 mos. (elected on June 1, 2022)
Leonardo J. Matignas, Jr	Independent Director	6 mos. (elected on June 27, 2023)
<b>Board Advisors:</b>		
Jose T. Pardo	Chairman of the Board of Advisors	18 yrs. & 4 mos. as Director, 10 yrs. as Chairman of the Board, and 2 yrs. as Chairman of the Board of Advisor since February 16, 2022
Aurora T. Calderon	Board Advisor	13 yrs. & 5 mos.
Ferdinand K. Constantino	Board Advisor	2 yrs. as Director and 13 yrs. and 7 mos. as Advisor
Cecile L. Ang	Board Advisor	8 yrs. & 2 mos.
Antonio M. Cailao	Board Advisor	5 yrs. & 6 mos.
Evita C. Caballa	Corporate Secretary	2 yrs. as Asst. Corporate Secretary; 13 yrs. & 8 mos. as Corporate Secretary, and 3 yrs. & 3 mos. as Director



Title of Class	Name of Owner	Position	Citizenship	Nature and Amount of Beneficial Ownership		% of Total Outstanding Shares
Common	Francis C. Chua	Chairman	Filipino	Direct	10	NIL
Common	Benedicta A. Du-Baladad	Vice-Chairperson	Filipino	Direct	10	NIL
Common	Michelangelo R. Aguilar	President and CEO / Director	Filipino	Direct	10	NIL
				Indirect	40,100	
Common	Roberto C. Benares	Director	Filipino	Direct	10	NIL
Common	Fe B. Barin	Director	Filipino	Direct	10	NIL
Common	Marito L. Platon	Director	Filipino	Direct	10	NIL
Common	Mariano T. Katipunan, Jr.	Director	Filipino	Direct	10	NIL
Common	Alexander R. Magno	Director	Filipino	Direct	10	NIL
Common	Melinda S. Gonzales-Manto	Director	Filipino	Direct	10	NIL
				Indirect	83,300	
Common	Jose Carmelo C. Nograles	Independent Director	Filipino	Direct	10	NIL
Common	Rebecca Maria A. Ynares	Independent Director	Filipino	Direct	10	NIL
Common	Ricardo D. Fernandez	Independent Director	Filipino	Direct	10	NIL
Common	Daniel Gabriel M. Montecillo	Independent Director	Filipino	Direct	100	NIL
Common	Simon R. Paterno	Independent Director	Filipino	Direct	100	NIL
Common	Leonardo J. Matignas, Jr.	Independent Director	Filipino	Direct	100	NIL
<b>TOTAL</b>					<b>123,820</b>	NIL

## BOARD COMMITTEES

The Board has constituted the following committees to assist in its supervision over the Bank's activities and guide Management in implementing sound corporate governance: Executive Committee; Audit Committee; Board Risk Oversight Committee; Corporate Governance Committee; Nominations, Compensation, and Remuneration Committee; Trust and Investments Committee; Related Party Transactions Committee; Information Technology Steering Committee; and Underwriting Committee. These committees regularly convene as mandated in their respective Charters.

In the appointment of members of each committee, knowledge, skills, training, experience and profession, among others, are considered to ensure an optimum combination of knowledge and experience that encourages constructive, objective and critical discussions, while exposing members to differing views that will allow them to fully understand and objectively evaluate the issues.

### EXECUTIVE COMMITTEE

The Executive Committee (ExCom) is empowered to approve and/or implement all corporate acts within the competence of the Board of Directors (BOD), except those acts expressly reserved by the Revised Corporation Code of the Philippines for the Board of Directors.

The Committee shall be composed of five (5) members, to be appointed by the Board of Directors from among the members of the Board of Directors of the Bank, one (1) of whom will be designated as Chairman, another as

Vice-Chairman and three (3) others, as members. It held twenty-six (26) meetings in 2023.

Name	Position	Attendance	Percentage
Benedicta A. Du-Baladad	Chairperson	23/26	88.46%
Michelangelo R. Aguilar	Vice Chairperson	23/26	88.46%
Marito L. Platon	Member	26/26	100%
Fe B. Barin <sup>1</sup>	Member	8/8	100%
Winston A. Chan <sup>1</sup>	Member	7/8	87.50%
Roberto C. Benares <sup>2</sup>	Member	17/18	94.44%
Alexander R. Magno <sup>2</sup>	Member	18/18	100%

<sup>1</sup> Ceased to be members effective April 25, 2023

<sup>2</sup> Appointed as members of the Executive Committee on April 25, 2023 (replaced Fe B. Barin and Winston A. Chan)

### AUDIT COMMITTEE

The Audit Committee oversees the Bank's financial reporting policies, practices and controls, monitoring and evaluation of internal control system's adequacy and effectiveness, the internal audit functions, the appointment, conduct, and reporting of the external auditors, as well as implementation of corrective actions.

The Committee shall be composed of at least three (3) members of the Board of Directors, who shall be non-executive directors, majority of whom shall be Independent Directors, including the Chairperson. It held thirteen (13) regular meetings in 2023.

Name	Position	Attendance	Percentage
Leonardo J. Matignas Jr. <sup>1</sup>	Chairman	6/6	100%
Simon R. Paterno <sup>2</sup>	Chairman/ Member	12/13	92%
Rebecca Maria A. Ynares	Member	12/13	92%
Daniel Gabriel M. Montecillo	Member	12/13	92%
Melinda Gonzales-Manto	Member	13/13	100%
Mariano T. Katipunan Jr. <sup>3</sup>	Member	6/7	86%

<sup>1</sup> Appointed as Chairman of the Audit Committee effective June 28, 2023 (replaced Mariano T. Katipunan Jr.)

<sup>2</sup> From being the Chairman of the Audit Committee, appointed as member effective June 28, 2023

<sup>3</sup> Ceased to be member on June 27, 2023

### BOARD RISK OVERSIGHT COMMITTEE

The Board Risk Oversight Committee (BROC) is responsible for the development and supervision of the risk management program of the Bank and its Trust unit.

The Committee is composed of at least three (3) Directors, majority of whom shall be independent directors, including the Chairperson. The BROC's Chairperson shall not be the Chairperson of the Board of Directors, or any other Board-level committee. It held twelve (12) meetings in 2023.

Name	Position	Attendance	Percentage
Jose Carmelo C. Nograles	Chairman	12/12	100%
Marito L. Platon <sup>1</sup>	Member	4/4	100%
Roberto C. Benares <sup>1</sup>	Member	4/4	100%
Daniel Gabriel M. Montecillo	Member	11/12	91.67%
Winston A. Chan <sup>2</sup>	Member	3/6	60%
Melinda Gonzales-Manto <sup>3</sup>	Member	8/8	100%
Fe B. Barin <sup>3</sup>	Member	8/8	100%
Leonardo J. Matignas Jr. <sup>4</sup>	Member	6/6	100%

<sup>1</sup> Ceased to be members effective April 25, 2023

<sup>2</sup> Resigned as Member of the Board of Directors effective May 30, 2023

<sup>3</sup> Appointed as members on April 25, 2023 (replaced Marito L. Platon and Roberto C. Benares)

<sup>4</sup> Appointed as member effective June 28, 2023 (replaced Winston A. Chan)

### CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (CGCom) assists the Board in fulfilling its corporate governance responsibilities. It is responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines across all levels of the Bank's personnel.

The Committee is composed of five (5) members, majority of whom, including the committee chairman, are independent directors. It held twelve (12) meetings in 2023.

Name	Position	Attendance	Percentage
Daniel Gabriel M. Montecillo	Chairman	12/12	100%
Fe B. Barin	Member	12/12	100%
Jose Carmelo C. Nograles	Member	12/12	100%
Ricardo D. Fernandez	Member	12/12	100%
Mariano T. Katipunan Jr. <sup>1</sup>	Member	3/4	75%
Simon R. Paterno <sup>2</sup>	Member	8/8	100%

<sup>1</sup> Ceased to be member of the Committee effective April 25, 2023 (replaced by Simon R. Paterno)

<sup>2</sup> Corporate Governance Committee Member April 25, 2023 (replaced Mariano T. Katipunan, Jr.)

### NOMINATIONS, COMPENSATION, AND REMUNERATION COMMITTEE

The Nominations, Compensation, and Remuneration Committee (NCRC) reviews and evaluates the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board.

The Committee is composed of at least five (5) members of the Board of Directors, at least three (3) of whom, including the Committee Chairperson, are Independent Directors. It held eleven (11) meetings in 2023.

Name	Position	Attendance	Percentage
Rebecca Maria A. Ynares	Chairperson	10/11	91%
Francis C. Chua	Member	11/11	100%
Alexander R. Magno	Member	11/11	100%
Ricardo D. Fernandez	Member	11/11	100%
Winston A. Chan <sup>1</sup>	Member	2/6	33.33%
Jose Carmelo C. Nograles <sup>2</sup>	Member	5/5	100%

<sup>1</sup> Resigned as Member of the Board of Directors effective May 30, 2023

<sup>2</sup> Appointed as member on June 27, 2023 (replaced Winston A. Chan)

### TRUST AND INVESTMENTS COMMITTEE

The Trust and Investments Committee (TIC) is primarily responsible for overseeing the trust and other fiduciary activities of the Bank.

The Committee is composed of six (6) members, three (3) of whom are Board Directors including the Chairman, the President of the Bank, and the Bank's Chief Trust Officer. It held thirteen (13) meetings in 2023.

Name	Position	Attendance	Percentage
Francis C. Chua <sup>1</sup>	Chairman	11/11	100%
Benedicta Du-Baladad	Member	11/13	84.62%
Michelangelo R. Aguilar	Member	13/13	100%
Alexander R. Magno <sup>1</sup>	Member	4/4	100%
Gamaliel Ariel O. Benavides	Member/ Chief Trust Officer	13/13	100%
Mariano T. Katipunan Jr. <sup>2</sup>	Member	9/9	100%

<sup>1</sup> Ceased to be member effective April 25, 2023

<sup>2</sup> Appointed as member of the Trust and Investments Committee on April 25, 2023 (replaced Alexander Magno)

## RELATED PARTY TRANSACTIONS COMMITTEE

The Related Party Transactions Committee (RPTCom) assists the Board in fulfilling its responsibility of ensuring that transactions with related parties are handled in an efficient and prudent manner, with integrity, and in compliance with relevant laws and regulations to protect the interest of the Bank, its depositors, creditors, and other stakeholders.

For this purpose, the RPTCom evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.

It likewise evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under identical circumstances.

The Committee is composed of five (5) members, four (4) of whom, including the chairman, are independent directors. It held twelve (12) meetings in 2023.

Name	Position	Attendance	Percentage
Ricardo D. Fernandez	Chairman	12/12	100%
Leonardo J. Matignas, Jr. <sup>1</sup>	Member	6/6	100%
Jose C. Nograles <sup>2</sup>	Member	6/6	100%
Simon R. Paterno	Member	12/12	100%
Melinda Gonzales-Manto	Member	12/12	100%
Rebecca Maria A. Ynares	Member	12/12	100%

<sup>1</sup> Related Party Transaction Committee member effective June 28, 2023 (replaced Jose C. Nograles)

<sup>2</sup> Ceased to be member of the Committee effective June 27, 2023 (replaced by Leonardo J. Matignas, Jr.)

## INFORMATION TECHNOLOGY STEERING COMMITTEE

The Information Technology Steering Committee (ITSC), as tasked by the Board of Directors, is responsible for overseeing the IT functions of the Bank. It cohesively

monitors IT performance and formulates appropriate measures to ensure that the Bank's technology strategy and significant technology investments support its business needs, strategies and objectives.

The ITSC is composed of five (5) members, one (1) Board of Director as Chairman, with two (2) Board Directors, the Digital Services Group Head, and the President and CEO as members. It held thirteen (13) meetings in 2023.

Name	Position	Attendance	Percentage
Roberto C. Benares	Chairman	13/13	100%
Marito L. Platon	Member	13/13	100%
Antonio S. Laquindanum <sup>1</sup>	Member	1/1	100%
Donald G. Limcaco <sup>2</sup>	Member	2/3	66.67%
Simon R. Paterno <sup>3</sup>	Member	4/4	100%
Michelangelo R. Aguilar <sup>4</sup>	Member	11/12	91.67%
Marie Suzanne A. Sison Sevilla <sup>5</sup>	Member	10/10	100%
Mariano T. Katipunan Jr. <sup>5</sup>	Member	8/9	88.89%

<sup>1</sup> Ceased to be member effective January 31, 2023

<sup>2</sup> Ceased to be member effective April 1, 2023

<sup>3</sup> Ceased to be member effective April 25, 2023

<sup>4</sup> Appointed as member on January 31, 2023 (replaced Antonio S. Laquindanum)

<sup>5</sup> Appointed as member on April 25, 2023 (replaced Simon S. Paterno)

<sup>6</sup> Appointed as member on April 25, 2023 (replaced Donald G. Limcaco)

## THE CORPORATE SECRETARY

The Corporate Secretary plays a significant role in ensuring that the Board is able to effectively fulfill its responsibilities. The Office of the Corporate Secretary prepares the agenda and sends out the required notices, materials for discussion prior to the meeting, and minutes of the previous meeting. The Office is responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Bank.

Loyal to the mission, vision, and objectives of the Bank, the Corporate Secretary works fairly and objectively with the Board, Management, stockholders, and other stakeholders.

With full awareness of the laws, rules, and regulations essential to the Board's performance of its duties and responsibilities, the Corporate Secretary ensures that all the Board procedures, rules, and regulations are strictly followed by the members.

## THE CHIEF COMPLIANCE OFFICER

The Board appoints a Chief Compliance Officer (CCO) who directly reports to the Board of Directors through the Corporate Governance Committee (CGCom). The CCO does not perform any revenue-generating or line function and is primarily responsible for coordinating, monitoring, and facilitating the Bank's compliance with existing laws, rules, and regulations.





As such, the CCO has the skills and expertise to provide appropriate guidance and direction to the Bank on the formulation/enhancement, implementation, and maintenance of the Compliance Program.

The CCO is delegated with appropriate authority and provided with necessary support and resources to ensure that compliance with laws, rules, and regulations, and observance of best practices are carried out by the entire Bank. The CCO is free to report any breach or violation of significant regulation to the appropriate Board Committee or to the Board, and provide a recommendation to prevent its recurrence, as well as pursue administrative investigation, when warranted.

The CCO oversees the identification, assessment, and management of the Bank's compliance risk, supervises the functions of the compliance staff, and liaises with the BSP on compliance/regulatory/licensing matters. The CCO is responsible for the timely completion of documentary submissions to the BSP.

### **THE CHIEF RISK OFFICER**

The Board also appointed a Chief Risk Officer (CRO) who is independent from executive, operations, and revenue-generating functions, and possesses sufficient stature and authority within the Bank. Without compromising his independence, the CRO has the ability to engage in discussions with the Board, Chief Executive Officer, and other Senior Management members on key risk issues and has access to such information as he deems necessary to form his judgment. The CRO has direct access to the Board and reports at least once a month to the Board Risk Oversight Committee. The CRO is responsible for identifying, measuring, and monitoring key risk exposures and for assessing whether decisions to accept particular risks are consistent with the risk appetite approved by the Board.

The CRO oversees the risk management function and supports the Board of Directors in the development of the risk appetite of the Bank and in further translating the risk appetite into a risk limits structure. The CRO, likewise, proposes enhancements to risk management policies, processes, and systems to ensure that the Bank's risk management capabilities are sufficiently robust and

effective to fully support strategic objectives and risk-taking activities.

### **BOARD AND SENIOR MANAGEMENT**

The Board of Directors annually assesses its performance and effectiveness as a body, as well as the performance of various committees, the individual directors, and the committee members through self, peer, committee, and board evaluation system facilitated by the Corporate Governance Committee. Results of the annual performance evaluation of the Board and board-level committees are presented to and discussed with the Board.

The Senior Executive Team (SET) performance is also assessed annually by the President & CEO, except for the Heads of the independent units (Internal Audit Division, Compliance Division, Risk Management Division, and Trust Services Group) who are evaluated by their respective Board committees.

### **SELECTION PROCESS FOR THE BOARD AND SENIOR MANAGEMENT**

The Nomination, Compensation, and Remuneration Committee (NCRC) conducts a detailed evaluation of the nominees for Directorship prior to their nomination and candidates for Senior Management (with ranks of Assistant Vice Presidents and up) prior to their appointment and approval of the Board. The NCRC determines the fitness of a candidate by his integrity, physical and mental fitness, relevant education, financial literacy/training and competencies relevant to the job.

A nominee's/candidate's integrity is based on his market/industry reputation and observed conduct and behavior. Necessary checks are also conducted to ensure qualification for the position and financial fitness, among others. Positions held in other institutions are also considered by the Committee in determining the capability of the nominee/candidate in fulfilling his role with the Bank.

### **PERFORMANCE EVALUATION**

The Board holds monthly meetings to ensure that it effectively executes its mandated duties and responsibilities of overseeing and monitoring the implementation of the Bank's strategic objectives, while making it a point that its business is consistently carried out within compliance and corporate governance standards. Special meetings are also held from time to time as the need arises. In addition to the Board meetings, the directors attend the meetings of their respective Board Committees.

### **REMUNERATION AND SUCCESSION PLAN/ PROGRAM**

The Bank has a sustainable succession planning and management program in place. Twice a year, members of the Senior Executive Team identify candidates for succession and assess readiness to assume the position. Aside from the SET successors, they also identify mission

critical positions who are typically the direct reports of the SET. HRMDD facilitates the process. Results of assessment and a Succession Table of Organization are presented to the NCRC and the Board for notation and approval.

As provided for in the Bank's by-laws, dividends may be declared from the surplus profits arising from the business of the Bank at such time and in such percentage as the Board of Directors may deem proper. No dividends may be declared that will impair the capital of the Bank and stock dividends shall be declared in accordance with the law.

In 2022 and 2023, the compensation of the Directors and the most senior executive officers as a group unnamed, is as follows:

	Year	Salary	Bonus	Other Compensation/ bonuses	Total
Total Compensation of the CEO and Top 4 Executives	2023	73,027,452.00	19,724,205.00	-	92,751,657.00
	2022	68,198,220.00	14,206,139.00	-	82,404,359.00
Compensation of the Senior Executive Team members and Directors	2023	177,265,433.40	27,152,295.00	32,700,274.18	237,118,002.58
	2022	139,743,732.00	25,732,146.00	27,563,774.10	193,039,652.10

## PROCESS IN DETERMINING THE REMUNERATION OF THE PRESIDENT AND SENIOR OFFICERS OF THE BANK

The Bank has a salary structure in place that is used in determining the remuneration of all employees. Each rank has a minimum and a maximum pay rate. The hiring of Senior Officers with ranks of Assistant Vice President to President and CEO is presented to the NCRC to assess their qualification and fitness for the position and subsequently endorsed to the BOD.

Remuneration of employees, including the President and CEO and Senior Officers, is determined on the basis of their position, scope of work and the Bank's salary scale.

In 2023, the level of remuneration for the most senior executive officers of the Bank is as follows:

Name	Position
Michelangelo R. Aguilar	President and CEO
Felipe Martin F. Timbol	EVP/Treasury Management Group Head
Manuel A. Castañeda III	EVP/Corporate Banking Group Head
Antonio S. Laquindanum	EVP/Chief Financial Officer and Finance and Controllershship Group Head
Reginald C. Nery	SVP and Chief Audit Executive

## TRAINING PROGRAM FOR DIRECTORS AND SENIOR MANAGEMENT

Directors and members of Senior Management undergo periodic training programs particularly focused on regulatory policy updates and requirements, typically the likes of Anti-Money Laundering (AML) and terrorist financing, risk management practices, governance and

ethical standards, and supervisory expectations. Members of the Senior Management team are required to take the AML and Information Security courses annually. Core, functional, soft skills and leadership programs are also part of the Bank's training program.

## RETIREMENT AGE OF BOARD AND SENIOR MANAGEMENT

The Directors are elected during the annual meeting of stockholders, or at any special meeting called for that purpose, and hold office for one (1) year and serve until their successors shall have been duly elected. A retirement plan for all employees was established and became effective in March 1990 with amendments thereafter. Based on the Bank's retirement plan with amendments after 1990, the normal retirement age for all employees (including Senior Management) is 60 years old. The plan includes benefits on Early Retirement, Resignation, Death/ Total and Permanent Disability, Optional Retirement and Involuntary Separation. The Bank bears the full cost of providing the benefits in the Plan.

## ADEQUATE AND TIMELY INFORMATION

Complete, adequate, and timely information on matters to be taken up during Board and committee meetings is important to enable the members of the Board to properly fulfill their duties and responsibilities. The information allows them to address matters at hand and participate in exchanges and discussions during meetings in order to arrive at informed decisions. Prior to Board and committee meetings, members of the Board are provided with the required information and materials for discussion. They are given independent access to the Management and Corporate Secretary at all times for the proper discharge of their functions.

## FINANCIAL REPORTING CONTROLS AND AUDIT

The Board envisions to protect shareholders' value through adequate internal controls. Thus, the Board encourages a collaborative setting that fosters and encourages a corporate environment of strong internal controls, sound fiscal accountability, high ethical standards, and compliance with laws, rules, and regulations, and codes of conduct.

The Board also has a bounden duty to its shareholders to present a balanced and understandable assessment of the Bank's performance and financial position. Specifically, the Board commits to accurate Financial Reporting, Transparency, robust Internal Control, and adherence to accepted Accounting Standards and Auditor Independence.

## STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTEREST

The Board respects the rights of the stockholders as provided for in the Corporation Code and ensures that they can freely vote on all matters that require their consent or approval, exercise their preemptive right to all stock issuances of the Bank subject to the limitations

under banking laws, rules and regulations, inspect the Bank's books and records, and access information on dividends and appraisal right. The Board likewise promotes transparency, accountability, and fairness to stockholders of the Bank. It remains cognizant of its responsibility to foster the long-term success of the institution and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interest of its stockholders.

## STAKEHOLDERS

Beyond preservation of the financial value of the Bank, the Board recognizes the needs of its other stakeholders such as its customers, creditors, office suppliers/contractors, personnel, and the community at large. The Board has formulated policies that prioritize customer needs, promote consumer protection, rationalize selection and evaluation of suppliers/service providers, and develop employees' potentials through continuing education, leadership training, and seminars. The Bank has adopted policies that created an open channel of communication for the Bank's various stakeholders, so they can express their concerns and other views to the Bank. It recognizes their rights as mandated by law and encourages their active participation in promoting financially sound and socially responsible endeavors.

## CODE OF ETHICS AND STANDARDS

The Bank upholds its Code of Conduct. It regularly reviews this Code, updates it whenever necessary, and

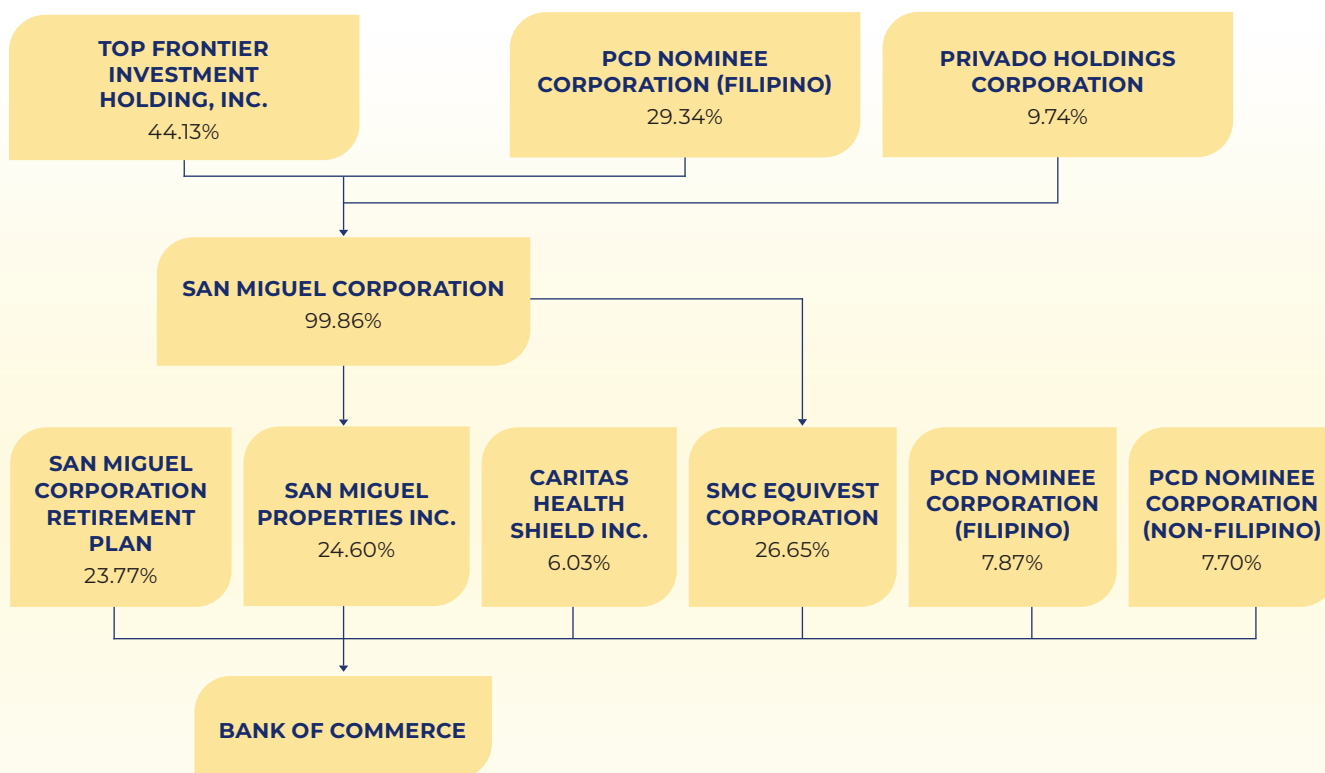


communicates it to all the officers and employees of the Bank. To further strengthen compliance with this Code, the same is incorporated in the Bank's performance assessment system.

## DISCLOSURE AND TRANSPARENCY

The Board commits to transparency and disclosure such that all essential and material information about the Bank which could adversely affect its viability or the interest of its stockholders and other stakeholders shall be adequately and timely disclosed. Aside from information and reports required by the BSP and the SEC to be published, information like earnings result, acquisition or disposition of assets, off-balance sheet transactions, related party transactions, and other indirect remuneration of members of the Board and Management, among others, shall remain disclosed.

## OWNERSHIP STRUCTURE



All corporations listed herein are Filipino, except PCD (Non-Filipino). Shareholders owning at least 6.67% of the outstanding common shares of the Bank are qualified to Board seats and voting status, except for PCD Nominee (both Filipino and Non-Filipino) as they are shared by individual beneficial owners.



## RELATED PARTY TRANSACTIONS

Cognizant that transactions between and among related parties create business synergy and economic benefits, the Bank has adopted an overarching policy on handling related party transactions which included the creation of a Board-level Related Party Transactions Committee (RPTCom) and the crafting of the Related Party Transaction Policy (RPT Policy). The RPT policy is updated/amended as the need arises to include the requirements under relevant regulatory issuances.

The policy provides guidelines on defining a Related Party Transaction and who are considered Related Parties of the Bank. Following said guidelines, the Bank created and maintained a database of its related parties and a San Miguel Corporation conglomerate structure which concerned business units used as reference to determine if an account is a Related Party.

The database and conglomerate structure is updated at least annually or as often as necessary to reflect changes in corporate structures. The RPT Policy also provides guidelines for handling related party transactions to ensure that the terms are arm's length, preventing conflicts of interest or potential conflicts of interest in the event that Related Party Transactions are entered into on terms not less favorable to the Bank and are not consistent with its shareholders' interest. Furthermore, it sets the limits and materiality thresholds for Related Party Transactions to be vetted by the RPTCom and approved by the Board. The RPTCom assists the Board of Directors in fulfilling its corporate governance responsibility related to the safety and soundness of the Bank's financial transaction/s with Related Parties and ensures that such are conducted in accordance with sound governance principles and values.

RPTs at or above the materiality threshold set by the Bank's RPT Policy are vetted by the RPTCom and approved by the Board of Directors. RPTs falling below the set threshold are vetted and approved by the designated approving authority/committee, subject to the notation of the RPTCom and confirmation by the Board of Directors.

All Related Party Transactions are handled in accordance with guidelines prescribed in BSP Circulars 895 and 914 dated December 14, 2015 and June 23, 2016, respectively, and other related issuances and the Corporate Governance Principles and related provisions of the Manual of Regulations for Banks (MORB). Presented in Annex A (page 237-276) are Material Related Party Transactions as of December 31, 2023.

The loans and other credit accommodations to the Bank's Directors, Officers, Stockholders, and their Related Interests (DOSRI), on the other hand, are granted pursuant to the requirements of Part Three D of the MORB and related BSP issuances.

## BOARD OVERSIGHT ON THE EFFECTIVENESS AND ADEQUACY OF INTERNAL CONTROL

The control environment of the Bank consists of: (a) the Board, which ensures that the Bank is properly and effectively managed and supervised; (b) Board committees that oversee the business operations, initiatives, and control functions of the Bank; (c) a Management that actively manages and operates the Bank in a sound and prudent manner; (d) the organizational and procedural controls supported by effective management information and system; and (e) the independent compliance, risk management system, and internal audit mechanism that assess the adequacy and effectiveness of the Bank's governance framework, soundness of operations security of information systems, including the reliability and integrity of financial and operational information/data, the efficiency of operations, the safety of assets, and compliance with laws, rules, regulations in the conduct of business or activities, among others.

# Consumer Protection

**A**t Bank of Commerce, we remain dedicated to consumer protection as the financial industry evolves. In 2023, we prioritized the safety, transparency, and satisfaction of our valued clients through various initiatives.

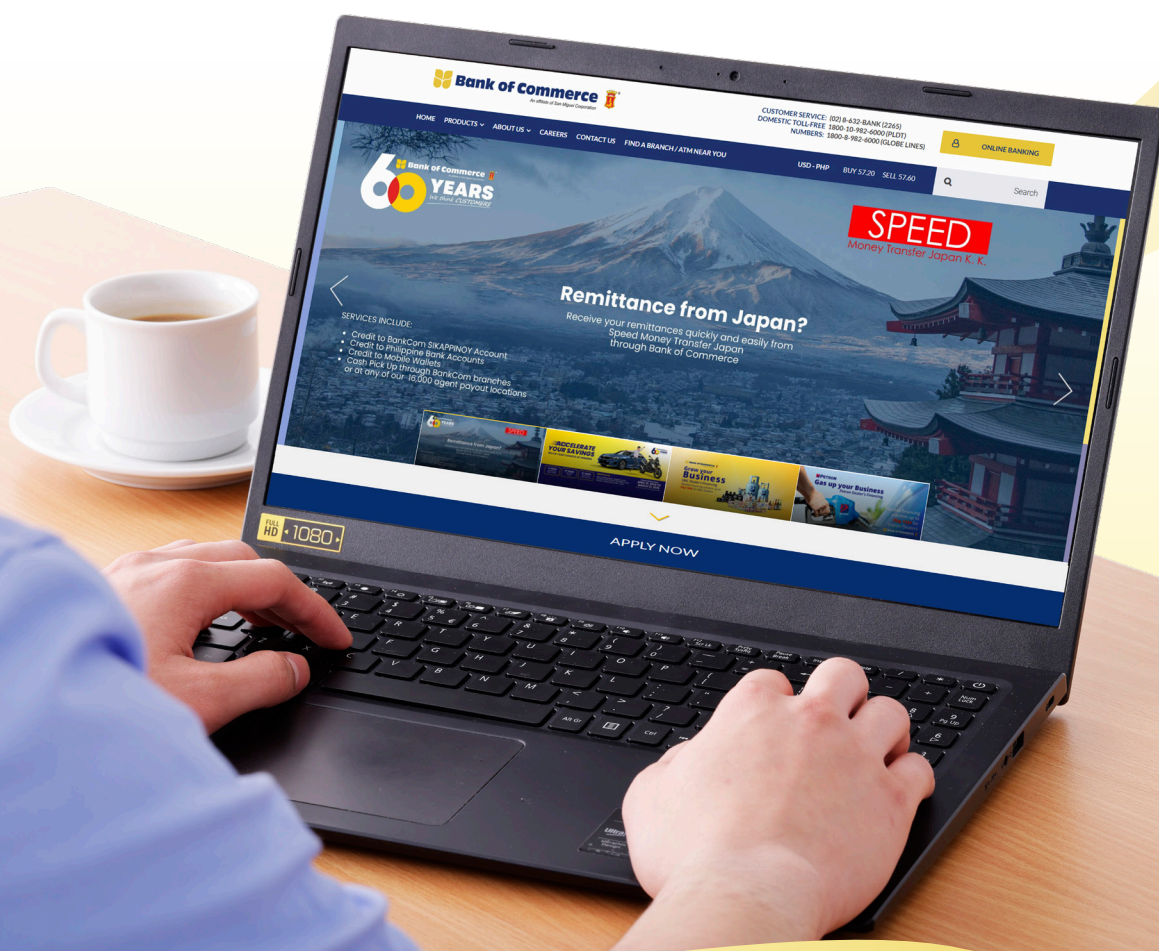
Our efforts focused on enhancing consumer protection across all operations, guided by regulatory frameworks and industry best practices, ensuring that our clients receive fair treatment, transparent information, and effective recourse mechanisms.

In compliance with BSP Circular No. 1160 and Republic Act (RA) No. 11765 or the Financial Products and Services Consumer Protection Act (FPSCP), we strengthened our consumer protection framework to ensure secure and transparent financial transactions. These initiatives protect consumer assets from fraud and misuse across all products and services, including deposits, investments, fund transfers, trust products, loans, payments and remittances.

We maintained high levels of disclosure and transparency, providing clear and accurate information about our products and services, while actively preventing discriminatory practices. In line with the Data Privacy Act (RA 10173), we enforced strict measures to protect client data, ensuring confidentiality and integrity in all transactions.

The Bank's complaint handling processes offer prompt and fair recourse mechanisms to resolve client concerns effectively. Our Electronic Services Consumer Awareness Program (ESCAP) educated consumers on the safe and secure use of Electronic Payment and Financial Services (EPFS), empowering them to be protected against fraud, identity theft, and security breaches.

As we move forward, BankCom promises to further enhancing its consumer protection initiatives. We will continue to adapt to emerging risks and regulatory requirements, keeping the safety and satisfaction of our clients as our top priority.



## FINANCIAL CONSUMER PROTECTION FRAMEWORK

The Bank's Financial Consumer Protection (FCP) Framework is embodied in its FCP Manual. The Framework establishes the Bank's own system of governance and oversight on FCP proportionate to its structure, nature of products and services, and complexity of operations.

The FCP Manual discusses the shared responsibility of the Board of Directors and Senior Management for approving and overseeing the effective management of the Bank's Consumer Protection Risk Management System (CPRMS) and Consumer Assistance Mechanism (CAM).

## ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors and Senior Management are responsible and accountable for the development of the Bank's consumer protection strategy, the establishment of effective oversight over the Bank's consumer protection programs, and the overall compliance with its own financial consumer protection framework. Their roles are delineated as follows:

### BOARD OF DIRECTORS

- Approving the CPRMS and CAM that are integrated into the overall framework for the Bank's entire product and service life cycle, business model, market and third-party relationships;
- Overseeing the implementation of the Bank's consumer protection policies, as well as the mechanism to ensure compliance with said policies, including the promotion of a culture of ethical behavior and adherence to fair treatment of consumers;
- Monitoring and overseeing the performance of Senior Management in managing the day-to-day consumer protection activities of the Bank, as well as effective implementation of personnel training and approval of remuneration and compensation packages based on guidelines on responsible business conduct, fair treatment, and avoidance or mitigation of conflicts of interest;



- Ensuring that measurements of risks related to consumer protection, reports from the CAM, and other material consumer-related developments that will impact the Bank as well as actions taken on them are regularly reported; and
- Reviewing the implementation and effectiveness of the CPRMS as well as its relevance in case of changes in the Bank's business model and/or operating environment.

### SENIOR MANAGEMENT

- Implementing CPRMS and CAM policies approved by the Board of Directors, ensuring they are clearly documented, properly understood and appropriately implemented across all levels and business units;
- Managing the day-to-day consumer protection activities of the Bank, and monitoring and addressing consumer-related issues through a risk governance framework and an effective management information system that is able to:
  - provide adequate information on the performance and quality of the Bank's CAM;
  - determine the level of the consumer protection risk exposure through assessment of its implementation of the FCP Standards of Conduct;
  - timely identify and monitor consumer protection risk exposures approaching risks of loss to financial consumers, legal and reputational risks, and related risks; and
  - identify and assess emerging or increasing consumer risks that affect the Bank such as through social media monitoring and market monitoring;
- Ensuring that adequate systems and controls are in place to promptly identify issues that affect the consumer across all phases of the relationship with the consumer;
- Ascertaining that weaknesses in the consumer protection practices or consumer protection emerging risks are addressed and corrective actions are taken in a timely manner;
- Ensuring observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit; and
- Endorsing new or enhanced consumer protection policies and compliance mechanisms for approval of the Board of Directors.

Together, the Board of Directors and Senior Management perform the following:

- Periodically reviewing how findings are reported and how existing audit mechanisms enable or provide adequate oversight;
- Ensuring that sufficient resources are provided for the implementation of the Bank's financial consumer protection program;
- Periodically reviewing the effectiveness of the CPRMS; and
- Ensuring that any weakness identified in the CPRMS is addressed and corresponding enhancement or corrective action is taken in a timely manner.



## CONSUMER PROTECTION RISK MANAGEMENT SYSTEM

One of the key components of the Bank's FCP Framework is a CPRMS. Through the CPRMS, the Bank demonstrates its commitment to ensuring adherence to consumer protection laws, rules and regulations, and that all its business activities and that of its officers and staff are conducted with the highest ethical standards, and in accordance with consumer protection standards of conduct.

The CPRMS is part of the Bank's corporate-wide risk management system. It is a means by which the Bank identifies, measures, monitors and controls consumer protection risks inherent in its operations. It consists of the following:

- **Board and Senior Management Oversight**

The Board of Directors and Senior Management provide strategic direction and high-level support for the effective design, implementation and continual improvement of the Bank's CPRMS. The more detailed roles are provided in the Bank's FCP Manual.

- **Compliance Program**

The Bank's formal, written Compliance Program Manual covers financial consumer protection and follows the Revised Compliance Framework for Banks.

- **Policies and Procedures**

Board-approved consumer protection policies and procedures are in place to ensure that consumer protection practices are embedded in the Bank's business operations, and to serve as reference for employees in complying with consumer protection laws, rules and regulations.

- **Internal Audit Function**

The Bank's consumer protection audit program enables the Board and its designated committee to make an assessment of the effectiveness of the implementation of the FCP Framework, as well as the adequacy of approved policies and standards, in meeting the established consumer protection objectives.

- **Training**

The Bank believes in the continuing education of personnel as a means to strengthen and maintain compliance with consumer protection laws, rules and regulations. All relevant frontline and support personnel, more specifically those whose roles and responsibilities have customer interface, are covered by the Bank's initiatives on consumer protection training. This initiative advocates for specific and comprehensive training to be received by these personnel in a timely manner to reinforce, and help implement written policies and procedures on consumer protection. For 2022, the Human Resource Management and

Development Division (HRMDD), in cooperation with the Compliance Division, Risk Management Division, Branch Banking Group (BBG), and Consumer Protection Department (CPD), ran various electronic learning (e-Learning) training programs which are computer-based self-service training modules with exam. Topics covered were Anti-Money Laundering and Counter Terrorist Financing, Information Security Awareness, and Financial Consumer Protection. In addition to introducing e-Learning training sessions for the Bank's employees, Zoom-based FCP presentations for newly hired employees were also conducted with the support of the Consumer Protection Officer under Corporate Communications and Consumer Protection Division (CCCPD).

## CONSUMER ASSISTANCE MANAGEMENT SYSTEM

The Bank's enhanced customer complaint-handling and redress mechanism conforms to the BSP's requirements for an effective Consumer Assistance Management System (CAMS). Through this mechanism, the Bank aims to address the need for an accessible, affordable, independent, fair, accountable, timely and efficient means in resolving customers' complaints with their financial transactions.

- **Board and Senior Management Oversight**

The Bank's complaint-handling process, as embodied in its Customer Complaint Management Manual, covers the channels and responding units in which complaints may be coursed through. The Customer Care Head (CCH) is the central figure responsible for overseeing customer care, and complaint handling performed by units administering the Bank of Commerce Hotline, head office units and branches. The CCH also closely monitors critical complaints and regularly notifies the Operational Risk Management Department. Periodically, the CCH submits a complaint report for discussion in the meetings of the Senior Executive Team (SET), the Board Risk Oversight Committee (BROC) and the Corporate Governance Committee (CGCOM).

- **Complaints Resolution Turnaround Time**

For efficient resolution of complaints, the Bank categorizes them as follows:

- Simple Complaints* are complaints that may be given immediate solution, possibly at the point of receipt of complaint or within five (5) banking days from receipt of complaint.
- Complex Complaints* are complaints that may require (15) banking days to resolve as further investigation/study by the concerned unit/s is needed.

The Bank notifies customers via available means/channels about where they may communicate their complaints, inquiries or requests for resolution. These include the Bank's official website, welcome kits, and statements

of account, marketing collaterals or other appropriate channels as determined by a business unit.

Below is the list of available consumer assistance channels:

Channel	Consumer Assistance Officers
Branches	Branch Head (BH)/Branch Operations Officer (BOO)/Branch Marketing Officer (BMO)
HO	Section Head/Department Head
customerservice@bankcom.com.ph	CCH/Consumer Care Officer (CCO)/Consumer Protection Officer (CPO)
Phone call through the BankCom Hotline	(02) 8632-2265
Media/BSP	Consumer Care Department (CCD)
Official BankCom Facebook Page	CCH/CCO/Consumer Protection Officer

The customer complaint-handling flow is generally the same for the three channels (Bank of Commerce Hotline, Branch and Head Office Unit), but with some variation as to the receiver and mode of filing for escalation and reporting purposes.

For each complaint received, the designated Receiver/Responding Person records details about the client and the nature of complaint. If the resolution is immediately available, the Receiver/Responding Person gives the client the appropriate response.

However, if the client remains dissatisfied, the client is then provided with a tracking number and processing turnaround time (TAT), and the complaint is escalated to the concerned unit or person. The Receiver/Responding Person monitors the unit's progress and upon resolution of the complaint, closes it.

The timeframe for the investigation and formulation of an answer to a complaint is as follows:

Action Required	Simple	Complex
Response	Within two (2) banking days from receipt of complaint	Within two (2) banking days from receipt of complaint
Processing, assessment, investigation and resolution	Within five (5) working days from receipt of complaint	Within fifteen (15) working days from receipt of complaint

## FINANCIAL EDUCATION AND AWARENESS

The Bank acknowledges the importance of sustaining financial education and awareness to consumers to help them protect their financial health, especially during these economically challenging times. This was achieved through cost-effective information campaigns that were focused on digital literacy.

Throughout the year, the Bank disseminated the following advisories to all clients and employees via electronic channels (email blast, SMS, official Facebook page and the Bank's website) to increase awareness and combat the spate of cyber threats and scams.

### I. BANK PRODUCT AND POLICY

- *"BankCom Cards Is Now on Viber: Tips for authenticating a Viber organization"* – tips on how to authenticate Viber accounts and stay secure while engaging with BankCom card services on the platform
- *"FAQs: InstaPay and PESONet"* – information about InstaPay and PESONet, including their functionalities, benefits, transaction limits, fees and more
- *"Unlock the power of your debit cards"* – ideas on how to maximize the potential of your debit cards
- *"Contact Us!"* – guide to the different channels our clients can use for their questions, concerns or feedback
- *"Owing"* – tips to avoid possible overdrafts or insufficient funds issues
- *"Build an Emergency Fund"* – details of what constitutes an emergency fund and the steps to establish one
- *"Secure your future, be financially literate"* – ways to ensure a stable and prosperous future by becoming financially literate

### II. CYBER SECURITY AND DETECTING SCAMS

- *"Phishing vs Spoofing"* – information on how to differentiate phishing and spoofing, their methods of deceiving, and how to stay protected against them
- *"Juice Jacking"* – tips on how to avoid becoming a victim of data theft while charging mobile or laptop devices in public facilities
- *"Pyramiding Scam"* – guide on how to invest safely
- *"Charitable Donation Scams"* – tips on how to verify the legitimacy of any charity
- *"ATM Scams"* – details of different ATM scams
- *"Don't Click the Link"* – tips to ensure online safety
- *"Safeguarding Against Fraudulent Schemes"* – ways to protect you from scam calls

### III. TRANSACTIONS AND ONLINE PERSONAL INFORMATION SECURITY

- *"Register Your SIM Cards Now"* – information on how to register SIM cards and the deadline
- *"SIM Card Registration: Why Is It Important?"* – explainer on the significance of SIM card registration
- *"Debit Without Dispense"* – guide on what to do when no cash was dispensed during an ATM withdrawal but amount was debited

- *“Digital Safety: Protect Your Online World”* – tips on how to stay protected online
- *“Protecting Your Bank Accounts This Holiday Season”* – ways on how to safeguard bank accounts during holidays
- *“You Lost Your Phone or Worse, It Got Stolen”* – guide on how to protect personal and financial data when mobile devices are lost or stolen

#### IV. BSP-RELATED ADVISORIES

##### • Financial Consumer Protection

- Bangko Sentral Issues New Rules on Customer Due Diligence (CDD) and Electronic Know-Your-Customer (e-KYC)
- BSP Partners with BAP and BMAP to Promote Cyber Hygiene
- BSP Issues Rules of Procedure on Handling of Financial Consumer Complaints
- BSP to BSFIs: Remind Clients to Register SIM Numbers
- BSP Reminds BSFIs with InstaPay and PESONet Services to Ensure Availability and Accessibility of Customer Service During Holidays and Non-Working Days

##### • Inclusion and Education

- BSP Advisory on Sangla-ATM Scheme
- Philippine Open Finance Now Open for Standards Consultation
- BSP and Partners Broaden FinEd Reach to Agri Workers, College Students and OFWs
- BSP Cites Strong Banking Sector, Lower Inflation, and Financial Inclusion Gains
- Global Network for Financial Inclusion Issues "Manila Manifesto"
- Global Policy Forum on Financial Inclusion Aimed at Improving Access for the Most Vulnerable
- BSP Kicks Off 2023 Fin-Ed Congress
- BSP Launches Learning Modules During Fin-Ed Congress
- BSP, Banks to Study Cuts in E-Payment Fees

##### • Digitalization

- Bangko Sentral Amends Guidelines on Electronic Money and Operations of E-money Issuers
- Payments Digitalization Steadily On Track to Achieve 2023 Target
- BSP Ushers in New Era of Digital Innovation in its 30th year
- BSP, DTI Sign MOA on Conduct of First Cashless Expo

##### • Banknotes

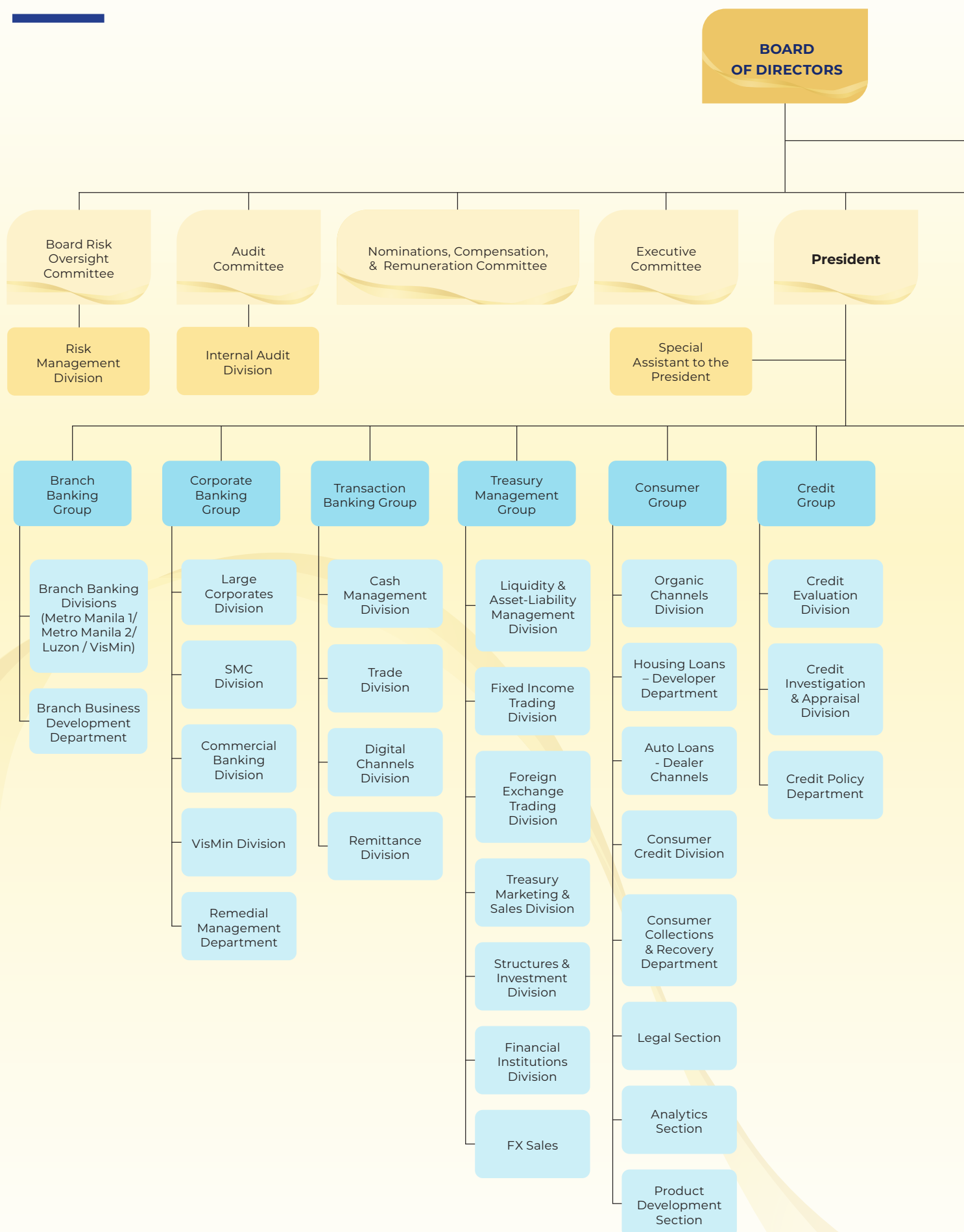
- BSP Replaces Unfit Currency with Digital Cash in Tagbilaran
- Polymer Banknotes Available in More ATMs Nationwide
- BSP: No New 150-Piso Banknote Design, Denomination
- BSP's 1000-Piso Polymer Banknote Wins Banknote of the Year Award
- BSP Wins International Award for 1000-Piso Polymer Banknote Public Engagement Program

- BSP Advisory on Legal Tender Limit of Philippine Coins
- BSP Deploys More Coin Deposit Machines
- Paalala ng BSP, DTI, DILG at LTRFB: Tanggapin ang may Tupi na 1000-Piso Polymer Banknotes
- BSP Piso Caravan Rolls Out in the Visayas
- BSP's 1000-Piso Polymer Wins Best New Banknote Award

Furthermore, the Bank conducted a series of Financial Literacy Programs on aspects of basic financial management (financial planning and saving), digital literacy and cyber security threats to the following participants:

- Augustinian Province (Order of St. Augustine)
- Barangay Sto. Domingo District I, Quezon City
- Colegio San Agustin, Bacolod
- Department of Environment and Natural Resources (DENR) – Mines and Geoscience Bureau
- Department of Tourism, Makati City
- Iloilo II Electric Cooperative Inc.
- Justice Cecilia Muñoz Palma High School
- Manila Central University, Caloocan City
- Manila Toll Expressway Systems, Inc.
- Meridian International Learning Experience
- San Miguel Brewery Inc., Cebu
- San Miguel Corporation, Head Office
- San Miguel Foods – B-Meg
- San Miguel Yamamura Packaging Corporation, Cebu
- Seafdec, Aquaculture Department, Iloilo
- St. Peter Life Plan, Inc.
- University of San Jose Recoletos Main Campus
- University of Sto. Tomas (UST) – Faculty of Medicine and Surgery

# Table of Organization





Corporate Secretary

Related Party  
Transactions  
Committee

Corporate  
Governance  
Committee

Trust &  
Investment  
Committee

Information Technology  
Steering Committee

Underwriting  
Committee

Compliance  
Division

Trust Services  
Group

Operations  
Group

Finance &  
Controllingship  
Group

Digital Services  
Group

Credit Card  
Group

Investment  
Banking  
Group

Corporate  
Communications  
& Consumer  
Protection Division

International  
Operations  
Division

Loan  
Operations  
Division

Electronic  
Banking &  
Card Support  
Division

Treasury  
Operations  
Division

Centralized  
Operations  
Support  
Division

General  
Services  
Division

Procurement  
Management  
Department

Methods and  
Standards  
Department

Branch  
Operations

General  
Accounting  
& Financial  
Control Division

PFRS and Tax  
Reporting  
Division

ICAAP &  
Regulatory  
Reporting  
Department

Corporate  
Planning  
Division

Acquired Assets  
Division

Program Office  
Division

Enterprise  
Architecture

Business  
Insights  
Division

Technology  
Management  
Office Division

Infrastructure  
& Operations  
Division

Application  
Delivery &  
Maintenance

Application  
Testing

Credit Card  
Sales and  
Marketing  
Department

Credit Card  
Operations  
Department

Card Credit

Customer Care  
Department

Enterprise  
Fraud Risk  
Management  
Department

Cards Business  
System &  
Administration  
Department

Origination  
& Execution

Distribution  
& Syndication

Legal Services  
Division

Human Resource  
Management  
& Development  
Division

Security  
Department

# Board of Directors



**Francis C. Chua**  
**Chairman,**  
**Non-Executive Director**  
*Filipino, 75 years old*

Ambassador Francis C. Chua has been a member of the Board of Directors of the Bank since 20 May 2008, sat as Vice Chairman from 2013 to 2022, and became Chairman effective on 16 February 2022. Mr. Chua used to chair the Executive Committee (ExCom) of the Bank when he was Vice Chairman of the Board.

With his constant feedback and insights on best banking practices, he has been instrumental in promoting the Bank in the business community and in marketing its products and services. Amb. Chua continuously serves as Chairman Emeritus in the Philippine Chamber of Commerce and Industry, Inc. (PCCI), President Emeritus of the Federation of Filipino Chinese Chamber of Commerce and Industry, Inc., Trustee of Universidad De Manila (UDM) and as

Consul General conferred by the Honorary Consulate General of the Republic of Peru in Manila since 2006. He was also a Board Adviser of the Office of Alternative Dispute Resolution under the Department of Justice. He was the Special Adviser on Economic Affairs under the Office of the Speaker of the House of Representatives, Congress of the Philippines in 1997. He was Honorary Trade and Investment Representative of the Department of Trade and Industry from 2002-2009, appointed Commissioner in the Constitutional Commission from 2005-2006, Board of Trustee of Technical Education and Skills Development Authority (TESDA), and Special Envoy on Trade and Investment (China) of the Office of the President from 2007-2010. He was also Governor (2002) and a member of the Board of Directors of the Philippine Stock Exchange (PSE) from 2010-2020 where he served as the Chairman of the Committee of Demutualization. He demutualized the PSE with the unanimous support of its members.

He currently serves as Chairman of BA Securities Inc., and a member of the Board of Directors of DITO Telecommunity Corporation, National Grid Corporation of the Philippines (NGCP), Global Ferronickel, Inc., and Platinum Group Metals Corp. He holds the Chairmanship of CLMC Group of Companies and serves as Vice Chairman of Negros Navigation/2Go. He was the Vice Chairman of Basic Energy and Mabuhay Satellite Corp., and President of the Philippine Satellite Corp. He founded Phil China Chamber of Commerce, Philippine Silkroad International Chamber of Commerce and Industry. He currently owns Philippine Union Realty Development Corporation, Philippine Nail and Wire Corp and BA Securities Inc. He obtained his degree in B.S. Industrial Engineering (Cum Laude) from the University of the Philippines and was conferred Doctor in Humanities from Central Luzon State University.

Atty. Benedicta A. Du-Baladad has been a member of the Board of Directors of the Bank since 31 January 2014. She is the Vice Chairperson of the Board of Directors, Chairperson of the Executive Committee and a member of the Trust and Investments Committee. She was previously a member of the Bank's Board Risk Oversight Committee (BROC) from 2014-2017, as well as the Audit Committee until April 2022. She is the Founding Partner and CEO of Du-Baladad and Associates (BDB Law), a law firm specializing in taxation and related corporate services. Ms. Du-Baladad has over 30 years of practice in the field of taxation, 17 years of which was spent with the Bureau of Internal Revenue (BIR) working on tax administration policy development and in operations. In 2001, she joined the private sector and is now on her 16th year of private practice. She has authored three (3) books on the taxation of the financial sector.

She was the lead tax and legal consultant of the Philippine Government's Department of Finance (DOF) on its program to reform the taxation of capital income and financial intermediation services. She has been the Co-Chair of the Capital Markets Development Council (CMDC) in the Philippines from 2019 to 2022. Ms. Du-Baladad holds leadership role in major professional and business organizations in the country such as the Management Association of the Philippines (MAP) as 2023 President, the Financial Executives of the Philippines (FINEX) as past President, the Philippine Chamber of Commerce and Industry as Chair of the Tax Committee, the Tax Management Association of the Philippines (TMAP) as past President, and the Women Business Council of the Philippines (Womenbiz) as Vice President. She is currently a Professorial lecturer in taxation at the University of Santo Tomas (UST) and the University of the Philippines (UP). She was also a Partner and



**Benedicta A. Du-Baladad**  
**Vice-Chairperson,**  
**Non-Executive Director**  
*Filipino, 62 years old*

Head of Tax Compliance and Advisory of Punongbayan & Araullo from 2001 to 2009. Prior to that, she was an officer of the Bureau of Internal Revenue where she worked from 1984 to 2001. Ms. Du-Baladad is a Certified Public Accountant, graduated Magna Cum Laude with a bachelor's degree in accountancy from Saint Louis University, Baguio, Philippines (1982), and holds a Bachelor of Laws degree from the University of Santo Tomas, Manila, Philippines (1989). Her educational background includes Advanced Management Program at Wharton School of the University of Pennsylvania, Pennsylvania, USA (2007) and Master of Laws and International Tax Program at the Harvard University, Cambridge, MA, USA. She is a fellow at the Institute of Corporate Directors. She is a regular columnist of the Business Mirror's 'Tax Law for Business'.



**Michelangelo R. Aguilar**  
**President and CEO,**  
**Executive Director**  
*Filipino, 67 years old*

Mr. Michelangelo R. Aguilar was elected member of the Board of Directors and appointed President and Chief Executive Officer (CEO) of the Bank on July 16, 2018. He is a member of the Bank's Executive Committee (ExCom), Trust and Investment Committee (TIC), IT Steering Committee (ITSC) and Underwriting Committee (UWCom). On April 25, 2023, he became the Chairman of the UWCom.

Mr. Aguilar is also a member of the Board of Directors and an Officer of the Bankers Association of the Philippines (BAP) for

the ensuing term March 2023 to March 2024. He serves in two BAP committees, i.e., BAP Open Market Committee where he sits as Chairman, and the Executive Committee. He is likewise a member of the Board of Directors of BancNet, Inc. for the ensuing term March 2023 to March 2024.

Mr. Aguilar has over 40 years of banking experience in the areas of Corporate and Investment Banking, Global Markets and Treasury. He has 22 years of experience with international banks starting his career as an Executive Trainee at Citibank Philippines and rising through the ranks in the areas of Banking Operations, Treasury and Sovereign Risk as Assistant Manager, Manager, and Assistant Vice President. He held senior positions as Country Treasurer and then as Managing Director and Head of Wholesale Bank at Standard Chartered Philippines. For 13 years prior to joining the Bank, he was Treasurer and Head of Corporate Banking in Solid Bank Corporation and Rizal Commercial Banking Corporation, respectively. He was also a Director of RCBC Rental Corporation and RCBC Leasing and Finance Corporation. He graduated with a degree in Bachelor of Science in Mechanical Engineering from De La Salle University and later acquired a master's degree in business management from the Asian Institute of Management. He is a licensed Mechanical Engineer and a Certified Treasury Professional by the Bankers Association of the Philippines (BAP).

Mr. Roberto C. Benares has been elected as member of the Board of Directors of the Bank since 30 April 2013. He assumed his position as President and CEO of Bank of Commerce on 1 August 2013 and was succeeded by Mr. Michelangelo R. Aguilar on 16 July 2018. He currently sits as Director and chairs the Information Technology Steering Committee (ITSC).

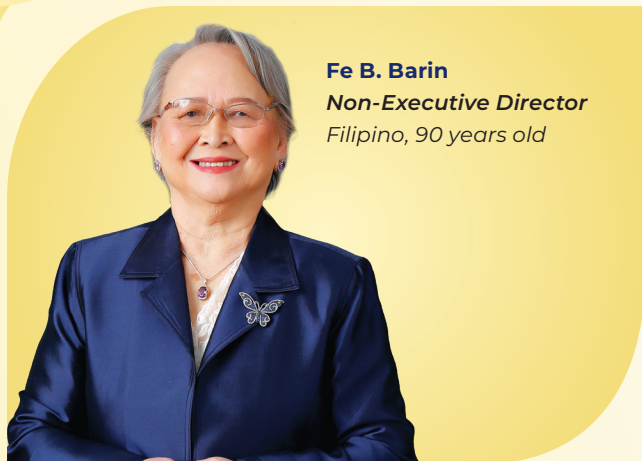
He is also a member of the Executive Committee (ExCom) and the Underwriting Committee (UWCom). Director Benares used to sit as a member of the Board Risk Oversight Committee (BROC) until April 2023. During his tenure as President and CEO, he took the lead in strengthening the Bank by framing its superior service culture to achieve its recent milestones.

Previously, Mr. Benares was the Managing Director of Maybank ATR Kim Eng Capital Partners, Inc. He started his banking career at Bancom Development Corp. as Assistant Treasurer prior to holding the position of Vice President of Account Management at United Coconut Planters Bank. He also served as Managing Director at Asian Alliance and Executive Vice President at Insular Investment & Trust Corporation, and Vice President at Philamlife. He holds a degree in Bachelor of Science in Mechanical Engineering from De La Salle University and has a master's degree in business management at the Asian Institute of Management.



**Roberto C. Benares**  
**Former President and CEO,**  
**Non-Executive Director**  
*Filipino, 71 years old*





**Fe B. Barin**  
**Non-Executive Director**  
*Filipino, 90 years old*

Mrs. Fe B. Barin has been a member of the Board of Directors since April 24, 2014. Mrs. Barin's career in the government service has been in the regulatory and supervisory agencies. She spent a total of fifty-three (53) years of service in the government, forty-four of which in the then Central Bank of the Philippines and the Bangko Sentral ng Pilipinas where she served as Member of the Monetary Board from 2002 to 2004. She was the first Chairperson of the Energy Regulatory Commission created under the EPIRA in 2001, which position she

occupied from August 2001 to September 2002 prior to her appointment as Monetary Board member. In September 2004, she was appointed Chairperson of the Securities and Exchange Commission for a seven-year term ending 2011. As Chairperson of the SEC, she was ex Officio member of the Anti-Money Laundering Council and Chairperson of the Credit Information Corporation. She also served as Assistant Legal Counsel in the Philippine Deposit Insurance Corporation on secondment from the then Central Bank.

Mrs. Barin graduated from the College of Law, University of the Philippines, passed the Bar examinations given the same year and was admitted to the Philippine Bar in 1957.

She is a Lifetime Fellow of the Institute of Corporate Directors and one of the Institute's Teaching Fellows, a Fellow of the Institute for Solidarity in Asia, and a founding member of the Judicial Reform Initiative, all non-stock, nonprofit associations. She is also a member of the Board of Directors of the General Milling Corporation and Chairman of the Board of Directors of Barbor Equity, Inc., a family-owned corporation engaged in Agri business.

Mr. Marito L. Platon was elected last 30 April 2010 as member of the Board of Directors of the Bank. He is currently a member of the Executive Committee (ExCom), Information Technology Steering Committee (ITSC), and Underwriting Committee. He was previously a member of the Board Risk Oversight Committee (BROC) (former Chairman), Audit Committee, Corporate Governance Committee (CGCom), and the Related Party Transactions Committee (RPTCom). Mr. Platon has been the driving force behind the consistent growth of the Bank's business in partnership with clients.

Mr. Platon has 27 years of treasury and corporate finance experience at San Miguel Corporation and Coca-Cola Bottlers Philippines, Inc. (CCBPI) as Vice-President and Treasurer supervising various departments/functions in the areas of Treasury management and operations, funds planning and loans management, banking relationship, working capital management, capital budgeting and project coordination, tax administration and management, insurance and risk management, credit and collection, systems design and development, and provident fund operations as he was also the former Managing Trustee of the CCBPI Retirement Plan. Aside from formerly holding directorship and/or management positions in various companies or undertakings involved in investment banking, corporate leasing, internal auditing, security services, aquaculture operations, food retailing,



**Marito L. Platon**  
**Non-Executive Director**  
*Filipino, 71 years old*

among others, including education as former Chairman at non-sectarian Institute for Esoteric Studies, he was also formerly director and CFO of CCBPI's real estate companies Marangal Properties, Inc. and Luzviminda Landholdings, Inc. Mr. Platon likewise has over 30 years of rural banking experience being former Chairman and President of Rural Bank of Talisay (Batangas), Inc. Currently, he serves as Chairman and President of Villa Maria Resorts and Development Corporation, a tourism and property development family-owned corporation. A Fellow at the Institute of Corporate Directors, Mr. Platon graduated in 1973 at De La Salle University with a degree in Bachelor of Science, Major in Accounting.





**Mariano T. Katipunan, Jr.**  
**Non-Executive Director**  
*Filipino, 72 years old*

Mr. Mariano T. Katipunan, Jr. was first elected into the Board of Directors of the Bank in May 2015 as nominee of Caritas Health Shield, Inc. He also served as a member of the Bank's Audit and Corporate Governance committees. He was replaced by Mr. Ronnie U. Collado in June 2017. He was elected again as Director in April 2018. He is currently a member of the Bank's IT Steering Committee (ITSC) and Trust and Investment Committee (TIC).

Mr. Katipunan brings with him an extensive experience in finance and controllership having been Treasurer

and Chief Finance Officer of Caritas Health Shield since its inception in 1995. He oversaw the company's financial position, including its trust fund/reserves and overseas investments. He was elected President and Chief Executive Officer in April 2018. Mr. Katipunan has likewise been Managing Director of Megacenter Diagnostics Corp. since its establishment in 1994. He was an Investment Account Officer of Equitable Financial Services in Edison, New Jersey from 1984 to 1986. He was Vice President & Division Head for Account Management Group at the International Corporate Bank in Makati from 1977 to 1983. He also previously handled account management at Citytrust Banking Corporation and market research at Far East Bank and Trust Company. Mr. Katipunan was an instructor in Business Management and Finance at the Ateneo de Manila University and in Economics and Mathematics at St. Theresa's College in Quezon City. He holds a degree in Bachelor of Arts in Economics (Honors Course) and graduated with Honors in 1972 from the Ateneo de Manila University. In addition, he has a master's degree in business management from the Asian Institute of Management (1975). He underwent training at the Foreign Exchange/Bullion Trading & Money Market departments of the Swiss Bank Corporation in New York City from 1983 to 1984 and at Citibank, N.A. in Binondo, Manila under its Executive Development Program in 1975.

Mr. Alexander R. Magno became a member of the Board of Directors of the Bank on 1 August 2014 and currently sits as a member of the Executive Committee (ExCom) and the Nominations, Compensation, and Remuneration Committee (NCRC). He used to be a member of the Bank's Trust and Investment Committee (TIC) until April 2023.

Mr. Magno is a columnist of the Philippine Star and consults for both the Department of Finance and the Steel Asia Manufacturing Corporation. Mr. Magno's career best describes him as a policy advocate, public intellectual and an activist. He served as a member of the Board of the Development Bank of the Philippines, helping supervise such programs as the Nautical Highway System from 2001 to 2010. He was Director of Steel Asia Manufacturing from 1995 to 1999 and a professor at the University of the Philippines from 1976 to 2018. After the EDSA Revolution, he served as interim director of the President's Center for Special Studies, a think tank put together during the Marcos period which supplied regular briefing papers for President Corazon C. Aquino. He helped establish the Foundation for Economic Freedom (FEF), a research and advocacy institution proposing market-driven economic policies providing research for key liberalization policies including the Liberalization of the Retail Trade, the Electricity Power Industry Reform Act, and the Procurement Law. He consulted for the privatization program of the Metropolitan Waterworks and Sewerage System (MWSS) and the liberalization of the telecommunications sector. In 2005, he was appointed Commissioner of the Consultative Commission



**Alexander R. Magno**  
**Non-Executive Director**  
*Filipino, 69 years old*

on Charter Change and served as a commissioner of the EDSA People Power Commission.

His social activism during the martial law led to his career as an instructor of political science at UP Diliman. Mr. Magno supported student representation in 1975, winning a seat at the UP Student Conference and served as Vice Chairman of the organization. Mr. Magno had regular editorial columns at the Manila Times, the Manila Chronicle, and the Manila Standard. He remains an important columnist at the Philippine Star since 2003 and his columns became main reference points for building democratic and reformist public opinion.



**Melinda S. Gonzales-Manto**

**Non-Executive Director**

*Filipino, 71 years old*

Ms. Melinda S. Gonzales-Manto (Linda) has been a member of the Board of Directors of the Bank since January 2014. She currently serves as member of the Related Party Transactions Committee (RPTCom), Board Risk Oversight Committee (BROC) and the Audit Committee (former Chairperson).

Ms. Manto likewise sits in the board of Eagle Cement Corporation (Eagle Cement), Petrogen Insurance Corporation (Petrogen) and RSA Foundation, Inc. She functions as Chairman of the Audit Committee and member of the Corporate Governance Committee and Related Party Transactions Committee of Eagle Cement. She chairs the Audit and Risk Oversight Committee and sits as member of the Corporate Governance Committee and Related Party Transactions Committee of Petrogen. She has been appointed as the Lead Independent Director of Eagle Cement and Petrogen.

Ms. Manto is presently a stockholder, director and the Vice-President of Linferd & Company, Inc. and ACB Corabern Holdings Corporation. She is also the Resident Agent of some multinational companies in the country and the Treasurer of a foreign company doing business in the Philippines. She was formerly a board member of the GSIS Family Bank.

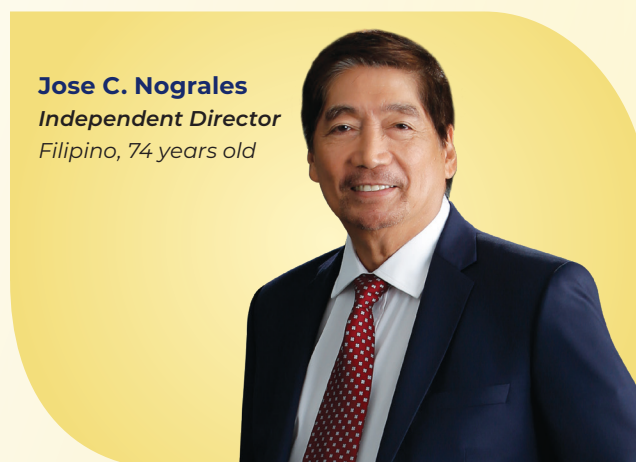
Ms. Manto started her career in SyCip, Gorres, Velayo & Co. (SGV). She is a celebrated accountant and is looked up to as an expert in assurance and business advisory. Her areas of specialization include retail, manufacturing, food processing and distribution, real estate, radio and television broadcasting, technology, steam power generation, agribusiness, semiconductors, and electronics. She is highly respected as well in initial public offerings, due diligence engagements, and mergers and acquisitions. Her stint in the audit corporate world lasted for more than three decades. She retired as a Partner in the Assurance and Advisory Business Services Division of SGV. While in SGV, she served as the Head of the Consumer Products Industry for Asia and the Pacific of SGV/Ernst & Young Philippines and SGV/Arthur Andersen. Wanting to expand her horizon, she also functioned as a board member and auditor of the Philippine Retailers Association for almost a decade. She was previously assigned to the Cincinnati Office of Arthur Andersen in Ohio where she spearheaded the audit engagements of manufacturing and retail clients.

Ms. Manto finished elementary and high school as valedictorian and graduated cum laude with a degree of Bachelor of Science in Business Administration, major in Accounting at the Philippine School of Business Administration. She is a Certified Public Accountant and a lifetime member of the Philippine Institute of Certified Public Accountants. She completed the Management Development Program at the Asian Institute of Management and had computer training at the Institute of Advanced Computer Technology.

Mr. Jose C. Nograles has been an elected member of the Board of Directors of the Bank since 20 April 2015. He chairs the Bank's Board Risk Oversight Committee (BROC) and serves as a member of the following Committees: Corporate Governance Committee (CGCom) and Nomination, Compensation and Remuneration Committee (NCRC). He used to be a member of the Bank's Audit Committee until April 2023.

Mr. Nograles continues to be a strict advocate of the Bank's conscientious and efficient use of resources towards sustainable care for the environment. A seasoned investment banker and economist, Jose C. Nograles was President of the Philippine Deposit Insurance Corporation (PDIC) from January 2008 to May 2011 where he led PDIC's transformation to a more responsive and innovative institution. Previously, he was the Senior Executive Vice President of the Land Bank of the Philippines (LBP). In 2005, he headed LBP's Operations and Corporate Services Sector. Five years earlier, as Senior Vice President and Treasurer, he organized LBP's combined Treasury and Investment Banking. He was also concurrently Board Vice-Chairman and President of Land Bank Insurance Brokerage Inc., LBP's subsidiary engaged in insurance brokerage and foreign exchange trading.

Mr. Nograles started his career in 1969 as part of the management services staff of SGV and Company. By 1973, he worked in government as a Senior Consultant to former Secretary Arturo R. Tanco, Jr. of the Department of Agriculture and Natural Resources. After three years, he rejoined the private sector as General Manager of Sarmiento Management Corporation. He moved to Anflo Management & Investment Corporation as Vice President in 1977 to head its Automotive Group of car dealerships and the Corporate Planning Department. He later founded his family's realty company engaged in commercial building



**Jose C. Nograles**

**Independent Director**

*Filipino, 74 years old*

and hotel operations in Davao City in 1980. In 1984, he was appointed Assistant Minister for Planning and Project Management of the Ministry of Natural Resources. In 1991, he joined Columbian Autocar Corporation as Vice President and General Manager that introduced the Kia brand in the Philippines. He obtained his BA in Economics with honors (Cum Laude) from the Ateneo de Manila University in 1969 and his master's degree in business administration from the Asian Institute of Management in 1973. He is a fellow of the Institute of Corporate Directors.

Mr. Nograles is currently an advisor to the Board of Amalgamated Investment Bancorporation, an investment banking firm. He is also an independent director of DragonFi Securities Corporation, a brokerage services company.





**Rebecca Maria A. Ynares**

*Independent Director*

*Filipino, 47 years old*

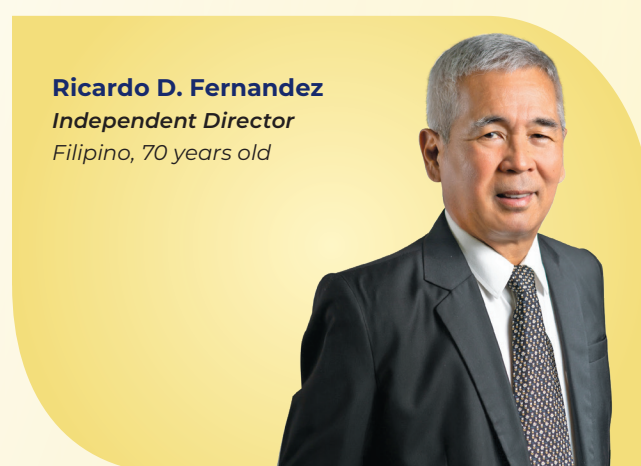
Ms. Rebecca Maria A. Ynares has been a member of the Board of Directors of the Bank since July 2016. She currently serves as Chairperson of the Nominations, Compensation and Remuneration Committee and a member of the Related Party Transactions Committee (RPTCom) and Audit Committee. She was also a member of the Board Risk Oversight Committee (BROC) until April 2023.

Ms. Ynares manages the following family-owned endeavors: TJCMB Enterprises, a warehousing and logistics company; Tutoring Club Franchise Philippines; and Octagon Realty and Development Corporation,

where she is also the Corporate Secretary and account management lead. Ms. Ynares spearheads various sustainability and environment restoration initiatives in the Province of Rizal, including the Save Hinulugang Taktak and Ynares Eco System (YES) Programs. With the ongoing YES program, she continues to lead on projects such as installation of wastewater clean-up systems, tree-planting activities, medical missions with the Provincial Health Office, feeding programs with the Department of Social Welfare and Development (DSWD), and Youth Program. She lends support to other projects devoted to finding the right balance between the diligent care of the ecosystem and economic viability of affected businesses in Rizal. On top of her advocacies as a dedicated socio-economic philanthropist, Ms. Ynares is a member of the Philippine Red Cross-Rizal Chapter and is an avid resource speaker in various trainings and seminars in the province.

Previously, she served as a financial analyst for the Bahay Co. Real Estate Agents in Burlingame, California, USA from 2005 until 2007. She started her investment, banking, and finance career at the Asia United Bank (AUB) on the areas of branch operations, marketing and investment portfolio management. Ms. Ynares holds a degree in Bachelor of Science in Business Administration and Computer Applications from De La Salle University (1999) and Associate for Arts for Professional Designation Fashion & Merchandising in San Francisco, California (2002).

Mr. Ricardo D. Fernandez was elected as an Independent Director of the Bank effective 1 January 2021. He is currently the Chairman of the Related Party Transactions Committee (RPTCom), and a member of the Corporate Governance Committee (CGCom) and the Nomination, Compensation and Remuneration Committee (NCRC). He has worked in the investment banking industry for 40 years. Mr. Fernandez was employed at Unicapital Incorporated (UI) from 1995 to 2019, where he was appointed as President from 1997 to March 2019, became a Consultant until December 2019, and Director until March 2020. From 1980 to 1995, he was employed at Multinational Investment Bancorporation (MIB). He graduated from the De La Salle University with degrees in Behavioral Science and Business Management. He also holds a master's degree in business administration from the University of the Philippines.



**Ricardo D. Fernandez**

*Independent Director*

*Filipino, 70 years old*



**Daniel Gabriel M. Montecillo**  
*Independent Director*  
*Filipino, 67 years old*

Mr. Montecillo is an independent board director, consultant, leadership speaker and facilitator, executive coach. He currently chairs the Bank's Corporate Governance Committee. He is also a member of the Audit Committee and Board Risk Oversight Committee. Mr. Montecillo was the chairperson of the Bank's Underwriting Committee (UWCom) from its inception in 2022 up to April 2023.

Mr. Montecillo is currently a senior consultant to the International Finance Corporation and a CXO facilitator of Deloitte University Asia Pacific in Singapore. He was a former facilitator in the Leadership Acceleration Program of Ayala University; a guest lecturer at the Asian Institute of Management. He received his certification as an Associate Certified Coach (ACC) from the International Coaching Federation (ICF) and ESG Certification from Competent Boards in Canada.

He retired as Executive Vice President and Group Head of the Corporate Client Segment of BPI in 2018, where he was responsible for nationwide banking coverage of the firm's corporate clients and a member of its Management, Credit, Asset & Liability, and Investment Management Committees. Immediately prior to this role, he was President of BPI Capital Corporation and Chairman of BPI Securities Corporation, the bank's investment banking and securities subsidiaries. He served for 4 ½ years.

During his time at BPI, he was responsible for the reorganization of the corporate bank into two significant business initiatives: the Corporate Bank for large multinationals and domestic corporates, and the Business Bank, which services the small and medium-sized corporates in the country.

While at BPI Capital, he recast the investment bank into the leading domestic firm in the industry and competed successfully for business with the country's

top corporates against the established international investment banking firms in the country. During his tenure, the firm won several international awards for excellence. During his tenure, among the more notable Philippine corporates that the firm took to the public equity capital markets are Max's Group, Store Specialists, and Metro Retail Stores Group.

Prior to returning to the Philippines, he spent 17 years in Hong Kong where he was CEO and founding equity partner of Diamond Dragon Advisors for three years, Asia's first private equity fundraising firm and before that, CEO of Fidelis Holdings for three years. Fidelis was the international real estate investment company of the Ayala Group of Companies.

He has 21 years of international investment banking experience, having worked in New York and Hong Kong at Bankers Trust, Credit Suisse, and Morgan Stanley. During this time, he was part of and managed business development and transaction teams in corporate, real estate and leveraged finance, derivatives, private equity, mergers & acquisitions, and equity and debt capital markets.

He is an independent director of Ayala Land, Inc. (ALI); RASLAG Corporation (ASLAG), a renewable energy company; Metro Pacific Health (MPH), a holding company with interests in 23 hospitals nationwide; Maybank Investment Banking Group (Philippines), Inc., a subsidiary of Maybank of Malaysia; and Marsh Philippines, a subsidiary of Marsh & McLennan. He is chairman of the audit committees of both Maybank Investment Banking Group (Philippines) and RASLAG; chairman of the corporate governance and ESG committees of MPH; and a member of audit, risk, and corporate governance committees in the various companies as well.

Dennis is a fellow of the Institute of Corporate Directors (Philippines), where he is also chairman of the sustainability committee; a board trustee of the United Nations Global Compact Network (Philippine chapter); a member of the International Coaching Federation (ICF); and an associate member of the Singapore Institute of Directors (SID). He is also a director of the global board of International Care Ministries, an NGO devoted to the rural ultra poor in the Philippines.

He has an MBA and MA from Stanford University in California, USA, and bachelor's degrees in management of financial Institutions and Behavioral Sciences (magna cum laude) from De La Salle University in the Philippines.





**Simon R. Paterno**  
*Independent Director*  
*Filipino, 65 years old*

Mr. Simon Paterno is Founder and CEO of ZQR Corporation, a start-up platform that improves the experience of document exchanges between enterprises and their customers.

Mr. Paterno's immediate previous engagement was EVP and Head of Products and Alternative Channels at Bank of the Philippine Islands from 2014-2019. In that position, he managed all of the bank's profit centers outside of Treasury, including the bank's digital channels. This included supervision of insurance (BPI-MS), merchant acquiring (Chairman of BPI Global Payments), leasing, investment banking, and microfinance (Chairman of BPI Banko).

Mr. Paterno represented CIMB in the Philippines in its search for a bank investment and in originating investment banking deals. He joined the group in late 2012 as the CEO-designate of Bank of Commerce, which was targeted for acquisition by CIMB. The deal was canceled in 2013.

Mr. Paterno was Managing Director and Country Manager of Credit Suisse from 2004 to 2012. He also founded and served as Chairman of Credit Suisse Securities Philippines, Inc., the firm's securities broker/dealer subsidiary.

Mr. Paterno served as President/CEO of the Development Bank of the Philippines, the government-owned commercial bank, from 2002 to 2004. At the DBP, he pioneered work on the maritime Ro-Ro network that links the archipelago. He was concurrently Chairman of the LGU Guarantee Corporation and other DBP subsidiaries. In 2003, DBP was named 6th Best Employer by Hewitt Associates and Strongest Bank in the Philippines (based on financial and operational measures, asset quality, and year-on-year improvements in profits and assets) by Asian Banker.

Mr. Paterno spent 18 years with J.P. Morgan & Co., with stints in New York and Hong Kong. In 1997, he was named a Managing Director, with responsibility for coverage of Asian sovereign clients during the Asian financial crisis. He led the project teams that advised the Indonesian Bank Restructuring Agency (IBRA) and its Malaysian counterpart, Danaharta. In mid-1998, he returned to Manila to head J.P. Morgan's Philippine business, and following the merger with Chase Manhattan Bank, worked as Head of Philippine Investment Banking until 2002.

At J.P. Morgan, he worked on some of the most significant sovereign financing transactions including the country's restructuring of its foreign debt in 1991, the return to capital markets in 1992, the Brady exchanges in 1994, and while at Credit Suisse, the Domestic Bond Exchanges and the Debt Exchange Warrants transactions that won Best Liability Management awards for 2006 and 2008. His M&A transaction experience includes mergers that formed the 3 largest Philippine banks in the Philippines, the largest cement company mergers, and the restructuring of San Miguel Corporation's ownership. Under his leadership, J.P. Morgan was named Best Investment Bank in the Philippines by The Asset in 2001 and Credit Suisse was named Best Investment Bank in the Philippines by FinanceAsia in 2009.

In 1999, he received the TOYM (The Outstanding Young Men) Award for his work in Investment Banking. In 2005, he served as President of the Management Association of the Philippines, an organization of the country's top CEOs. He has served on the Board of Directors of the Bankers Association of the Philippines. He serves as Vice Chairman of the Foundation for Economic Freedom, a reform-oriented advocacy group of the country's top economists, as Board member of the Ateneo Alumni Association and as Chairman of the Ateneo Scholarship Foundation. He is currently President of the ALFM Family of Mutual Funds. He is also an adviser to Packworks, a start-up enabling sari-sari stores.

Mr. Paterno is a member of Bank's Audit Committee, Related Party Transactions Committee (RPTCom), and Corporate Governance Committee. He used to be a member of the Information Technology Steering Committee (ITSC) until April 2023.

Mr. Paterno received his MBA from Stanford University in 1984 and his AB Honors Program in Economics, cum laude, from the Ateneo de Manila University in 1980.



**Leonardo J. Matignas, Jr., CPA, CFE, CIA, CRMA, MM, FCPA Australia**  
*Independent Director*  
*Filipino, 62 years old*

Mr. Leonardo J. Matignas, Jr. is a former Partner of SGV & Co. (a member practice of Ernst & Young) and its former Chief Risk Officer. He recently retired last June 30, 2022. He was also Ernst & Young's ASEAN Risk Management Leader until his retirement last June. He is a multi-awarded and internationally recognized authority on Enterprise Risk Management (ERM). Aside from being a Philippine CPA, he also holds a Fellow CPA Australia (FCPA) title which is the highest rank in CPA Australia and is recognized globally. He is also a Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and has Certification in Risk Management Assurance (CRMA)—all of which are global certifications.

Over the course of his 40-year career, he had started service lines that paved the way for CPAs to venture into other avenues such as forensic accounting, risk-based auditing, and in risk management, either as a risk owner or risk champion. He was also very instrumental in SGV's accreditation by the Securities and Exchange Commission as an institutional training provider for Corporate Governance, for which he was the lead lecturer.

Leo holds a Bachelor of Science degree in Commerce, Magna Cum Laude, from San Sebastian College and completed his master's in management degree- International from the University of Phoenix. He is a Certified Public Accountant and has also completed Management Development Program at the Asian Institute of Management. In 2021, he completed an executive program, "Journey to the Boardroom" conducted by the Harvard Business Publishing Corporate Learning in collaboration with Ernst & Young.

His recognitions and awards include the following:

- One of the Top 100 notable CPAs in the 100 years in the history of the Philippine Accountancy Profession conferred by the Professional Regulation of the Board of Accountancy in celebration of its centennial anniversary. The award was given last March 17, 2023 at the Manila Hotel
- 2022 Honorary Lifetime Member Award recipient from the Philippine Institute of Certified Public Accountants (PICPA) given during PICPA's Annual Convention in Cebu in November of this year
- 2019 Winner of the Search for Outstanding Contribution in Internal Audit (SOCIA) in Asia Pacific by the Asian Confederation of Institute of Internal Auditors (ACIIA) which was awarded in Tokyo, Japan. He was the first Filipino recipient of this award

- First SOCIA PH awardee given by The Institute of Internal Auditors-Philippines (IIA-P) 2018
- Recognized by the Philippines' Professional Regulations Commission for his contributions to the accounting profession in 2015
- 2014 Outstanding CPA in Public Practice by PICPA
- Past President, Asian Confederation of Institute of Internal Auditors. He is the first Filipino elected to this post by internal auditors in Asia Pacific (2009)
- Past President, Institute of Internal Auditors (IIA)-Philippines (2007)
- Past President and Founding Member of the Association of Certified Fraud Examiners (ACFE) – Philippine Chapter (2005)
- 2011 National Awardee for PICPA Professional Development-International
- Instrumental for the SGV's accreditation by the Philippines Securities and Exchange Commission (SEC) as Training provider for Corporate Governance by the SEC, for which he was the lead facilitator
- One of the Ten Values Champions in the Far East by Ernst & Young in 2008
- 2005 – National Awardee for professional Development, PICPA
- The only Filipino speaker in the World Congress of Accountants in Kuala Lumpur, Malaysia
- Featured in the leading business magazine of Malaysia that highlighted his forensic accounting skills and experience.
- Speaker/moderator in the 2011 IIA International Conference held in Kuala Lumpur, Malaysia
- Received four (4) plaques of recognition from the Philippine SEC for his role in the SEC Roadshow in promoting the first code of corporate governance
- Part of the SEC task force in drafting the blueprint of the New Code of Corporate Governance for Publicly listed companies where he actively shared his expertise in Enterprise Risk Management. The new code was released in 2016
- Currently a member of the Quality Assurance Review Council of the Philippine Institute of Certified Public Accountants (PICPA), the accredited integrated professional organization of certified public accountants by the PRC and BOA

Before he retired in June of this year, Leo released his book, "A Practical Approach to Enterprise Risk Management". This is the first book on ERM written by a Filipino author for the Filipinos.

In November, 2023, Mr. Matignas released his second book, "Piercing the Numbers- *Fraud and Forensics*. He currently sits as an independent director in the board of PNB Holdings Corporation (a real estate corporation) and the Chairman of its Audit and Risk Management Committee.

Mr. Matignas is currently the Chairperson of the Bank's Audit Committee. He is also a member of the Related Party Transactions Committee (RPTCom) and Board Risk Oversight Committee (BROC).



**Jose T. Pardo**  
*Chairman of the Board  
of Advisors*



**Aurora T. Calderon**  
*Adviser*



**Cecile L. Ang**  
*Adviser*



**Ferdinand K. Constantino**  
*Adviser*



**Evita C. Caballa**  
*Corporate Secretary*



**Antonio M. Cailao**  
*Adviser*



# Senior Executive Team



**Michelangelo R. Aguilar**

*67, Filipino*

*President & Chief Executive Officer*

Mr. Aguilar is a veteran in the areas of Corporate and Wholesale Banking, Global Markets and Treasury with almost four (4) decades of experience in the banking industry. He held various positions prior to joining the Bank in 2018 such as Executive Vice President and Corporate Banking Group Head at Rizal Commercial Banking Corporation (RCBC), and Director of RCBC Leasing and Finance Corporation and RCBC Rental Corporation. He was also the Managing Director and Head of Origination and Client Coverage and Co-head of the Wholesale Banking Group at Standard Chartered Bank. In Solidbank Corporation, he was the former Senior Vice President and Treasurer.

**Felipe Martin F. Timbol**

*54, Filipino*

*Executive Vice President & Treasurer / Treasury Management Group Head*

Mr. Timbol's experience spans over more than twenty-eight (28) years in Treasury Management from different banking institutions. Prior to joining Bank of Commerce, he was the Vice President and Fund Management Group Head of Rizal Commercial Banking Corporation and Senior Assistant Vice President of the Treasury Department of EastWest Bank (formerly EastWest Banking Corporation).



**Manuel A. Castañeda III**

*53, Filipino*

*Executive Vice President & Corporate Banking Group Head*

Mr. Castañeda specializes in commercial, consumer and corporate banking. He has more than thirty (30) years of experience in the banking industry which includes heading the Global Banking division of Maybank Philippines and Commercial Banking in Unionbank of the Philippines. He was also the former President, CEO and Director of Producers Savings Bank.







### **Antonio S. Laquindanum**

*46, Filipino*

*Executive Vice President & Chief Financial Officer*

For over two decades, Mr. Laquindanum has navigated the intricate landscape of the Financial Services Industry. As a seasoned consultant, he collaborated directly with established clients across the Philippines, the United States, and Europe during his tenures at Accenture and Ernst & Young LLP. Prior to his current role, he held the position of Chief Financial Officer at Australia and New Zealand Banking Group's Philippine Branch.

### **Joel T. Carranto**

*53, Filipino*

*Senior Vice President & Branch Banking Group Head*

Mr. Carranto has more than thirty (30) years of banking experience from various institutions such as Maybank Philippines, Inc. where he was a Senior Vice President and headed the Community Distribution division under Community Financial Services. His expertise includes the fields of Branch Operations, Customer Service, Consumer Banking and Investments among others.



### **Jay S. Velasco**

*51, Filipino*

*Senior Vice President & Operations Group Head*

Mr. Velasco's expertise in Bank Operations comes from over twenty-six (26) years of experience in the banking industry. He previously held the position of Chief Operations Officer for Tiaong Rural Bank and PS Bank's Head Office Operations Division Head prior to joining Bank of Commerce in 2009.



**Gamalielh Ariel O. Benavides**

*57, Filipino*

*Senior Vice President & Chief Trust Officer*

Mr. Benavides has more than thirty (30) years of banking experience from financial institutions such as BDO Private Bank, Inc., Banco Santander Philippines, Inc. and Citibank N.A. Philippines and Singapore branches. His expertise includes wealth planning, and trust products and services.

**Mary Assumpta Gail C. Bautista**

*49, Filipino*

*Senior Vice President & Transaction Banking Group Head*

Ms. Bautista has been in the banking industry for over twenty-seven (27) years with extensive experience in Commercial Banking, Product Management and Sales in the Philippines and in Singapore. Prior to joining the Bank, she was a Senior Relationship Manager for Trade and Cash Management as well as Head for Cash Management Corporates at Deutsche Bank where she stayed for 11 years. Before that, she was Head of Transaction Banking Sales in Equitable PCI Bank and was a Regional Product Manager for Standard Chartered Bank in Singapore for Alliance Banking covering Japan, Korea and Australia. She finished her Masteral diploma for Asia Pacific Marketing Management at the National University of Singapore.



**Ma. Katrina Alba Felix**

*55, Filipino*

*Senior Vice President & Credit Card Group Head*

Ms. Felix is an expert in financial technology and has twenty-four (24) years of experience in various financial institutions such as Finscore, Inc. where she previously held the position of President. She also was the former Country Manager for CC Mobile Financial Services Phil. and Prudential Financial Services' former President and Managing Director.





### **Reginald C. Nery**

*66, Filipino*

*Senior Vice President & Chief Audit Executive*

Mr. Nery has experience in internal and external audit, governance, risk management, business process improvement, compliance and AML management, IT management, IT security, project management, and quality assurance for more than thirty-five (35) years. He is a Board of Trustee of Project Management Institute Philippine Chapter and Bankers Institute of the Philippines (BAIPHIL) and former President and Board Member of the Institute of Internal Auditors - Philippines (IIAP) and ISACA (Information Systems Audit and Control Association) Manila Chapter. He previously served as Risk Advisory Partner, Chief Information Officer and National IT Security Officer of KPMG Philippines.

### **Gregorio M. Yaranon, Jr.**

*52, Filipino*

*Senior Vice President & Chief Compliance Officer*

Mr. Yaranon's expertise in the field of Legal and Compliance, Human Resources, and Security spans for over twenty-five (25) years in the banking industry. He held the roles of Chief Compliance Officer at City Savings Bank and Chief Compliance and Legal Officer at CIMB Bank Philippines, Inc. prior to joining Bank of Commerce in 2022.



### **Jose Mari M. Zerna**

*48, Filipino*

*Senior Vice President & Consumer Banking Group Head*

Mr. Zerna has more than twenty-six (26) years of experience in Risk Management, Consumer Banking, and Corporate Banking from various financial institutions. Before joining Bank of Commerce in 2010, he was a Financial Applications Specialist at Thomson Reuters, and a Senior Functional Consultant at Misys Banking Systems, Inc., for trading and risk management projects in the Asia Pacific region. Prior to that, he was a Corporate Banking Officer at ANZ Limited, Manila, and a Corporate Finance Officer at BPI Capital Corporation.







**Louella P. Ira**

*52, Filipino*

*Senior Vice President & Legal Services Division Head and Assistant Corporate Secretary*

Atty. Ira's experience in the financial industry expands to more than twenty (20) years. Prior to joining the Bank in 2011, she served as a Legal Officer of Metropolitan Bank & Trust Company and Assistant Corporate Secretary of then Metrobank Card Corporation and as a Legal Officer of Insular Life Assurance Company, Ltd. (formerly Insular Life & Assurance Co.).

**Marie Suzanne A. Sison-Sevilla**

*60, Filipino*

*Senior Vice President, Chief Information Officer and Digital Services Group Head*

Ms. Sevilla's vast experience in Information Technology Management comes from her roles in various industries. Prior to being appointed as Chief Information Officer, she was the Information Technology Services Division Head of the Bank. She held the position of Director for IT Managed Services, Inc. (ITMSI), Fiesta Pacific Asia, Inc., SMITS Inc. and Process Synergy Inc. (PROSYNC). She was also the former Chief Information Officer and Information Technology Head of Bell Telecommunications Philippines Inc., and headed the Information Services Department of Philippine Airlines.



**Marie Kristin G. Mayo**

*55, Filipino*

*First Vice President & Human Resource Management and Development Division Head*

Ms. Mayo has twenty-nine (29) years of HR experience in the banking and consumer industries. Prior to joining the Bank in 2010, she was the Head of HR of Royal Bank of Scotland (formerly ABN AMRO Bank, Inc.).







### **Luis Martin E. Villalon**

*51, Filipino*

*First Vice President & Investment Banking Group Head*

Mr. Villalon's expertise in leading Investment Banking comes from more than twenty (20) years of experience in various financial institutions. He led an Investment Banking Group coverage team and was the Deputy Head of Equity Capital Markets at First Metro Investment Corporation before joining Bank of Commerce in 2022. He was also a former Investment Banking Director of SB Capital Investment Corporation. Prior to that, he served in various investment banking, corporate banking, and commercial banking roles in the New York offices of HSBC and Citibank.

### **Maria Ana P. Dela Paz**

*49, Filipino*

*First Vice President & Credit Group Head*

Ms. Dela Paz has more than twenty (20) years of experience in the industry of banking with expertise in the area of Credit Evaluation. She previously headed the Credit Evaluation Department as a former Assistant Vice President of Planters Development Bank.



### **Jeremy H. Reyes**

*45, Filipino*

*First Vice President & Chief Risk Officer*

With over twenty (20) years in the banking industry, Mr. Reyes has vast experience in Internal Audit and Risk Management. He was the Quality Assurance Review Department Head under Internal Audit before taking on the role of Chief Risk Officer. Prior to joining the Bank, he previously held the roles of Vice President and Commercial Banking Business Risk and Control Management Head of HSBC as well as former Deputy Head of Audit of HSBC Savings. Other previous roles were in the areas of operational risk, credit administration, internal control, and credit risk.

### **Francisco Raymund P. Gonzales**

*52, Filipino*

*Assistant Vice President, Corporate Communications & Consumer Protection Division Head*

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# Risk Management

## RISK PHILOSOPHY AND GUIDING PRINCIPLES

The Bank's goal is to generate steady returns to shareholders' capital. With this objective in mind, the Bank's business principles, strategies, and operations are designed to achieve cash flows in excess of its obligations to its fund providers and stakeholders. To realize this, the Bank takes risks that are inherent in the conduct of its universal banking franchise. Risk-taking presents opportunities to earn more than expected returns, provided that the risk-taking process is intentional, investigated, and controlled. The Bank's risk-taking activities are guided by the following principles:

- The Bank is in the business of taking risks.
- The Bank takes risks after a deliberate process to identify the risks, to dimension them, and to decide whether to reduce, avoid, accept, or transfer the risk.
- The Bank adopts risk management practices suited to the scope and sophistication of its business and in line with global best practices.
- The Bank's risk management is the concern of everyone.
- The Bank recognizes the independence of risk managers and risk takers from each other.

## RISK APPETITE AND STRATEGY

The capital of the Bank, once invested, is already exposed to risks. The risk appetite of the Bank is the type and threshold of risk that it is willing to take or accept in the pursuit of its business objectives. This is based on the Bank's capacity to absorb risks, given its capital, liquidity, borrowing capabilities, or statutory restrictions.

The Risk Appetite Statements of the Bank are either quantitative or qualitative. Risk Appetite Statements are developed by the Bank to provide guidance on the various types of its risk exposures such as credit, market, liquidity, and operational risk.

The Bank's strategy to manage risk may be to reduce, avoid, accept, or transfer the risk. Management is under obligation to exercise reasonable care, skill, and caution when engaging in business to ensure the appetite is not exceeded, to maximize the value of capital, and to preserve it when an adverse event occurs. Each and every employee is responsible for implementing and adhering to the Bank's risk appetite while making business decisions daily.



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STANDARDIZED CREDIT RISK WEIGHTS								
Credit Assessment	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Below B-	Unrated
Sovereigns	0%	0%	20%	50%	100%	100%	150%	100%
Multilateral Development	0%	20%	50%	50%	100%	100%	150%	100%
Banks other	20%	20%	50%	50%	100%	100%	150%	100%
Interbank C				20%				
Local Govern Units	20%	20%	50%	50%	100%	100%	150%	100%
		20%	50%	100%	100%	150%	150%	100%
		20%	50%	100%	100%	150%	150%	100%
				50%	100%	150%	150%	100%
				75%				
				100%				
				150%				

## RISK MANAGEMENT OVERSIGHT

The Bank's Board of Directors (BOD), Board Risk Oversight Committee (BROC), and Risk Management Division (RSK) are responsible for setting the overall risk management framework and risk appetite of the Bank. The BOD is the sole arbiter of the risks taken by the organization, with the discretion of determining what manner (strategic direction) and magnitude (risk appetite) of risks are suitable for the organization. The BOD develops both the strategic direction and the risk appetite with inputs provided by Management.

The Board established the BROC to oversee the promotion of a risk management culture within the Bank. The BROC is responsible for establishing and maintaining a sound risk management system. It assists the Board in its risk oversight function by:

- Identifying and evaluating risk exposures;
- Developing risk management strategies;
- Overseeing the risk management framework; and
- Promoting a culture that is conscious of the importance of risk management and capital adequacy.

The Bank considers the understanding and the management of risk as a key part of its business strategy. The RSK is mandated to strengthen the Bank's risk management infrastructure to meet the requirements of its business. The RSK implements the risk management directives of the Board and the BROC by:

- Formulating and recommending policies to manage market, liquidity, credit, operational, information technology, and trust risks arising from the business of the Bank;
- Implementing the risk management framework approved by the BOD;
- Actively promoting a culture of risk awareness and risk management; and
- Coordinating with Finance and Controllershship Group on the adequacy of the Bank's capital in absorbing the risks present in the Bank's business.

The RSK reports to the Board through the BROC and is independent from the risk-taking business units of the Bank. Headed by the Chief Risk Officer, it comprises the following departments:



## CREDIT RISK MANAGEMENT

The Credit Risk Management Department (CRM) has four sections, Credit Review, Credit Risk Control, Credit Risk Modelling, and Portfolio Credit Risk, with each focusing on a major segment of the credit risk management process. The CRM is responsible for developing and recommending policies that will aid in the management of credit risk present in the Bank's asset portfolios. The CRM is also in charge of developing, maintaining, and updating the Bank's credit risk models, including the risk

rating systems and scorecards. It is the department's duty to monitor credit risk exposures against established limits and report portfolio performance, including significant movements, asset quality, and levels of concentration to the BROC on a timely basis. It is CRM's responsibility to make sure that the Bank is always in compliance with the continuously evolving landscape of credit risk within the banking industry.

As part of the Bank's continuous assessment of the risks extended through its lending units, credit reviews are performed and act as independent and objective assessment of corporate and commercial loan exposures of the Bank. Borrowing accounts are reviewed if loans were granted in accordance with the Bank's credit policy. Loans are assessed on a post-approval basis to check if credit classifications are consistent with internal and regulatory standards and provisions are adequate following the ECL methodology of the Bank. Credit reviews provide assurance that lending portfolio quality is maintained and accounts are properly managed.

The CRM monitors credit exposures on a counterparty and portfolio level to ensure asset quality and concentration risks are within the Bank's risk appetite. Credit risk thresholds consist of regulatory commitments, internal limits, as well as industry benchmarks. Asset quality is measured through the Bank's Internal Credit Risk Rating System (ICRRS) for corporate accounts and scoring models, based on Fair Isaac Corporation (FICO), for consumer loans, including credit cards. These rating systems are monitored and validated on a regular basis.

Concentration risks and large exposures are monitored and reported to the BROC and the Management on a regular basis. Concentrations are identified on a counterparty, industry, product, and country level. Regulatory and internally developed stress tests are also performed to evaluate the Bank's ability to absorb credit losses.

With the advent of PFRS 9, the Bank adopted the Expected Credit Loss (ECL) estimation methodology for impairment. CRM is in charge of developing, maintaining, and updating the ECL models of the Bank. Furthermore, the department estimates the quarterly ECL figures for the Bank.

## **MARKET AND ASSET-LIABILITY RISK MANAGEMENT**

### **MARKET RISK IN THE TRADING BOOK**

The Bank employs an internally developed Value-at-Risk (VAR) model, along with other sensitivity metrics, to measure and monitor the probable deterioration in the market value of its trading portfolio. The Market and Asset-Liability Risk Management Department (MRM) simulates the trading book's VAR on a daily basis, and the results are compared against Board-approved limits. In addition to the risk appetite on VAR, the trading portfolio is also subject to limits on aggregate exposures, sensitivity metrics, daily, monthly, and full-year losses, and stress testing. These controls provide insight into possible strategies to hedge or mitigate the market risk arising from the trading book.

### **INTEREST RATE RISK IN THE BANKING BOOK**

The MRM also regularly monitors the mismatches in the repricing of the Bank's assets and liabilities through the interest rate gap reports to the Asset Liability Management Committee (ALCO) and the BROC. To ensure

that the Bank's net interest income is preserved, the Bank has set a limit for the maximum repricing gap, either positive or negative, for tenors up to 1 year. These limits are reviewed annually and form part of the Bank's risk appetite statements. The Bank also has an internally developed Earnings-at-Risk (EAR) metric for monitoring IRRBB. EAR measures the contraction in the projected NII over the next 12 months, excluding pipeline deals through historical simulation of interest rate benchmarks. Non-maturing fixed-rate deposits or current-savings accounts (CASA) are split into three classifications: 1) stable and core deposits; 2) stable-but-non-core deposits and; 3) non-stable deposits. The volatile or non-stable portion of the NMD/CASA is slotted in the shortest time-bucket (i.e., less than one month). Stable-but-non-core portion is slotted based on an assumed repricing approximation. Stable-and-core portion is slotted in the 3 to 5-year bucket. The IRRBB model captures the possibility of borrowers prepaying their loans and time deposit customers pre-terminating their investments. The interest rate scenario of the model simulates the impact of interest rate movements on existing loans and deposits. More (less) prepayment is expected if interest rates decline (increase), while more (less) pre-termination is expected if interest rates increase (less). The IRRBB model captures the possibility of borrowers prepaying their loans and time deposit customers pre-terminating their investments. The interest rate scenario of the model simulates the impact of interest rate movements to existing loans and deposits. More (less) prepayment is expected if interest rates decline (increase), while more (less) pre-termination is expected if interest rates increase (less).

EAR is simulated on a monthly basis and subject to a limit approved by the Board. The report is also accompanied by stress testing with scenarios such as: 1) standard parallel yield curve shifts; 2) BSP-prescribed yield curve shifts; 3) steepening and inversion of the curves; and 4) timing mismatch in assets and liabilities repricing. Internal Audit conducts a regular validation of the IRRBB models and parameters in addition to the risk-based full scope audit of RSK, which includes a review and evaluation of the processes and controls, including governance and risk management activities.

The Bank utilizes Funds Transfer Pricing (FTP) as a mechanism to charge the asset businesses for funding (e.g., term loans, housing loans) and to compensate the units that generate funding (e.g., branch deposits). While the Bank is not and does not have intentions to hedge IRRBB via interest rate swaps in the short term, it actively manages the interest rate mismatch by sourcing stable funds to match long-term assets. Trends, forecasts, and adjustments to the FTP are discussed and approved in the regular ALCO meeting.

### **LIQUIDITY RISK**

The MRM prepares a Maximum Cumulative Outflow (MCO) report, which estimates projected funding requirements that the Bank will need at specific time horizons, to measure and monitor liquidity risk. The Bank has a set



of internal limits on its MCO gaps to ensure sufficient liquidity, and any breach is reported to ALCO and the Board. Concentration on a single funding source is also regularly monitored to control the Bank's reliance on a specific product or counterparty. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors unique to the Bank, market-wide liquidity stress events, and combination of bank-specific and market-wide stress events. A contingency funding plan which covers quantitative and procedural measures is in place and may be applied under different stress scenarios.

## **OPERATIONAL RISK MANAGEMENT**

The Operational Risk Management Department (ORMD) monitors the comprehensiveness and effectiveness of internal control systems employed by the Bank and oversees the performance of these systems to minimize operational risks and detect vulnerabilities while the consequences are still manageable or avoidable. It also provides timely assessments of inherent general and functional risks to ensure the operational soundness of the organization as an ongoing concern.

To assist management in meeting its responsibility to manage operational risk exposures, the ORMD monitors and evaluates the Bank's operational risk incidents and losses to ensure that the risk level is well within the Bank's risk appetite and that any process and control gaps are promptly addressed. It also facilitates the implementation of bank-wide Risk and Control Self Assessments (RCSA), a proactive tool for identifying and assessing operational risks, as well as the control mechanisms employed by all banking units. To complement the RCSA, the ORMD, in partnership with business units, has continuously developed and maintained Key Risk Indicators (KRI). These KRIs help in the early detection of heightened risk or when risk levels approach or exceed acceptable ranges, prompting corrective actions and preventing further deterioration. On a monthly basis, the Department reports significant operational incidents and losses, as well as the results of RCSA facilitations and KRIs to the appropriate level of management and the BROCC.

As part of its mandate to provide operational risk management (ORM) training and advice to business units on ORM issues, the Department assists in improving operational and system risk management capabilities through policy formulation. It conducts a risk assessment on new or revised bank products and services to ensure that adequate procedures and controls are embedded into the process prior to their implementation. The ORMD also conducts regular in-house trainings and issues regular advisories to Bank personnel to enhance employee awareness on operational risks and controls.

## **INFORMATION TECHNOLOGY RISK MANAGEMENT**

The Information Technology Risk Management Department (ITRM) focuses on the assessment, identification, and evaluation of potential and actual risks associated with the use of information technology in the Bank. This practice involves assessing the IT infrastructure, networks, applications, and other aspects of the IT system to identify, evaluate, and mitigate risks. The goal is to reduce the likelihood of a security breach or other loss of information and to minimize the impact of such breach if it does occur.

The ITRM strategies include implementing IT security policies and procedures, conducting risk assessments, vulnerability assessments, monitoring, and logging IT activities, and developing and implementing disaster recovery plans.

Information Technology risk falls under the broad category of operational risk. As such, objectives, strategies, and processes are similar to ORMD, with a specific focus on risk and control evaluations and incident management related to hardware, software, IT operations, and information security.

Key risk indicators include system failures, data corruption, system security, system downtime, disaster recovery, among others. Vulnerability Assessment and Penetration testing is also managed by the ITRM.

## **TRUST RISK MANAGEMENT**

Trust Risk Management (TRM) ensures the management of risks in the business operations of the Trust Services Group and reports to the Trust and Investment Committee (TIC) and the BROCC. The TRM develops and enhances the policies and procedures in operational, credit, liquidity, and market risks, in accordance with the risk management framework of the Bank, to ensure that risk management practices continue to be effective and relevant to the ever evolving trust business. It is responsible for overseeing the implementation of approved strategies and for ensuring that controls are in place relative to its business activities that will limit fiduciary risks and reinforce compliance with laws and regulations.

## **BUSINESS CONTINUITY MANAGEMENT**

The Business Continuity Management (BCM) Department is responsible for facilitating the regular testing, updating, and execution of the Bank's Business Continuity Plan. Its activity follows the BCM life cycle recommended by regulators, which helps ensure that the Bank's critical processes and applications are identified and adequate preparations for various threats or disruptions are addressed. BCM works closely with each business unit for the assessment and development of their unit's Business Continuity Plan. Further, BCM maintains constant coordination and communication with each unit for awareness and updates on developing events.

## ANTI-MONEY LAUNDERING GOVERNANCE AND CULTURE

The Bank is committed to complying with the requirements of the Anti-Money Laundering (AML) Law, rules, and regulations as embodied in its Money Laundering and Terrorist Financing Prevention Program (MTPP). The MTPP is regularly updated annually or as the need arises to reflect the constantly evolving regulations, the emerging money laundering/terrorist financing/proliferations financing risks, and global best practices. The MTPP covers AML/CTF/CPF policies and information such as: (i) customer onboarding, (ii) customer risk assessment and due diligence, (iii) handling and monitoring of clients and their transactions, (iv) Covered and Suspicious transactions reporting, (v) record-keeping, (vi) AML/CTF training (vii) AML System.

While the Compliance Division monitors its implementation, the Bank's oversight board and management level committees, the Corporate Governance Committee, and AML Committee, respectively, are tasked to oversee the effective implementation of the Bank's compliance with money laundering, terrorist financing and proliferations financing prevention program and policies. This supports the Bank's mission of maintaining high ethical standards in the conduct of its business and ensures that it does not become a conduit for dirty money or a victim of money laundering crime.

Identification of compliance risks enables the Bank to establish measures to mitigate such risks. Through the conduct of independent testing of branches and head office units, the Bank is able to identify the segment in the operational process where money laundering, terrorist financing, proliferations financing risks are higher. Based on the testing results, the Bank implements improvements in the processes and segregate responsibilities among the units/personnel involved. Testing results are monitored until corrected and reported to the oversight committees to enable them to have an accurate assessment of the effectiveness and efficiency of the Bank's money laundering and terrorist financing prevention program.

The Bank seeks to instill a culture of compliance, with Compliance Division as the main driver of the Bank's initiatives to foster AML awareness and discipline. Compliance Division, in partnership with HRMDD, constantly enhances the Bank's training program to equip bank personnel with appropriate and up-to-date knowledge to achieve the Bank's goal of promoting effective implementation of the Anti-Money Laundering, Combating Financing of Terrorism (CFT) and Combating Proliferations Financing (CPF) policies and procedures in the entire organization. The Bank provides training programs that are designed based on the degree of experiences to transactions that pose risks to money laundering/terrorist financing/proliferations financing exposure, with varying focus for new employees, frontline staff and officers, internal audit, senior management, and directors. All employees are also required to

undergo annual refresher training which highlights their responsibilities under the MTPP.

The Bank endeavors to create a robust compliance culture where the programs and systems in place are adequate and effective to ensure that any risk associated with money laundering, terrorist financing and proliferation financing is mitigated and thus, ensures that the interest of the Bank, its clients, and other stakeholders is protected.

## RISK MEASUREMENT AND REPORTING SYSTEMS

The Bank's capital adequacy is determined by measuring credit, market, and operational risk exposures using standardized or basic approaches as allowed by the BSP. Risk exposures are measured both individually and in aggregate amounts. Risk measurements are done by respective risk taking personnel and groups but are independently validated, analyzed, and reported by the RSK. In cases where the risk measurement is performed by the RSK, another independent party, in-house or external, conducts a validation exercise.

Market risks are measured by mark-to-market and Value at Risk analyses on the overall exposure, on a portfolio level, and on each individual financial instrument. These exposures are also subjected to stress testing using a variety of historical and hypothetical scenarios.

Quality of credit is measured via risk classifications of accounts using an Internal Credit Risk Rating System that incorporates the BSP risk classifications of borrowing accounts. The Bank's front office recommends the credit risk rating of borrowing accounts and classifications and allowances for losses, including changes thereon, when necessary. All risk information is processed, analyzed, and consolidated for proper reporting to the BOD through the BROCC, TIC, AuditCom, Senior Executive Team, and various management committees of the Bank.

Actual and estimated risk exposures and losses at Treasury, Corporate and Consumer Banking, Operations, and Branches are consolidated for regular reporting. Reports include, among others, portfolio mix, liquidity and maturity matching, interest rate matching, trading gains and losses, sensitivity and backtesting results, top borrowers, non-performing assets and loans, industry exposures, large exposures, fines and penalties, employee fraud cases, status of legal cases, service level of major information technology systems, and ATMs.

The RSK streamlined the reporting of the enterprise-wide risk profile of the Bank through the periodic presentation and publication of the Risk Dashboard. This provides a readily available snapshot that highlights risk concerns encompassing the major business risk areas: Market, Asset and Liability, Credit, Corporate, Commercial and Consumer Lending, Operations, Information Technology, and Trust.

## RISK EXPOSURES AND ASSESSMENTS

(as reported to the Bangko Sentral ng Pilipinas)

### RISK-WEIGHTED ASSETS

Bank of Commerce's risk-weighted assets at the end of 2023 totaled Php 143.55 billion.

RISK-WEIGHTED ASSETS	2023	2022
Credit Risk	131,091	132,556
On Balance Sheet	115,086	112,725
Commitments	15,990	19,816
Counterparty Risk-Weighted Assets in the Trading Book	15	15
Contingencies	-	-
Deduction: GLLP (in excess to 1% of credit Risk-Weighted Assets)	-	-
Market Risk	314	121
Interest Rate Risk	99	3
Foreign Exchange Risk	215	118
Operational Risk	12,140	10,451
<b>TOTAL RISK-WEIGHTED ASSETS</b>	<b>143,545</b>	<b>143,128</b>

\*Amounts in Millions

### CREDIT RISK

The Bank considers credit risk as the possibility of loss arising from the customer's inability or unwillingness to settle his/her obligations on time or in full as expected or previously contracted. The Bank uses the standardized approach in calculating its credit risk-weighted exposure. The straightforward nature of this approach enables the Bank to utilize a wider differentiation of risk weights and a wider recognition of risk mitigation techniques without taking in excessive complexity in the process.

Below is the summary of risk weights and selected exposure types:

STANDARDIZED CREDIT RISK WEIGHTS								
Credit Assessment	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Below B-	Unrated
Sovereigns	0%	0%	20%	50%	100%	100%	150%	100%
Multilateral Development Banks	0%	20%	50%	50%	100%	100%	150%	100%
Banks other than MDBs	20%	20%	50%	50%	100%	100%	150%	100%
Interbank Call Loans				20%				
Local Government Units	20%	20%	50%	50%	100%	100%	150%	100%
Government Corporations	20%	20%	50%	100%	100%	150%	150%	100%
Corporations other than GCs	20%	20%	50%	100%	100%	150%	150%	100%
Housing Loans				50%	100%	150%	150%	100%
Micro, Small and Medium Enterprise qualified portfolio				75%				
Defaulted Exposures:								
Housing Loans				100%				
Others				150%				
Real and Other Properties Acquired				150%				
All other assets				100%				

Credit risk-weighted assets as of December 31, 2023 and 2022 as reported to BSP follows (amount in thousands):

	2023	2022
Risk Weighted On Balance Sheet	115,086,249	112,724,767
Risk Weighted Off Balance Sheet	15,990,435	19,816,255
Counterparty Risk-Weighted Assets in the Trading Book	14,465	15,233
Deduction: GLLP (in excess to 1% of credit Risk-Weighted Assets)	-	-
<b>Credit Risk</b>	<b>131,091,149</b>	<b>132,556,255</b>

The Bank's credit risk-weighted exposures arising from on-balance sheet assets amounting to Php 115.1 billion contribute 87.79% of the credit exposures of the Bank. Credit risk-weighted off-balance sheet assets and counterparty risk-weighted assets in the trading book make up the remainder. The off-balance sheet assets, consisting of direct credit substitutes, e.g., guarantees and financial standby letter of credit, and transaction and trade-related contingencies, are weighted at 100%, 50%, and 20%, respectively.

The Bank's credit exposures are risk weighted based on third-party credit assessment of the individual exposure as obtained from third-party credit assessment institutions recognized by BSP. In the calculation of risk-weighted assets in both the banking and trading books, the Bank utilizes the disclosed ratings from Standard & Poor's, Moody's, Fitch Ratings, and Philratings, whenever available. In cases where there are two or more ratings which correspond to different risk weights, the higher of the two lowest risk weights is used. For peso-denominated exposures to the Philippine National Government.

The breakdown of risk-weighted on-balance sheet assets follows (amounts in millions):

December 31, 2023										
	Exposures, Net of Specific Provisions	Exposures Covered by Credit Risk Mitigation (CRM), Gross of Materiality	Exposures not Covered by CRM	Risk Weights						TOTAL
				0%	20%	50%	75%	100%	150%	
Cash on Hand	3,500.645	-	3,500.645	3,500.645	-	-	-	-	-	3,500.645
Due from Bangko Sentral ng Pilipinas (BSP)	24,276.276	-	24,276.276	24,276.276	-	-	-	-	-	24,276.276
Due from Other Banks	3,067.782	-	3,067.782	-	790.385	1,954.811	-	322.586	-	3,067.782
Financial Assets at FVOCI	11,026.551	-	11,026.551	10,291.947	-	696.663	-	37.941	-	11,026.551
Investment Securities at Amortized Cost	52,909.889	-	52,909.889	48,774.260	365.154	1,952.068	-	1,818.407	-	52,909.889
Loans and Receivables	108,694.220	5,050.470	103,643.750	-	129.034	4,615.296	-	98,403.453	495.967	103,643.750
Loans and Receivables Arising from Repurchase Agreements	17,978.577	-	17,978.577	17,978.577	-	-	-	-	-	17,978.577
Sales Contract Receivables	336.972	-	336.972	-	-	-	-	271.472	65.500	336.972
Real and Other Properties Acquired (ROPA)	2,369.793	-	2,369.793	-	-	-	-	-	2,369.793	2,369.793
Total Exposures Excluding	224,160.705	5,050.470	219,110.235	104,821.705	1,284.572	9,218.838	-	100,853.860	2,931.260	219,110.235
Other Assets	4,969.166	-	4,969.166	-	-	-	-	4,969.166	-	4,969.166
Total Exposures, Including Other Assets	229,129.871	5,050.470	224,079.401	104,821.705	1,284.572	9,218.838	-	105,823.026	2,931.260	224,079.401
Total Risk-weighted On-Balance Sheet Assets not covered by CRM			-	-	256.914	4,609.419	-	105,823.026	4,396.889	115,086.249
Total Risk-weighted On-Balance Sheet Assets covered by CRM			-	-	-	-	-	-	-	-
<b>TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS</b>				-	256.914	4,609.419	-	105,823.026	4,396.889	115,086.249

\*Amounts in Millions



December 31, 2022

	Exposures, Net of Specific Provisions	Exposures Covered by Credit Risk Mitigation (CRM), Gross of Materiality	Exposures not Covered by CRM	0%	20%	50%	75%	100%	150%	TOTAL
Cash on Hand	2,735.048	-	2,735.048	2,735.048	-	-	-	-	-	2,735.048
Due from Bangko Sentral ng Pilipinas (BSP)	23,677.663	-	23,677.663	23,677.663	-	-	-	-	-	23,677.663
Due from Other Banks	4,761.497	-	4,761.497	-	1,394.995	3,366.421	-	0.081	-	4,761.497
Financial Assets at FVOCI	5,728.350	-	5,728.350	5,080,734	-	610.223	-	37.393	-	5,728.350
Investment Securities at Amortized Cost	52,724.488	-	52,724.488	40,281.977	6,720.257	4,076.441	-	1,645.813	-	52,724.488
Loans and Receivables	104,010.494	5,055.455	98,955.039	-	124.992	3,880.282	-	94,579.424	370.341	98,955.039
Loans and Receivables Arising from Repurchase Agreements	14,542.226	-	14,542.226	14,542.226	-	-	-	-	-	14,542.226
Sales Contract Receivables	331.337	-	331.337	-	-	-	-	254.711	76.626	331.337
Real and Other Properties Acquired (ROPA)	2,217.820	-	2,217.820	-	-	-	-	-	2,217.820	2,217.820
Total Exposures Excluding	210,728.923	5,055.455	205,673.467	86,317.648	8,240.244	11,933.367	-	96,517.422	2,664.787	205,673.467
Other Assets	4,595.408	-	4,595.408	-	-	-	-	4,595.408	-	4,595.408
Total Exposures, Including Other Assets	215,324.330	5,055.455	210,268.875	86,317.648	8,240.244	11,933.367	-	101,112.829	2,664.787	210,268.875
Total Risk-weighted On-Balance Sheet Assets not covered by CRM			-	-	1,648.049	5,966.683	-	101,112.829	3,997.181	112,724.742
Total Risk-weighted On-Balance Sheet Assets covered by CRM			-	-	-	-	-	-	-	-
<b>TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS</b>				-	1,648.049	5,966.683	-	101,112.829	3,997.181	112,724.742

\*Amounts in Millions

Under this approach, the Bank assigns a specific risk weight to each asset and multiplies it by the credit risk exposure. The risk weights are based on the ratings provided by an External Credit Assessment Institution recognized by the BSP. For the end of 2023, the credit risk exposures of the Bank include Php 224.08 billion in balance sheet exposure.

All exposures arising from balance sheet items are net of provisions set aside to absorb credit losses:

ON-BALANCE SHEET ITEMS ASSESSED WEIGHT FOR CREDIT RISK	2023	2022
Cash on Hand	3,501	2,735
Due from Bangko Sentral ng Pilipinas (BSP)	24,276	23,678
Due from Other Banks	3,068	4,761
Financial Assets at FVOCI	11,027	5,728
Investment Securities at Amortized Cost	52,910	52,724
Loans and Receivables	103,644	98,955
Loans and Receivables Arising from Repurchase Agreements	17,979	14,542
Sales Contract Receivables	337	331
Real and Other Properties Acquired (ROPA)	2,370	2,218
Total Exposures Excluding Other Assets	219,110	205,673
Other Assets	4,969	4,595
<b>TOTAL ON-BALANCE SHEET ITEMS ASSESSED WEIGHT FOR CREDIT RISK</b>	<b>224,079</b>	<b>210,268</b>

\*Amounts in Millions

	2023	2022
Total Assets	230,274	216,443
General Loan Loss Provisions	261	301
Deduction		
Total Exposures Excluding other Assets	224,161	210,729
Financial Assets held for Trading	399	381
Deferred Tax Assets	570	675
Other Intangible Assets	370	296
Other Equity Investments in Non-Financial Allied Undertakings and Non-Allied Undertakings	36	40
Significant Minority Instruments	-	-
Reciprocal Equity Investments	31	28
Accumulated Market gains/(losses) on AFS	-	-
Total Carrying Amount of Securitization Exposures	-	-
<b>TOTAL OTHER ASSETS</b>	<b>4,969</b>	<b>4,595</b>

\*Amounts in Millions

The Bank considers credit risk mitigation as a means to lower its exposure to credit risk. The Bank may use a number of techniques to mitigate the credit risk to which they are exposed. Exposures may be covered by eligible mitigants such as: Cash on deposit with the Bank, Gold, Debt obligations issued by the Philippine National Government or the BSP, Debt Securities issued by central governments and central banks of foreign countries as well as Multilateral Development Banks with at least investment grade external credit ratings, other debt securities with external credit ratings of at least BBB- or its equivalent, unrated senior debt securities issued by Banks with an issuer rating of at least BBB- or its equivalent, or with other debt issues of the same seniority with a rating of at least BBB- or its equivalent, equities included in the main index of an organized exchange, and investments in Unit Investment Trust Funds and the Asian Bond Fund duly approved by the BSP.

With regard to the Bank's on-balance sheet assets, the Bank uses loans collateralized by hold-out deposit agreement as eligible credit risk mitigant (CRM). Credit derivatives are currently not used as credit protection. The documentation used in collateralized transactions has been reviewed to be legally enforceable in all relevant jurisdictions. At the end of 2023, Php 5.05 billion in credit risk exposures carried mitigation in the form of qualified collateral from third parties.

December 31, 2023						
	Guaranteed Portion	Total Exposures Covered by CRM	0%	20%	Total	Total Exposures covered by CRM, Gross of Materiality Threshold
Loan and Receivables						
Private Corporations	4,763.588	4,763.588	4,763.588		4,763.588	4,763.588
Loans to individuals for consumption and other purposes	286.882	286.882	286.882		286.882	286.882
Total Exposures covered by CRM	5,050.470	5,050.470	5,050.470		5,050.470	5,050.470
Risk-Weighted On-Balance Sheet Assets Covered by CRM						

\*Amounts in Millions

The Bank uses a credit conversion factor as prescribed by banking regulations to account for the potential credit exposure arising from having committed to extend credit to a customer. The total loan equivalent exposure of the Bank to such commitments at the end of 2023 was Php 15.99 billion.

<b>COMMITMENTS TO LEND (LOAN EQUIVALENT EXPOSURE)</b>	<b>2023</b>	<b>2022</b>
Direct Client Substitutes	4,306	13,473
Transaction Related Contingencies	11,363	6,214
Trade Related Contingencies	322	129
Other Commitments	-	-
<b>TOTAL COMMITMENTS TO LEND (LOAN EQUIVALENT EXPOSURE)</b>	<b>15,990</b>	<b>19,816</b>

*\*Amounts in Millions*

## MARKET RISK

The Bank measures its exposure to market risk using the standardized approach under the Philippine Banking Regulation. Under this approach, the Bank applied risk weights defined by regulation to outstanding exposures to interest rates and to foreign exchange rates. Total of market risk-weighted assets at the end of 2023 was Php 314 million.

<b>MARKET RISK WEIGHTED ASSETS</b>	<b>2023</b>	<b>2022</b>
Interest Rate Specific to the Issuer of the Debt Instruments	20	1
Interest Rate Risk Attributable to Market Conditions	78	2
Foreign Exchange Risk	215	118
<b>TOTAL MARKET RISK-WEIGHTED ASSETS</b>	<b>314</b>	<b>121</b>

*\*Amounts in Millions*

## INTEREST RATE RISK IN BANKING BOOKS

The Bank measures IRRBB Pillar 2 capital charge using an internally developed Earnings-at-Risk (EAR). EAR simulates the contraction of the projected NII over the next 12 months based on the mismatches in the repricing of rate sensitive assets and liabilities. The EAR figure is directly deducted from the qualifying capital instead of being incremental to RWA.

<b>INTEREST RATE RISK IN BANKING BOOK</b>	<b>2023</b>	<b>2022</b>
Earnings-at-Risk	(239)	(228)

*\*Amounts in Millions*

## OPERATIONAL RISK

The Bank measures its exposure to operational risk using the basic indicator approach under the Philippine Banking Regulation. The approach utilizes the historical total annual gross income as the measure of risk exposure. Total of operational risk-weighted assets at the end of 2023 was Php 12.14 billion.

<b>OPERATIONAL RISK-WEIGHTED ASSETS</b>	<b>2023</b>	<b>2022</b>
Average Income of the Previous Three Years	6,475	5,574
Capital Charge (15 pct of Average Income)	971	836
Calibration (Capital Charge times 1.25)	1,214	1,045
<b>TOTAL OPERATIONAL RISK-WEIGHTED ASSETS (Calibrated Capital Charge times 10)</b>	<b>12,140</b>	<b>10,451</b>

*\*Amounts in Millions*

## SECURITIZATION STRUCTURES

The Bank's MRT Tranche 3 Note holding is booked as part of Financial Assets at Fair Value Through Profit or Loss (FVPL) upon initial application of PFRS 9 and is measured at fair value. The Note regularly redeems part of its principal every month and is expected to be fully paid on February 7, 2025. The Note's fair value as of December 31, 2023 was USD 3.44 million (Php 190.50 million) with a mark-to-market gain of USD 0.35 million (Php 19.59 million).

<b>SECURITIZATION EXPOSURE</b>	<b>2023</b>	<b>2022</b>
MRT Tranche 3	191	345

*\*Amounts in Millions*

## OTHER RISK DISCLOSURES

### COMPLIANCE RISK

A strong compliance culture is the Bank's key to better manage compliance risk. This culture thrives upon a common understanding by all persons within the organization that it is a basic responsibility to know and have a working knowledge of the laws, rules, and regulations attendant to his functions. To reinforce this responsibility, units in charge of ensuring compliance with laws and regulations (legal, regulatory, tax) regularly disseminate any new issuances for the understanding of concerned units/personnel.

Compliance Division provides Business Operating Unit (BOU) guidance on the interpretation and application of BSP rules and regulations and other regulatory issuances with respect to the activities of the Bank. Breaches/deviations from these regulations are appropriately reported to the Senior Management, Corporate Governance Committee, and the Board for immediate/appropriate resolution.

In order to validate that compliance culture is observed on all aspects of the Bank's business, activities and processes, regular monitoring and assessment of adherence to laws, rules, and regulations are performed. For this purpose, the Bank implements the three-pronged approach in Compliance Testing: the Compliance Self-Assessment performed by the units themselves; the Independent Compliance Testing, a validation exercise performed by the Compliance Division on branches, head office units, and selected products/services; and finally supplemented by validation performed by Internal Audit on all units and branches included in the Annual Audit Plan.

Based on the Bank's Compliance Program where self-assessment is one of the pillars, Deputy Compliance Officers (DCO) are appointed within each of the operating and business units of the Bank to perform periodic self-testing. Using the Compliance Self-Assessment Checklist (CSAC) prepared by Compliance Division, Compliance Self-Assessment is done by the DCOs to check the level of compliance of their respective units with identified laws, rules, and regulations. The result of Compliance Self-Assessment is validated through the Independent Compliance Testing.

The independent compliance testing (ICT) activity helps assess the implementation of the Bank's Compliance Program and to check adherence of Business Units with relevant laws, rules and regulations as well as internal policies. The ICT activity also helps to detect possible areas of non-compliance and recommends corrective actions to mitigate regulatory and operational risks.

The Results of Compliance Self-Assessment and Independent Compliance Testing are reported to the Corporate Governance Committee and appropriate levels of Management. Follow-through is being done until findings/exceptions are fully corrected.

### REPUTATIONAL RISK

Reputational risk proceeds from negative public opinion and has the potential to erode the perception of the Bank as a worthy counterparty or investment target. Negative perception on the part of customers, providers of funding, or regulators can adversely affect a bank's ability to maintain existing, or establish new business relationships, or to continue accessing sources of funding. The impact on reputation of events that may occur in the regular course of business remains a top priority of Senior Management and the Board. Customer complaints are monitored until resolved within set turnaround times. Moreover, products and services are offered to clients in accordance with their needs and risk sophistication.

### LEGAL RISK

Legal risk is the risk of loss by the Bank arising from breach or non-compliance with laws, regulations and contractual obligations. This risk arises from failure of internal controls and processes or their inadequacy as well as defectively structured agreements. The Bank's Legal Services Division (LSD) is instrumental in the Bank's legal risk management as it provides legal advice on issues with legal consequences, including those in relation to the Bank's core businesses and human resources management. LSD draws up contracts and agreements between the Bank and its clients and counterparties, ensuring that relevant laws are complied with, Bank interest is duly protected, and identified risks are imparted to responsible units of the Bank. LSD also represents and defends the Bank's interests as well as its directors, officers and employees in courts and other government tribunals.

### PENSION RISK

The Bank enlists the assistance of third-party consultants to conduct actuarial evaluation on the condition of the retirement plan once a year in order to address any erosion in the explanatory power or significance of the actuarial models used to project benefit obligations.

Valuation of both the projected benefit obligation and the present value of the plan assets assumes rates of discount, asset return, and compensation growth. These parameters may properly reflect market conditions at the time of measurement but later be non-reflective as market conditions change.

The annual third-party actuarial evaluation of the condition of the retirement plan considers the relevance of the assumption used in valuation and recommends the necessary adjustments to properly reflect the value of plan assets and liabilities. The valuation assumptions last underwent review and adjustment during the actuarial report of December 2023.

### MODEL RISK

The Bank contracts external entities to validate internal models used to measure market, asset and liability risks, as well as rating models, for the classification of borrowers' credit risk and estimation of credit losses. Results of these validation exercises are reported to Management, the BROC, and the Audit Committee.



# Capital Management

The Board recognizes that capital adequacy is the foundation of institutional strength and therefore ensures that Bank of Commerce (the Bank) maintains an adequate level of capital to support business growth and maintain depositor and creditor confidence.

The Bank's capital management framework is designed to ensure that regulatory requirements are met at all times and are cognizant of its own risk profile and target ratios as approved by the Board. In addition, the Bank has an Internal Capital Adequacy Assessment Process (ICAAP) in place, which allows it to assess the capital impact of other risks apart from credit, market, and operational risks.

## REGULATORY CAPITAL OVERSIGHT

The Board oversees the deployment of capital funds bank wide, ensuring that the Capital-to-Risk Weighted Assets Ratio (CAR) of the Bank meets or exceeds the minimum regulatory requirements. The following tables exhibit the Bank's capital condition as of December 31, 2023 and 2022:

Amounts in millions	2023	2022
Gross Qualifying Capital	29,732	27,105
Less: Regulatory Deductions	1,197	1,384
<b>Total Qualifying Capital</b>	<b>28,535</b>	<b>25,721</b>
Credit Risk-Weighted Assets	131,091	132,556
Market Risk-Weighted Assets	314	121
Operational Risk-Weighted Assets	12,140	10,451
<b>Total Risk Weighted Assets</b>	<b>143,545</b>	<b>143,128</b>
Capital Adequacy Ratio		
Regulatory Minimum is 10%	19.88%	17.97%
Tier 1 Capital Ratio		
Regulatory Minimum is 7.5%	19.09%	17.22%
<b>Common Equity Tier 1 Ratio</b>	<b>15.32%</b>	<b>13.45%</b>

The above ratios represent a measure of capital supply relative to the total risk-weighted assets and are measured against regulatory minimum requirements. The increase in the CAR ratio was primarily due to the increase in undivided profits and decrease in the credit risk weighted amount of contingent account (domestic standby letters of credit).



As of December 31, 2023 and 2022, the Bank has complied with the minimum regulatory required capital.

Tier 1 Capital comprised common stock, additional paid-in capital, and retained earnings (deficit). Common equity tier 1 represents ordinary share capital, share premium, and retained earnings (deficit), including cumulative translation adjustment.

Risk-weighted assets are determined based on standardized regulatory approach for credit risk (both on-and-off balance sheet exposures) and market risk, while operational risks are based on Basic Indicator Approach (BIA).

Amounts in Millions	December 31, 2023		December 31, 2022	
	Risk-Weighted Assets	Capital Requirements	Risk-Weighted Assets	Capital Requirements
Credit Risk	131,091	13,109	132,556	13,256
Market Risk	314	31	121	12
Operational Risk	12,140	1,214	10,451	1,045
<b>Total</b>	<b>143,545</b>	<b>14,355</b>	<b>143,128</b>	<b>14,313</b>

The following tables exhibit the elements of the Bank's Total Qualifying Capital as of December 31, 2023 and 2022:

Amounts in millions	December 31, 2023	December 31, 2022
Paid-up Common Stock	14,030	14,030
Paid-up Preferred Stock	4,167	4,167
Additional Paid-in Capital	7,229	7,229
Retained Earnings/(Deficit)	4,044	1,436
Other Comprehensive Income	(877)	(833)
<b>Gross Common Equity Tier 1 (CET1) Capital</b>	<b>28,594</b>	<b>26,029</b>
Appraisal Increment Reserve – Bank Premises	-	-
General Loan Loss Provision	1,139	1,076
<b>Gross Tier 2 Capital</b>	<b>1,139</b>	<b>1,076</b>
Less: Regulatory Deductible Adjustments To Qualifying Capital		
Deferred Tax Assets	570	675
Other Intangible Assets	370	296
Other Equity Investments In Non-Financial Allied Undertakings And Non-Allied Undertakings	36	40
Reciprocal Equity Investments	31	28
Securitization Tranches And Structured Products Which Are Rated Below Investment Grade or Are Unrated	191	345
<b>Total Regulatory Deductible Adjustments To Qualifying Capital</b>	<b>1,197</b>	<b>1,384</b>
Adjusted CET1 Capital	27,396	24,646
Adjusted Tier 2 Capital, mainly adding back the General Loan Loss Provisions	1,139	1,076
<b>Total Qualifying Capital</b>	<b>28,535</b>	<b>25,722</b>

Components of the regulatory qualifying capital are determined based on the Bangko Sentral ng Pilipinas's (BSP) regulatory accounting policy (RAP), which differs from the capital based on the Philippine Financial Reporting Standards (PFRS) in some respects.

Full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements follows:

	December 31, 2023			December 31, 2022		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
<i>(in millions)</i>						
Tier 1 capital/Total equity						
Capital stock	18,197	-	18,197	18,197	-	18,197
Paid-in surplus	7,229	-	7,229	7,229	-	7,229
Surplus reserves	451	644	1,095	451	533	983
Retained earnings (deficit)	3,594	1,530	5,123	985	1,440	2,425
Net unrealized losses on financial assets at FVOCI		(421)	(421)		(731)	(731)
Net unrealized losses on AFS securities	(505)	505	-	(783)	783	-
Remeasurement losses on retirement liability	(366)	-	(366)	(55)	(23)	(78)
Share in other comprehensive loss of associate	(5)	(0)	(5)	(1)	(0)	(1)
Cumulative translation adjustment	(2)	0	(2)	6	(0)	6
Deductions	(1,197)	1,197	-	(1,384)	1,384	-
	<b>27,396</b>	<b>3,455</b>	<b>30,851</b>	<b>24,646</b>	<b>3,385</b>	<b>28,031</b>
Tier 2 capital						
Reevaluation increment on PPE and investment properties	-	-	-	-	-	-
General loan loss provision	1,139	(1,139)	-	1,076	(1,076)	-
	1,139	(1,139)	-	1,076	(1,076)	-
<b>Total Qualifying Capital/Total Equity</b>	<b>28,535</b>	<b>2,316</b>	<b>30,851</b>	<b>25,722</b>	<b>2,309</b>	<b>28,031</b>

Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP for prudential reporting and vice versa.

## INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP) OVERSIGHT

The Board oversees the ICAAP of the Bank and recognizes the applicability of regulatory changes, such as Basel III, in its ICAAP. The ICAAP enables the Bank to properly understand the risks in its strategic plans and allows it to assess how much capital is required to withstand these risks. Integrating ICAAP into the organization creates a culture of collective responsibility and accountability to preserve and maximize the value of invested capital.

The Bank's management constantly monitors compliance with the minimum regulatory capital requirements, as well as with internal capital requirements, as determined under its ICAAP. Management regularly reports the state of capital adequacy compliance to the Board to enable it to make proper decisions regarding risk and capital.

## ICAAP STEERING COMMITTEE

The ICAAP Steering Committee is a management body responsible for overseeing the development of the assessment process and for monitoring the implementation and integration of the ICAAP. The Committee:

- Evaluates the Bank's compliance with mandated minimum capital requirements;
- Oversees the ICAAP to ensure it effectively approximates the Bank's ability to absorb losses;
- Formulates and recommends guidelines, policies, and procedures which enable the Bank to maintain a level of qualified capital appropriate to its risk profile; and
- Evaluates the Regulator's findings and recommendations regarding the ICAAP of the Bank and oversees its plans to address the Regulator's findings on ICAAP.

The ICAAP Report is issued by the ICAAP Committee to the Board annually, conveying the results of the evaluation of the Bank's ICAAP. The 2023 ICAAP Report highlighted the sufficiency of the Bank's compliance with regulatory and



internal capital requirements considering the strategic plans from 2023 through 2025, and the sufficiency of Management's Capital Contingency Plan as well as Capital Build-up Program. The Bank's intended primary source of emergency capital would be through issuance of additional Tier 1 capital (common stock), as discussed and approved at the ICAAP Steering Committee and Board levels.

### RECENT CAPITAL RELATED EVENTS

On January 26, 2021, the BOD approved the issuance of up to Php 5.5 billion in preferred shares. On August 5, 2021, the Bank issued 41,666,667 Series 1 Preferred Shares to SMC Equivest Corporation at Php 132 per share based on the January 2021 approval. Transaction costs on the issuance of preferred shares amounting to Php 99.6 million were charged against "Paid-in surplus".

On May 25, 2021 and July 8, 2021, the BOD and the Stockholders, respectively, approved the amendment of the Bank's Articles of Incorporation to the par value of common and preferred shares from One Hundred Pesos (Php 100) to Ten Pesos (Php 10). The amendment resulted in increase in common shares from 170,251,147 to 1,702,511,470 and increase in preferred shares from 45,500,000 to 455,000,000. This amendment was approved by the BSP on October 4, 2021 and by the SEC on November 2, 2021.

On October 28, 2021 and November 9, 2021, the BOD and Stockholders, respectively, approved the primary public offer and sale of up to 280,700,000 common shares from unissued capital stock. On February 15 and February 16,

2022, the SEC and the PSE, respectively, approved the application for the Initial Public Offer of the Bank. On March 31, 2022, the Bank listed its common shares with the PSE. The Bank offered and issued new common shares to the public up to 280,602,800 at Php 12 per share. Transaction costs on the issuance of common shares amounting to Php 108.6 million were charged against "Paid-in surplus".

On February 22, 2022 and April 29, 2022, the BOD and the Stockholders, respectively, approved the amendments to the Articles of Incorporation to change its purpose from a Commercial Bank to a Universal Bank pursuant to BSP MB Resolution No. 1798 dated December 23, 2021. The By-laws were also amended to comply with Sections 28 and 52 of the Revised Corporation Code. The amendment on the Bank's Articles of Incorporation and By-laws was approved by the BSP on June 29, 2022 and by the SEC on August 9, 2022.

Even with these recent increases in capital, the Bank continues to evaluate forward-looking capital requirements to support future business expansion and risk-taking strategies. The Board has directed Management to escalate any proposed capital-raising exercise for deliberation and its approval and, accordingly, to pursue the necessary regulatory approvals.



# INTERNAL AUDIT DIVISION REPORT

**T**he Internal Audit Division (IAD) is an independent unit of the Bank that conducts objective assurance and consulting activities designed to add value and help improve the operations of the Bank. The IAD evaluates the effectiveness of the Bank's risk management and governance processes and provides reasonable assurance that the Bank's key organizational and procedural controls are effective, appropriate, and complied with. The IAD periodically audits all branches, area offices, branch operations control centers, and head office units, as well as systems, applications, and mission-critical projects of the Bank using a risk-based approach and in accordance with The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (ISPPA).

The IAD has full, free, and unrestricted access to any and all of the Bank's records, systems, physical properties, and personnel pertinent in carrying out any engagement. The IAD also has open and unrestricted access to the Board of Directors through the Audit Committee.

Functionally, the IAD, led by the Chief Audit Executive (CAE), reports to the Audit Committee, while administratively, it reports to the President/Chief Executive Officer. The CAE regularly updates senior management and the Audit Committee on the IAD's purpose, authority, responsibility, plans and activities, as well as performance relative to its plans. These updates also cover significant risk exposures, control issues, fraud risks, governance matters, and any other topics requested by senior management or the Audit Committee.

The COVID-19 pandemic prompted significant adjustments to the IAD's audit approach, which have been thoroughly documented for potential use in similar future scenarios. These adjustments include the implementation of offsite (remote) audits, the review of selected Closed-Circuit Television (CCTV) footage, and the conduct of spot audits. To ensure the confidentiality of the Bank's data, an encrypted file transfer solution was employed for sharing documents among different units. Despite the relaxation of pandemic-related restrictions, allowing auditors to resume physical visits to branches, the IAD has recognized the value of CCTV footage in validating branch compliance with certain policies and procedures. Consequently, the use of this audit procedure has been continued for all branch audit engagements. Based on the results of the audit and other assurance activities performed in 2023, the CAE declared that the Bank's system of internal controls, compliance and risk

management, along with its governance, is reasonably sound and adequate to address strategic, financial, regulatory, compliance (including AMLA), operational, and fraud-related risks. Overall, the established system of internal controls, governance and risk management processes have been assessed to promote financial and management reporting reliability, operational efficiency, system reliability, data integrity, asset protection, business resiliency, and the prompt detection and/or prevention of material errors and/or irregularities in processing and reporting the Bank's transactions and accounts. Out of the 185 units/ processes audited in 2023, the majority (76%) either retained or enhanced their audit ratings. Nearly all (99%) of these units/ processes have obtained a Satisfactory or higher audit rating. While some control lapses and weaknesses were identified, these issues did not have a significant impact to the Bank as a whole. Senior management is currently implementing action plans to effectively address and prevent recurrence of these issues.

Common audit exceptions and root causes have been identified, analyzed and coordinated with management to develop appropriate action plans. The completion of these action plans has been regularly monitored and reported to the Audit Committee. The process of conducting root cause analysis has been strengthened through in-house training and issuance of guidelines to auditors, ensuring effective identification of the root cause of audit findings and the provision of suitable recommendations.

To complement and support the whistleblowing mechanism of the Bank, Internal Audit has initiated the Know-Your-Peer Survey. This survey entails an anonymous questionnaire distributed to auditees (officers and staff members) by auditors to gather information on potential fraud or employee behavioral issues that may necessitate further investigation and audit.

The Bank has consistently enhanced its internal controls, governance, and risk management processes to address emerging risks encountered by the institution. This adaptation is in line with its recent status as a publicly listed company, having obtained a universal bank license. Additionally, the Bank has aligned itself with new laws and regulations and has responded effectively to technology advancements, competition, and shifts within the industry. In particular, the management of Information technology (IT)-related risks has been robust, controlled, and thoroughly tested. This has ensured uninterrupted operability of the Bank's

systems and services, especially during the periods of quarantine. Furthermore, the Bank has implemented strategic initiatives, online digital platforms, and alternate and remote access methods. These measures guarantee the continuity of internal processes and availability of business functions to serve its clients, all while prioritizing the health and safety of its employees.

Over the years, the IAD has significantly enhanced its utilization of computer-assisted audit techniques (CAATs). Tools such as ACL (a data extraction and analysis software) and the advanced features of MS Excel have empowered the IAD to adopt a more efficient, effective, and comprehensive approach in reviewing and analyzing data for selected audits and validations. This includes tasks such as randomly generating and dispatching confirmation letters concerning deposits, loan accounts balances and sales contract receivables from specific clients. Moreover, enhancements have been implemented to existing ACL scripts, aiding auditors in conducting sampling and automating fieldwork procedures that were previously manual or relied heavily on MS Excel tools. Recent initiatives have also focused on improving the visibility, efficiency and documentation of internal audits, alongside enhancing sampling methodologies, through the acquisition of audit management software and data analytics capabilities.

The integration of audit management software within the IAD has not only bolstered the quality and effectiveness of audit processes but has also enhanced compliance and risk management practices while driving continuous improvement.

Internal Audit has also played a vital role in the pre-implementation review of mission critical IT projects. This involvement includes monitoring key activities, progress and deliverables, as well as identifying and escalating control and project issues at an early stage. Additionally, Internal Audit provides guidance and recommendations to the project teams and technical working group, thereby assisting in the successful implementation of these significant projects.

A structured program for continuing professional development is in place to assist the Bank's internal auditors in further enhancing their knowledge, skills, and other competencies related to auditing. This program also aims to ensure that the internal auditors stay informed about current developments in governance, risk management, IT, regulations, and control processes

relevant to the Bank. Furthermore, internal auditors are strongly encouraged to demonstrate their proficiency by obtaining appropriate professional certifications related to internal auditing, internal control, risk management, IT security, and governance.

Additionally, internal auditors actively utilize online, on-demand technical training platforms like LinkedIn Learning and Pluralsight to remain abreast of evolving technologies and industry best practices, while developing critical technical, analytical and management skills. This proactive engagement helps ensure that internal auditors possess the necessary skills to effectively assess the Bank's IT infrastructure and security protocols, thereby identifying potential risks and vulnerabilities during audits and contributing to the overall resilience and compliance of the Bank's IT systems.

The IAD maintains a comprehensive quality assurance and improvement program that encompasses all aspects of internal audit activities. This program includes ongoing monitoring of internal audit activities through close supervision and peer review as well as periodic evaluations of the internal audit activity's adherence to IIA ISPPA (the Standards), and assessments of whether internal auditors adhere to the Code of Ethics. Moreover, the program evaluates the efficiency and effectiveness of the internal audit activity and identifies areas for improvement. Internal assessments are conducted at least annually, while external assessments are carried out by qualified external quality assessment providers (or third-party validators) at least once every five years. The most recent external and internal Quality Assurance Reviews concluded that the IAD 'Generally Conforms' with the Standards. The Bank undertakes these assessments to confirm and demonstrate IAD's continuing compliance with the Standards.


# Joint Declaration of PCEO and CAE on the Adequacy and Soundness of Internal Controls and Compliance System

In accordance with the *SEC Integrated Annual Corporate Governance Report* (Additional Recommendation to Principle 12: Internal Control System and Risk Management Framework) and based on the assurance activities performed by the Bank's Internal Audit Division and its external auditor for the year 2023, we hereby attest that the Bank's internal controls, compliance, risk management, and governance processes are in place, adequate, and generally effective to address exposures of the Bank to different types of risks. We likewise confirm that the audit scope and coverage are sufficient and risk-based; that Management is aware of its responsibility regarding internal controls, compliance, risk management, and governance processes; and that there is no interference, restriction, or limitation that hindered or prevented the accomplishment of audit engagements and reporting of material and relevant issues to the Audit Committee and the Board of Directors.

This attestation is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Mandaluyong on APR 22 2024.

## BANK OF COMMERCE Registrant

By:

  
**MICHELANGELO R. AGUILAR**  
President and CEO

  
**REGINALD C. NERY**  
Chief Audit Executive

SUBSCRIBED AND SWORN to before me at Mandaluyong City, Metro Manila this 22 APR 2024, affiant(s) exhibiting to me his/her ID/residence certificate, with the following details:

### NAME(S)

Michelangelo R. Aguilar

Reginald C. Nery

Doc. No. 199;  
Page No. 41;  
Book No. XI;  
Series of 2024

  
**EVA Z. BANZON**  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0529-23  
UNTIL 31 DECEMBER 2024  
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5425491 / 03 JAN 2024 / MANDALUYONG CITY  
IBP OR No. 332607 / 20 DEC 2023  
ROLL OF ATTORNEYS NO. 62160

# Statement Of Management's Responsibility For Financial Statements

The management of Bank of Commerce (the "Bank") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

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

R. G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Bank in accordance with Philippine Standard Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**FRANCIS C. CHUA**  
Chairman of the Board

  
**ANTONIO S. LAQUINDANUM**  
Executive Vice President and Chief Financial Officer

  
**MICHELANGELO R. AGUILAR**  
President and Chief Executive Officer

Signed this 19th day of March 2024

SUBSCRIBED AND SWORN to before me this MAR 22 2024, affiants exhibiting their Passport ID as follows:


## Names

Francis C. Chua

Michelangelo R. Aguilar

Antonio S. Laquindanum

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Series of 2024

  
**ALYSSA MAE G. CAYABA**  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0676-23  
UNTIL 31 DECEMBER 2024  
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5425492 / 03 JAN 2024 / MANDALUYONG CITY  
IBP OR No. 332593 / 20 DEC 2023  
ROLL OF ATTORNEYS NO. 73447





# **Audited Financial Statements**

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## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and the Stockholders

### **Bank of Commerce**

San Miguel Properties Centre  
No. 7, St. Francis Street  
Mandaluyong City

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

#### *Opinion*

We have audited the financial statements of Bank of Commerce (the “Bank”), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with Philippine Financial Reporting Standards (PFRSs).

#### *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 *Auditors’ 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.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

### *Key Audit Matter*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

#### *Allowance for Expected Credit Losses (ECL) for Loans and Receivables*

##### *The risk*

The Bank's recognition of allowance for ECL for its loans and receivables is significant to our audit as it involves the exercise of significant management judgment. In calculating ECL, key areas of judgment include: determining the method to estimate ECL; defining default; identifying exposures with significant increase in credit risk; determining assumptions to be used in the ECL model such as expected recoveries from defaulted accounts and amount and timing of future cash flows; and incorporating forward-looking information, rising interest rates, and inflation, among others.

Loans and receivables and the corresponding allowance for credit losses as at December 31, 2023 amounted to P112.59 billion and P3.02 billion, respectively. Provision for credit and impairment losses in 2023 amounted to P113.62 million. The disclosures in relation to the allowance for credit losses are included in Notes 12 and 17 of the financial statements.

##### *Our response*

We obtained an understanding of the Bank's ECL methodologies and models for loans and receivables, as approved by the Credit Committee and the Board of Directors, and evaluated whether those are (a) established and implemented consistently in accordance with the underlying principles of PFRS 9, *Financial Instruments*; (b) appropriate in the context of the Bank's lending activities and asset portfolio; and (c) supported with processes and controls including documentations that capture in sufficient detail the judgment and estimation applied in the development of the ECL model.

We have performed the following procedures to address the risk of material misstatement relating to the adequacy of allowance for impairment of loans and other receivables:

- We evaluated the governance over the development, validation and approval of the ECL model including continuous reassessment performed by the Bank;
- We tested the design, implementation and operating effectiveness of key controls in the ECL process. This includes appropriate classification of loan to stages and assignment of loan risk rating, approval of restructured loans, review of underlying collateral valuation, and the calculation and recognition of the ECL allowance;
- We assessed whether the loans are classified to the appropriate stage, and challenged the criteria used to categorize the loan to respective stages;

- On a sample basis, we performed an independent credit review in order to evaluate the appropriateness and adequacy of the risk rating review and credit review processes done by the Bank including its documentation. Accounts selected for review were based on a set of criteria designed to capture the items with high risk of material misstatement in the Bank's loan portfolios;
- We assessed the appropriateness and adequacy of the inputs and assumptions as well as the formulae used in the development of the ECL models, including the determination of the probability of default, loss given default and exposure at default;
- We performed model re-assessment through a series of statistical tests on the time series regression analysis and interpreted the results with the aim to verify, primarily, statistical significance;
- For forward-looking information used, we evaluated whether the historical and projected macro-economic factors (i.e. Remittances, Loan Performances, BVAL Rates, Value of Production Index, Stock Exchange Index, Exports, Consumer Outlook, Foreign exchange rates, and Gross Domestic Product), were appropriate and sufficient. This included assessing the level of significance of the correlation of the forward-looking information to the default rates, as well as the impact of these variables in the ECL. We also reviewed management's use of expert credit judgment on the assessment of other macroeconomic factors as inputs in the ECL models;
- On selected non-performing accounts, we evaluated management's forecast of recoverable cash flows based on agreed restructuring plan, collateral valuation and estimates of recovery from other sources;
- We have tested the completeness and reliability of data used in the ECL calculations through reconciliation of the ECL schedules with source systems and examination of relevant data elements to source documents;
- We have assessed the appropriateness and adequacy of the disclosures made in the financial statements; and
- We involved our Information Technology specialists to assist in testing the relevant automated control environments and application controls and, Financial Risk Management specialists to assess the Bank's ECL models and assumptions.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



When we read the other information reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine whether the other information needs to be revised.

#### *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 PFRSs, 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.

#### *Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on the Supplementary Information Required under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074**

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 BSP Circular No. 1074 in Note 38 to the financial statements is presented for purposes of filing with the BSP and is not a required part of the basic financial statements. Such information is the responsibility of the management of the 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.

The engagement partner on the audit resulting in this independent auditors' report is Vanessa P. Macamos.

**R.G. MANABAT & CO.**

*Vanessa P. Macamos*

VANESSA P. MACAMOS

Partner

CPA License No. 0102309

BSP Accreditation No. 102309-BSP, Group A, valid for five (5) years  
covering the audit of 2019 to 2023 financial statements

Tax Identification No. 920-961-311

BIR Accreditation No. 08-001987-038-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 10075185

Issued January 2, 2024 at Makati City

March 19, 2024

Makati City, Metro Manila

# Statements of Financial Position

		December 31	
	Note	2023	2022
<b>ASSETS</b>			
Cash and Other Cash Items		P3,500,645,345	P2,735,170,691
Due from Bangko Sentral ng Pilipinas	18	24,271,918,477	23,675,469,821
Due from Other Banks		1,055,354,600	1,044,255,360
Interbank Loans Receivable and Securities Purchased under Resale Agreements	8	20,111,780,623	18,378,744,387
Financial Assets at Fair Value through Profit or Loss	9	398,792,440	381,001,468
Financial Assets at Fair Value through Other Comprehensive Income	10	11,043,804,828	5,805,050,520
Investment Securities at Amortized Cost	11	52,471,103,294	52,208,769,061
Loans and Receivables	12	109,566,176,319	105,091,228,764
Investment in an Associate	13	35,533,764	39,522,627
Property, Equipment and Right-of-Use Assets	14	1,791,195,950	1,425,418,610
Investment Properties	15	3,676,126,498	3,399,986,749
Deferred Tax Assets	32	475,332,923	612,090,088
Other Assets	16	3,270,214,009	2,721,190,526
		<b>P231,667,979,070</b>	<b>P217,517,898,672</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Deposit Liabilities</b>	18		
Demand		P54,569,494,343	P51,792,969,578
Savings		109,667,913,265	101,651,552,858
Time		16,638,541,473	17,793,297,530
Long-term negotiable certificates		5,029,420,000	5,029,420,000
		<b>185,905,369,081</b>	<b>176,267,239,966</b>
<b>Financial Liabilities at Fair Value through Profit or Loss</b>	9	<b>6,201,649</b>	<b>283,329</b>
<b>Bonds Payable</b>	20	<b>7,478,265,064</b>	<b>7,442,251,269</b>
<b>Manager's Checks</b>		<b>1,846,499,855</b>	<b>661,453,914</b>
<b>Accrued Interest, Taxes and Other Expenses</b>	21	<b>1,387,189,325</b>	<b>1,165,765,820</b>
<b>Other Liabilities</b>	22	<b>4,193,181,203</b>	<b>3,950,329,366</b>
<b>Total Liabilities</b>		<b>200,816,706,177</b>	<b>189,487,323,664</b>
<b>Equity</b>			
Capital stock	24	18,196,805,900	18,196,805,900
Paid-in surplus	24	7,229,275,360	7,229,275,360
Surplus reserves	25	1,095,004,461	983,407,496
Retained earnings	24	5,123,378,774	2,425,229,109
Net unrealized losses on financial assets at fair value through other comprehensive income	10	(421,192,531)	(730,966,925)
Remeasurement losses on retirement liability	29	(365,718,897)	(77,723,200)
Share in other comprehensive loss of an associate	13	(4,537,968)	(1,331,685)
Cumulative translation adjustment		(1,742,206)	5,878,953
<b>Total Equity</b>		<b>30,851,272,893</b>	<b>28,030,575,008</b>
		<b>P231,667,979,070</b>	<b>P217,517,898,672</b>

See Notes to the Financial Statements.

# Statements of Income

Years Ended December 31				
	Note	2023	2022	2021
<b>INTEREST INCOME</b>				
Interest income calculated using the effective interest method:				
Loans and receivables	12	<b>P8,244,672,503</b>	P5,465,228,886	P4,284,455,772
Investment securities at fair value through other comprehensive income and at amortized cost	26	<b>2,247,720,169</b>	1,681,784,534	1,251,563,739
Interbank loans receivable and securities purchased under resale agreements	8	<b>875,706,076</b>	539,158,895	316,281,375
Due from Bangko Sentral ng Pilipinas and other banks	18	<b>372,909,945</b>	274,855,345	228,434,625
Other interest income:				
Financial assets at fair value through profit or loss	26	<b>21,561,207</b>	4,603,469	14,420,446
		<b>11,762,569,900</b>	7,965,631,129	6,095,155,957
<b>INTEREST EXPENSE</b>				
Deposit liabilities	18	<b>2,971,181,154</b>	1,034,350,259	645,260,590
Bonds payable	20	<b>412,986,306</b>	173,783,546	-
Lease liabilities	30	<b>32,817,258</b>	28,177,821	35,033,242
Bills payable and other borrowings	19	<b>49,098,268</b>	47,041,557	16,691,365
		<b>3,466,082,986</b>	1,283,353,183	696,985,197
<b>NET INTEREST INCOME</b>		<b>8,296,486,914</b>	6,682,277,946	5,398,170,760
Service charges, fees and commissions				
	27	<b>886,379,485</b>	857,631,877	531,127,752
Gains on foreclosure and sale of property and equipment and foreclosed assets - net				
	14, 15, 16	<b>495,400,228</b>	340,449,070	274,985,810
Foreign exchange gains - net		<b>141,121,355</b>	150,319,774	48,367,204
Trading and investment securities gains (losses) - net	28	<b>10,598,350</b>	(29,216,561)	(78,709,145)
Miscellaneous	31	<b>145,276,382</b>	115,179,381	50,565,323
<b>TOTAL OPERATING INCOME</b>		<b>9,975,262,714</b>	8,116,641,487	6,224,507,704
Compensation and fringe benefits				
	29	<b>2,258,396,096</b>	1,904,811,525	1,820,969,091
Taxes and licenses	32	<b>1,063,031,768</b>	947,182,470	802,193,452
Rent and utilities	30	<b>647,697,989</b>	631,549,967	532,283,906
Depreciation and amortization	14, 15, 16	<b>489,379,046</b>	431,663,464	462,532,885
Service fees and commissions	27	<b>417,924,021</b>	293,329,555	229,706,473
Insurance	18	<b>345,083,471</b>	348,354,755	334,825,533
Subscription fees		<b>188,452,835</b>	122,534,992	107,646,170
Management and professional fees		<b>140,883,712</b>	108,572,826	85,022,359
Provision for (reversal of) credit and impairment losses	17	<b>78,844,599</b>	166,210,318	(634,819,513)
Amortization of software costs	16	<b>76,741,228</b>	73,068,105	53,595,136
Entertainment and recreation		<b>12,142,020</b>	76,226,795	97,393,528
Miscellaneous	31	<b>519,792,983</b>	546,579,681	501,811,576
<b>TOTAL OPERATING EXPENSES</b>		<b>P6,238,369,768</b>	P5,650,084,453	P4,393,160,596

Forward



Years Ended December 31				
	Note	2023	2022	2021
INCOME BEFORE SHARE IN NET LOSS OF AN ASSOCIATE AND INCOME TAX EXPENSE		<b>P3,736,892,946</b>	P2,466,557,034	P1,831,347,108
SHARE IN NET LOSS OF AN ASSOCIATE	13	<b>782,580</b>	133,185	1,039,285
INCOME BEFORE INCOME TAX EXPENSE		<b>3,736,110,366</b>	2,466,423,849	1,830,307,823
INCOME TAX EXPENSE	32	<b>933,891,191</b>	666,355,249	623,688,658
NET INCOME		<b>P2,802,219,175</b>	P1,800,068,600	P1,206,619,165
Earnings Per Share Attributable to Equity Holders of the Bank	36			
Basic		<b>P1.86</b>	P1.24	P1.02
Diluted		<b>1.54</b>	1.03	0.93

See Notes to the Financial Statements.

# Statements of Comprehensive Income

Years Ended December 31				
	Note	2023	2022	2021
<b>NET INCOME</b>		<b>P2,802,219,175</b>	P1,800,068,600	P1,206,619,165
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Items that may not be reclassified to profit or loss</b>				
Net change in remeasurement losses on retirement liability	29	(287,995,697)	184,824,187	186,540,613
Net change in fair value of equity securities at fair value through other comprehensive income (FVOCI)	10	15,857,461	4,413,992	31,555,000
		(272,138,236)	189,238,179	218,095,613
<b>Items that may be reclassified to profit or loss</b>				
Net change in fair value of debt securities at FVOCI	10	308,408,749	(578,936,156)	(320,194,577)
Net movement in cumulative translation adjustment		(7,621,159)	(1,131,861)	22,414,831
Net change in fair value of debt securities at FVOCI taken to profit or loss	10	(6,964,361)	-	68,883,753
Share in other comprehensive income (loss) of an associate	13	(3,206,283)	(5,777)	13,468
		290,616,946	(580,073,794)	(228,882,525)
		18,478,710	(390,835,615)	(10,786,912)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P2,820,697,885</b>	P1,409,232,985	P1,195,832,253

See Notes to the Financial Statements.

# Statements of Changes in Equity

		Years Ended December 31						
Note	Capital Stock (Note 24)	Paid-in Surplus (Note 24)	Surplus Reserves (Note 25)	Retained Earnings (Note 24)	Remeasurement Losses on Retirement Liability (Note 29)	Net Unrealized Losses on Financial Assets at FVOCI (Note 10)	Share in Other Comprehensive Loss of an Associate (Note 13)	Total Equity
Balance as at December 31, 2022	P18,196,805,900	P7,229,275,360	P983,407,496	P2,425,229,109	(P77,723,200)	(P730,966,925)	(P1,331,685)	P28,030,575,008
Net income for the year	-	-	-	2,802,219,175	-	-	-	2,802,219,175
Other comprehensive income (loss) for the year:								
Items that may not be reclassified to profit or loss:								
Net change in remeasurement losses on retirement liability	-	-	-	-	(287,995,697)	-	-	(287,995,697)
Net change in fair value of equity securities at FVOCI	-	-	-	-	-	15,857,461	-	15,857,461
Items that may be reclassified to profit or loss:								
Net change in fair value of debt securities at FVOCI	-	-	-	-	-	308,408,749	-	308,408,749
Net change in fair value of debt securities at FVOCI taken to profit or loss	-	-	-	-	-	(6,964,361)	-	(6,964,361)
Net movement in cumulative translation adjustment	-	-	-	-	-	-	(7,621,159)	(7,621,159)
Share in other comprehensive loss of an associate	-	-	-	-	-	-	(3,206,283)	(3,206,283)
Total comprehensive income for the year	-	-	-	2,802,219,175	(287,995,697)	317,301,849	(7,621,159)	2,820,697,885
Issuance of common stock	-	-	-	-	-	-	-	-
Transactions within equity:								
Transfer to surplus reserves	-	-	111,596,965	(111,596,965)	-	-	-	-
Transfer of gain on equity securities at FVOCI realized through disposal	-	-	-	7,527,455	-	(7,527,455)	-	-
Balance as at December 31, 2023	P18,196,805,900	P7,229,275,360	P1,095,004,461	P5,123,378,774	(P365,718,897)	(P421,192,531)	(P1,742,206)	P30,851,272,893

Forward

Years Ended December 31										
	Note	Capital Stock (Note 24)	Paid-in Surplus (Note 24)	Surplus Reserves (Note 25)	Retained Earnings (Note 24)	Remeasurement Losses on Retirement Liability (Note 29)	Net Unrealized Losses on Financial Assets at FVOCI (Note 10)	Cumulative Translation Adjustment	Share in Other Comprehensive Loss of an Associate (Note 13)	Total Equity
Balance as at December 31, 2021		P 15,390,777,900	P6,776,694,869	P755,806,267	P852,471,738	(P262,547,387)	(P156,154,761)	P7,010,814	(P1,325,908)	P23,362,733,532
Net income for the year		-	-	-	1,800,068,600	-	-	-	-	1,800,068,600
Other comprehensive income (loss) for the year:										
Items that may not be reclassified to profit or loss:										
Net change in remeasurement losses on retirement liability		-	-	-	-	184,824,187	-	-	-	184,824,187
Net change in fair value of equity securities at FVOCI		-	-	-	-	-	4,413,992	-	-	4,413,992
Items that may be reclassified to profit or loss:										
Net change in fair value of debt securities at FVOCI		-	-	-	-	-	(578,936,156)	-	-	(578,936,156)
Net change in fair value of debt securities at FVOCI taken to profit or loss		-	-	-	-	-	-	-	-	-
Net movement in cumulative translation adjustment		-	-	-	-	-	-	(1,131,861)	-	(1,131,861)
Share in other comprehensive loss of an associate		-	-	-	-	-	-	-	(5,777)	(5,777)
Total comprehensive income for the year		-	-	-	1,800,068,600	184,824,187	(574,522,164)	(1,131,861)	(5,777)	1,409,232,985
Issuance of common stock	24	2,806,028,000	452,580,491	-	-	-	-	-	-	3,258,608,491
Transactions within equity:										
Transfer to surplus reserves	25	-	-	227,601,229	(227,601,229)	-	-	-	-	-
Transfer of gain on equity securities at FVOCI realized through disposal	10	-	-	-	290,000	-	(290,000)	-	-	-
		2,806,028,000	452,580,491	227,601,229	(227,311,229)	-	(290,000)	-	-	3,258,608,491
Balance as at December 31, 2022		P 18,196,805,900	P7,229,275,360	P983,407,496	P2,425,229,109	(P77,723,200)	(P730,966,925)	P5,878,953	(P1,331,685)	P28,030,575,008
Forward										

Forward



Years Ended December 31										
	Note	Capital Stock (Note 24)	Paid-in Surplus (Note 24)	Surplus Reserves (Note 25)	Retained Earnings (Note 24)	Remeasurement Losses on Retirement Liability (Note 29)	Net Unrealized Losses on Financial Assets at FVOCI (Note 10)	Cumulative Translation Adjustment	Share in Other Comprehensive Loss of an Associate (Note 13)	Total Equity
Balance as at December 31, 2020		P11,224,111,200	P5,594,079,646	P395,602,340	(P51,156,715)	(P449,088,000)	P69,657,563	(P15,404,017)	(P1,339,376)	P16,766,462,641
Net income for the year		-	-	-	1,206,619,165	-	-	-	-	1,206,619,165
Other comprehensive income (loss) for the year:										
Items that may not be reclassified to profit or loss:										
Net change in remeasurement losses on retirement liability		-	-	-	-	186,540,613	-	-	-	186,540,613
Net change in fair value of equity securities at FVOCI		-	-	-	-	-	31,555,000	-	-	31,555,000
Items that may be reclassified to profit or loss:										
Net change in fair value of debt securities at FVOCI		-	-	-	-	-	(320,194,577)	-	-	(320,194,577)
Net change in fair value of debt securities at FVOCI taken to profit or loss		-	-	-	-	-	68,883,753	-	-	68,883,753
Net movement in cumulative translation adjustment		-	-	-	-	-	-	22,414,831	-	22,414,831
Share in other comprehensive loss of an associate		-	-	-	-	-	-	-	13,468	13,468
Total comprehensive income for the year		-	-	-	1,206,619,165	186,540,613	(219,755,824)	22,414,831	13,468	1,195,832,253
Issuance of preferred stock	24	4,166,666,700	1,233,771,938	-	-	-	-	-	-	5,400,438,638
Transactions within equity:										
Transfer to surplus reserves	25	-	-	360,203,927	(360,203,927)	-	-	-	-	-
Application of paid-in surplus against deficit	24	-	(51,156,715)	-	51,156,715	-	-	-	-	-
Transfer of gain on equity securities at FVOCI realized through disposal	10	-	-	-	6,056,500	-	(6,056,500)	-	-	-
Balance as at December 31, 2021		4,166,666,700	1,182,615,223	360,203,927	(302,990,712)	-	(6,056,500)	-	-	5,400,438,638
		P15,390,777,900	P6,776,694,869	P755,806,267	P852,471,738	(P262,547,387)	(P156,154,761)	P7,010,814	(P1,325,908)	P23,362,733,532

See Notes to the Financial Statements.

# Statements of Cash Flows

Years Ended December 31				
	Note	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax expense		<b>P3,736,110,366</b>	P2,466,423,849	P1,830,307,823
Adjustments for:				
Gain on foreclosure and sale of property and equipment and foreclosed assets - net	14, 15, 16	<b>(495,400,228)</b>	(340,449,070)	(274,985,810)
Depreciation and amortization	14, 15, 16	<b>489,379,046</b>	431,663,464	462,532,885
Interest expense on bonds payable	20	<b>412,986,306</b>	173,783,546	-
Provision for (reversal of) credit and impairment losses	17	<b>78,844,599</b>	166,210,318	(634,819,513)
Amortization of software costs	16	<b>76,741,228</b>	73,068,105	53,595,136
Interest expense on lease liabilities	30	<b>32,817,258</b>	28,177,821	35,033,242
Unrealized loss (gain) on financial assets at fair value through profit or loss (FVPL)	28	<b>(22,810,265)</b>	(3,032,696)	4,189,634
Loss (gain) on sale of financial assets at fair value through other comprehensive income (FVOCI)	28	<b>(6,964,361)</b>	-	68,883,753
Share in net loss of an associate	13	<b>782,580</b>	133,185	1,039,285
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Interbank loans receivables	8	-	-	106,515,133
Financial assets at FVPL		<b>10,937,613</b>	616,927,329	266,617,062
Loans and receivables		<b>(4,762,183,490)</b>	(31,013,170,773)	(2,049,407,264)
Other assets		<b>(478,780,746)</b>	(147,949,840)	(254,234,814)
Increase (decrease) in:				
Deposit liabilities		<b>9,638,129,115</b>	4,553,416,726	22,608,212,154
Manager's checks		<b>1,185,045,941</b>	(290,006,583)	81,380,889
Accrued interest, taxes and other expenses		<b>217,489,398</b>	130,239,910	90,609,895
Other liabilities		<b>(64,244,233)</b>	1,483,681,802	(386,245,709)
Net cash generated from (absorbed by) operations		<b>10,048,880,127</b>	(21,670,882,907)	22,009,223,781
Income taxes paid		<b>(793,239,655)</b>	(573,609,991)	(366,872,337)
Net cash provided by (used in) operating activities		<b>9,255,640,472</b>	(22,244,492,898)	21,642,351,444

Forward

Years Ended December 31				
	Note	2023	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale or redemption of:				
Investment securities at amortized cost		<b>P84,500,327,600</b>	P59,895,050,000	P15,166,197,000
Financial assets at FVOCI		<b>5,963,068,067</b>	578,775,000	17,433,761,770
Investment properties		<b>238,440,930</b>	299,555,213	308,006,196
Property and equipment		<b>49,279,179</b>	52,892,081	45,240,223
Additions to:				
Investment securities at amortized cost		<b>(84,762,807,309)</b>	(69,194,981,330)	(48,933,469,733)
Financial assets at FVOCI		<b>(10,877,648,681)</b>	(1,903,195,601)	(7,358,521,216)
Property and equipment	14	<b>(466,379,345)</b>	(182,356,128)	(156,995,689)
Software costs	16	<b>(149,908,692)</b>	(100,896,635)	(48,972,849)
Investment properties		<b>(21,025,497)</b>	(4,932,730)	(1,098,889)
Net cash used in investing activities		<b>(5,526,653,748)</b>	(10,560,090,130)	(23,545,853,187)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of interest on bonds	20	<b>(376,972,511)</b>	(106,595,991)	-
Payment of lease liability	35	<b>(238,014,973)</b>	(231,255,989)	(223,485,330)
Issuance of bonds payable	35	-	7,427,633,892	-
Issuance of common stock		-	3,258,608,491	-
Issuance of preferred stock		-	-	5,452,543,902
Settlement of bills payable	35	-	-	(18,675)
Net cash provided by (used in) financing activities		<b>(614,987,484)</b>	10,348,390,403	5,229,039,897
<b>EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>				
		<b>(7,624,444)</b>	(1,082,325)	22,456,631
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		<b>3,106,374,796</b>	(22,457,274,950)	3,347,994,785
<b>CASH AND CASH EQUIVALENTS - GROSS AT BEGINNING OF YEAR</b>				
Cash and other cash items		<b>2,735,170,691</b>	2,747,780,890	2,420,504,742
Due from Bangko Sentral ng Pilipinas		<b>23,678,666,441</b>	45,373,267,996	39,552,550,316
Due from other banks		<b>1,044,396,366</b>	1,039,596,824	1,023,393,720
Interbank loans receivable and securities purchased under resale agreements		<b>18,381,225,853</b>	19,136,088,591	21,952,290,738
		<b>45,839,459,351</b>	68,296,734,301	64,948,739,516
<b>CASH AND CASH EQUIVALENTS - GROSS AT END OF YEAR</b>				
Cash and other cash items		<b>3,500,645,345</b>	2,735,170,691	2,747,780,890
Due from Bangko Sentral ng Pilipinas		<b>24,275,195,629</b>	23,678,666,441	45,373,267,996
Due from other banks		<b>1,055,497,093</b>	1,044,396,366	1,039,596,824
Interbank loans receivable and securities purchased under resale agreements		<b>20,114,496,080</b>	18,381,225,853	19,136,088,591
		<b>P48,945,834,147</b>	P45,839,459,351	P68,296,734,301

Forward

	Years Ended December 31		
	2023	2022	2021
<b>CASH FLOWS FROM INTEREST AND DIVIDENDS</b>			
<b>Operating Activities</b>			
Interest received	<b>P9,505,491,715</b>	P6,152,214,757	P5,013,594,767
Interest paid	<b>2,883,397,684</b>	978,496,764	659,753,395
<b>Investing Activities</b>			
Interest received	<b>P2,189,348,496</b>	P1,614,378,153	P988,560,088
Dividends received	<b>5,604,161</b>	1,612,352	5,709,161
<b>Financing Activities</b>			
Interest paid	<b>P409,789,769</b>	P135,099,012	P35,396,571

See Notes to the Financial Statements.



# Notes to the Financial Statements

## 1. Reporting Entity

Bank of Commerce (the Bank) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on December 16, 1963. The Bank's shares were listed with the Philippine Stock Exchange, Inc. (PSE) on March 31, 2022, as approved by the SEC on February 15, 2022. The Bangko Sentral ng Pilipinas (BSP) approved the upgrade of the Bank's banking license from commercial bank to universal bank on December 23, 2021. On August 11, 2022, the SEC approved the application of the Bank to act as underwriter of securities engaged in dealing government securities. On October 24, 2022, the Bank received from the BSP the Certificate of Authority to Operate as a Universal Bank dated October 4, 2022. On November 2, 2022, the Bank officially started operations as a universal bank.

The Bank provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, foreign exchange, credit card and trust services. The Bank's principal place of business is at San Miguel Properties Centre, No.7 St. Francis Street, Mandaluyong City. The Bank has a total of 140 branches nationwide as at December 31, 2023, 2022 and 2021.

San Miguel Properties, Inc. (SMPI) and San Miguel Corporation Retirement Plan (SMCRP) hold 31.91% and 30.84% ownership of the Bank's issued common shares, respectively, as at December 31, 2023 and December 31, 2022. Each of these shareholders has significant influence over the Bank. SMC Equivest Corporation holds 100% ownership of the Bank's issued non-voting preferred shares as at December 31, 2023 and 2022.

The Bank's original authority for its banking license was approved under Monetary Board (MB) Resolution No. 1045 dated October 4, 1963 as *The Overseas Bank of Manila*. The Bank received its Foreign Currency Deposit Unit (the "FCDU") license and launched its FCDU operations on September 23, 1983. The Bank received its Expanded FCDU license on March 10, 2010. The Bank was renamed Commercial Bank of Manila, Inc. on October 20, 1980, further renamed Boston Bank of the Philippines on July 27, 1988, and finally, Bank of Commerce on November 28, 1991.

Under Section 11, Corporate Term of the Revised Corporation Code issued on February 23, 2019, a corporation shall have perpetual existence unless its articles of incorporation provides otherwise. On January 30, 2020, the Board of Directors (BOD) approved the Amended Articles of Incorporation to reflect that the Bank's term of existence shall be perpetual. The said amendment was approved by the SEC on June 9, 2020.

The financial statements of the Bank were endorsed by the Audit Committee to BOD for its approval on March 19, 2024. The financial statements were approved and authorized for issue by the BOD on March 19, 2024.

## 2. Basis of Preparation

### Statement of Compliance

The financial statements of the Bank have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards issued by the International Accounting Standards Board. PFRSs, which are adopted and issued by the Philippine Financial Reporting Standards Council, consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

### Basis of Measurement

The financial statements of the Bank have been prepared on a historical cost basis, except for the following items:

Items	Measurement Bases
Financial assets and liabilities at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Lease liability	Present value of remaining lease payments, discounted using the Bank's incremental borrowing rate
Net retirement liability	Present value of the defined benefit obligation less fair value of plan assets

### Functional and Presentation Currency

The financial statements include accounts maintained in the Regular Banking Unit (the RBU) and the FCDU. The functional currency of the RBU and the FCDU is Philippine Peso (PHP) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated to their equivalents in PHP as discussed in Note 3. The financial statements individually prepared for these units are combined after eliminating inter-unit accounts.

All values are rounded to the nearest peso unless otherwise stated.

### Presentation of Financial Statements

The Bank presents its statements of financial position broadly in the order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 23.

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### 3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, except for the adoption of the following amended standards and framework, which became effective beginning January 1, 2023. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- *Disclosure of Accounting Policies (Amendments to PAS 1, Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements).* The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures, assisting companies to provide useful, entity-specific accounting policy information that users need to understand other income in the financial statements.

The Bank reviewed the accounting policies and although the amendments did not result in any changes to the accounting policies themselves, updates were made to the accounting policy information disclosed in Note 3, Material Accounting Policies in certain instances in line with the amendments.

#### Foreign Currency Transactions and Translation

Foreign exchange differences arising from foreign currency transactions and revaluation and translation of foreign currency-denominated assets and liabilities to functional currency are credited to or charged as part of "Foreign exchange gains - net" account in the statements of income, except for differences arising from the re-translations of equity securities at FVOCI which are recognized directly in "Net change in fair value on equity securities at FVOCI" in other comprehensive income (OCI).

The books of accounts of the FCDU of the Bank are maintained in USD with various transactions in foreign currencies. The foreign currency-denominated income and expenses in the books of accounts are translated into their USD equivalent based on the exchange rates prevailing at the time of transaction. The foreign currency-denominated assets and liabilities at the reporting dates are translated into USD using the Banking Association of the Philippines (BAP) closing rate prevailing at the reporting date.

The foreign currency-denominated monetary assets and liabilities in the RBU are translated to PHP based on the BAP closing rate prevailing at the end of the year. Foreign currency-denominated income and expenses are translated to PHP at the exchange rates prevailing at transaction dates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

For reporting purposes, the FCDU income and expenses are translated to their equivalent in PHP based on the BAP weighted average rate (WAR) for the year. The assets and liabilities of the FCDU at the reporting date are translated into PHP using BAP closing rate at the reporting date. The exchange differences arising from translation (i.e., BAP WAR and BAP closing rate) of FCDU accounts to PHP as presentation currency are taken directly to OCI under “Net movement in cumulative translation adjustment” in the statements of comprehensive income. Upon disposal of the FCDU or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statement of comprehensive income is recognized in the statements of income.

#### Financial Instruments - Initial Recognition

- *Date of Recognition*

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

Derivatives are recognized on trade date basis. Trade date is the date when an entity commits itself to purchase or sell an asset. Trade date accounting refers to: (a) the recognition of an asset to be received or the liability to be paid on the trade date, and (b) the derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on trade date.

- *Initial Recognition of Financial Instruments*

All financial instruments, whether financial assets or liabilities, are initially measured at fair value. Except for financial assets and liabilities valued at FVPL, initial measurement includes transaction costs.

#### Financial Instruments - Classification and Subsequent Measurement

##### *Financial Assets*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Bank's business model for managing them.

The Bank's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are for sole payment of principal and interest (SPPI). This assessment is referred to as the SPPI test and is performed at an instrument level.



### *Business Model Assessment*

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level, not on an instrument-by-instrument basis, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- 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 in which those risks are managed;
- how managers of the business are compensated (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If the 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 asset held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### *SPPI Test*

As part of the Bank's classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

For purposes of this assessment, 'principal' is defined as the fair value of the financial asset on 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). 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

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 FVPL.

The Bank's measurement categories for financial assets are described below:

(i) *Financial Assets at FVPL*

Financial assets at FVPL include financial assets held for trading purposes, financial assets designated upon initial recognition at FVPL or financial assets mandatorily required to be measured at fair value. Equity securities are classified as financial assets at FVPL, unless the Bank designates an equity security that is not held for trading as at FVOCI at initial recognition.

A financial asset is held for trading if:

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

Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt securities to be classified at amortized cost or at FVOCI, as described in succeeding sections, debt securities may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are initially recognized and subsequently measured at fair value in the statements of financial position, with transaction costs recognized in the statements of income. Gains and losses arising from changes in the fair value of financial assets at FVPL and gains and losses arising from disposals of these securities are recognized under "Trading and investment securities gains (losses) - net" account in the statements of income. Interest earned or incurred is recorded as interest income or interest expense, respectively, while dividend income is recorded under "Miscellaneous income" account in the statements of income when the right to receive payment has been established.

Financial assets at FVPL include government and private debt securities held for trading, derivative instruments and debt securities that do not meet the SPPI test. Most of the Bank's derivative trading activities relate to deals with customers that are normally offset by transactions with other counterparties. The Bank may also take positions with the expectation of profiting from favorable movements in prices, rates or indices. The Bank is a counterparty to derivative contracts, such as currency forwards and warrants.

(ii) *Financial Assets at Amortized Cost*

The Bank measures debt financial assets at amortized cost if both of the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate (EIR). The amortization is included under "Interest income" account in the statements of income. Gains and losses are recognized in the statements of income when the financial asset is derecognized, modified or impaired, as well as through the amortization process. The losses arising from expected credit losses (ECL) is recognized under "Provision for credit and impairment losses" account, while reversals of ECL are recognized under "Reversal of credit and impairment losses" account. The two accounts are netted off in the statements of income. The effects of revaluation on foreign-currency denominated financial assets are recognized under "Foreign exchange gains - net" account in the statements of income.

The Bank's financial assets at amortized cost include cash and other cash items (COCI), exclusive of cash on hand, amounts due from BSP and other banks, interbank loans receivable and securities purchased under resale agreements (SPURA), investment securities at amortized cost, loans and receivables from customers, sales contract receivables, unquoted debt securities, accrued interest receivable, accounts receivable and other receivables.

The Bank may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost. As at December 31, 2023 and 2022, the Bank has not made such designation.

### *(iii) Financial Assets at FVOCI*

#### ▪ *Debt Securities*

The Bank measures debt securities at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt securities at FVOCI are subsequently measured at fair value with unrealized gains and losses arising from fair valuation recognized in OCI under the "Net unrealized losses on financial assets at FVOCI" account in the equity section of the statements of financial position. Interest income and foreign exchange gains and losses are recognized in the statements of income in the same manner as for financial assets measured at amortized cost. The ECL arising from impairment of such investments are recognized in the statements of income with a corresponding charge to "Provision for credit and impairment losses" account if the resulting ECL is impairment losses and to "Reversal of credit and impairment losses" account if the resulting ECL is reversal of impairment. Other fair value changes to measure the instrument at fair value is recognized in OCI.

Upon derecognition, the cumulative gains or losses previously recognized in OCI are recognized under "Trading and investment securities gains (losses) - net" account in the statements of income.

- *Equity Securities*

At initial recognition, the Bank can make an irrevocable election (on an instrument-by-instrument basis) to designate equity securities as at FVOCI. Designation as at FVOCI is not permitted if the equity security is held for trading.

Equity securities designated at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in OCI under “Net unrealized losses on financial assets at FVOCI” account in the equity section of the statements of financial position. Dividends earned on holding equity securities designated at FVOCI are recognized in the statements of income as “Miscellaneous income” when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in OCI is reclassified to “Retained earnings” account in the equity section of the statements of financial position. Equity securities designated at FVOCI are not subject to impairment assessment.

The Bank designated all equity securities that are not held for trading as at FVOCI on initial application of PFRS 9, Financial Instruments.

#### *Financial Liabilities*

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or at FVPL.

Financial liabilities are classified and subsequently measured at amortized cost using the effective interest method, except for financial liabilities measured at FVPL. Financial liabilities measured at FVPL consists of: (a) financial liabilities held-for-trading, including derivative liabilities that are not accounted for as hedging instruments; and (b) financial liabilities designated at fair value through profit or loss.

The Bank may, at initial recognition, irrevocably designate financial liabilities as measured at FVPL.

The Bank’s financial liabilities at amortized cost include deposit liabilities, bills payable, bonds payable, manager’s checks, lease liabilities, accrued interest and other expenses (except accrued employee and other benefits and accrued taxes payable) and other liabilities (except withholding tax payable, retirement liability and ECL on off-balance sheet exposures).

Financial liabilities at FVPL include derivative liabilities held-for-trading arising from cross-currency swap and forward contracts. Similar to derivative assets, any gains or losses arising from changes in fair values of derivative liabilities are taken directly to “Foreign exchange gains - net” account in the statements of income. Derivatives are carried as liabilities when the fair value is negative.

#### *Reclassification of Financial Assets and Liabilities*

The Bank can reclassify financial assets if the objective of its business model for managing the financial asset changes. Reclassification of financial assets designated at FVPL or equity securities at FVOCI at initial recognition is not permitted.

A change in the objective of the Bank’s business model will be effected only at the beginning of the next reporting period following the change in the business model.



Financial liabilities are not reclassified.

### Modifications of Financial Assets and Financial Liabilities

#### *Financial Assets*

If the terms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in the statements of income and expenses as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

To determine whether a modification of a financial asset is substantial or non-substantial, the guidance set out in this policy should be applied. Where it is not clear whether a “substantial modification” has occurred based on the application of this guidance, a 10.0% net present value change (equivalent to the PFRS 9 - test for financial liabilities) should be applied as a backstop.

In some cases, whether or not a modification is substantial will be clear with little or no analysis while in others, a high degree of judgment may be required.

The modification of a financial asset could involve one or both of the following:

- (a) Changes in contractual terms that have a direct impact on the contractual cash flows. For example: changes to limit, tenor (maturity), interest rate, currency, or introduction or removal of features that give rise to cash flows other than payments of principal and interest on the principal amount outstanding;
- (b) Changes in contractual terms that do not have a direct impact on the contractual cash flows. For example: changes in security, collateral or other credit enhancements that change the credit risk associated with the loan.

Based on the Bank’s policy, the delineation between substantial and non-substantial modifications should focus on category (a) modifications, specifically changes in credit limit, tenor, currency or SPPI characteristics.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Bank first recalculates the gross carrying amount of the financial asset using the original EIR of the asset and recognizes the resulting adjustment as a modification gain or loss in the statements of income.

For floating-rate financial assets, the original EIR used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If such modification is carried out because of the financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest method.

#### *Financial Liabilities*

The Bank derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in the statements of income. Consideration paid included non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original EIR and the resulting gain or loss is recognized in the statements of income. For floating-rate financial liabilities, the original EIR used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortized over the remaining terms of the modified financial liability by re-computing the EIR on the instrument.

#### Derecognition of Financial Assets and Financial Liabilities

##### *Financial Assets*

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

- the rights to receive cash flows from the asset have expired;
- the Bank retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Bank has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of ownership of the asset; or (b) has neither transferred nor retained the risks and rewards of ownership of the asset but has transferred the control of 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 ownership of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

#### *Financial Liabilities*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another financial liability 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. The difference in the respective carrying amounts is recognized in the statements of income.

#### Impairment of Financial Assets

The Bank recognizes ECL for loan and other debt financial assets at amortized cost and at FVOCI, together with loans commitments and financial guarantee contracts. No impairment loss is recognized on equity securities.

#### *Expected Credit Loss Methodology*

The Bank measures ECL in a way that reflects an unbiased and probability-weighted amount that 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. PFRS 9 requires a loss allowance to be recognized at an amount equal to either the 12-month ECL or lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date.

#### *Staging Assessment*

For non-impaired financial instruments:

- Stage 1: Comprised of performing financial instruments which have not experienced SICR since initial recognition or have low credit risk as of reporting date. This stage recognizes a 12-month ECL for the financial instruments categorized under this group.
- Stage 2: Comprised of under-performing financial instruments which have experienced a SICR since initial recognition, but do not have objective evidence of impairment. This stage recognizes a lifetime ECL for the financial instruments categorized under this group.

For credit-impaired financial instruments:

- Stage 3: Comprised of non-performing financial instruments with one or more loss events occurring since the original recognition or assets with objective evidence of impairment at reporting date and matured accounts with outstanding balances. Financial instruments falling within this stage have objective evidence of impairment thus requiring the recognition of lifetime ECL.

#### *Definition of “Default” and “Cure”*

The Bank generally classifies a financial instrument as in default when it is credit impaired, or becomes past due on its contractual payments for more than 90 days, considered non-performing, under litigation or is classified as doubtful or loss. In assessing whether a borrower is in default, the Bank considers indicators that are qualitative (i.e., breach of covenant) and quantitative (i.e., overdue status and non-payment on another obligation of the same borrower/issuer to the Bank). An instrument is considered to be no longer in default (i.e., to have cured) when there is sufficient evidence to support that full collection of principal and interests is probable and payments are received for at least six (6) months. This definition is consistent with the definition of non-performing loans (NPL) under Section 304 of the Manual of Regulations for Banks (MORB), *Past Due Accounts and Non-Performing Loans*.

#### *Credit Risk at Initial Recognition*

The Bank makes full use of its Internal Credit Risk Rating System (ICRRS) for corporate loans and credit scorecards for consumer loans to determine the credit risk of exposures at initial recognition. The ICRRS is devised to assess the level of risk associated with each borrower using a combination of both quantitative and qualitative factors. Subsequent credit assessments and approvals are also considered in determining the credit risk. On the other hand, credit scorecard is a tool used to evaluate the credit risk associated to individual customers. Customer-specific factors and internal data are taken into consideration to calculate a credit score. The credit decision is based on the output of the credit score and policy rules.

#### *Significant Increase in Credit Risk*

The definition of a SICR varies by portfolio where the determination of the change in credit risk includes both the quantitative and qualitative factors.

The Bank applies the movement in its Corporate Loan account's credit risk rating and assessment of breach in watchlist triggers to indicate a possible significant credit downgrade or upgrade through a risk rating matrix. For the remaining portfolios, the Bank considers that a SICR occurs no later than when an asset is more than 30 days past due. The total number of days past due is determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Furthermore, the Bank's internal credit assessment may consider a counterparty to have a SICR since initial recognition if it is identified to have well-defined credit weaknesses. These may include adverse changes in the financial, managerial, economic and/or political nature of a business. Credit weakness can be established by an unsatisfactory track record that merits close monitoring and attention from management.

If there is evidence that there is no longer a SICR relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. For unrated financial instruments, the SICR is measured using the number of days past due which is also consistent with the staging criteria presented above.



### *ECL Parameters and Methodologies*

ECL is a function of the following credit risk parameters:

(a) Probability of Default (PD)

The PD is the measure of likelihood that a borrower will be unable to settle his obligation/s on time and in full over a given time period, either over the next 12 months (12-month PD) or over the remaining life (Lifetime PD) of the loan obligation. The Bank currently uses its ICRRS, behavioral scorecard and other relevant drivers of default to segment exposures with homogenous risk characteristics.

Point-in-Time (PiT) PD calibration is done to reflect the current trends in business and credit cycle. Macroeconomic forecasts are incorporated to come up with PiT PDs that are unbiased and forward-looking projections of future default risk.

(b) Loss Given Default (LGD)

LGD measures the percentage amount of credit losses incurred and not recovered at the time of default. LGD estimation is based on historical cash flow recoveries. Calculation of the LGD is adjusted for some assets to consider cashflow recoveries on collateral. For some financial assets, the Bank supplemented internal assessments with regulatory thresholds to arrive at the LGD assumption.

LGD estimation also considers the present value calculation and cost adjustment in determining the recoveries.

(c) Exposure at Default (EAD)

EAD is defined as the outstanding amount of credit exposure at the time of default. EAD is estimated by modelling the historical data on both the actual drawn and undrawn amounts for each credit facility. When estimating EAD, several factors are taken into account, including the length of time for which the estimation is being made, the predicted cash flows until the point of default, total loan tenure, and the remaining duration of the loan. This provides a more robust estimate of the total amount the Bank is exposed to.

### *Forward-looking Information*

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of a financial asset has increased significantly since its initial recognition and its measurement of ECL.

The Bank enhanced its ECL methodology by incorporating multiple future macroeconomic expectations in order to estimate credit losses on the basis of probability-weighted outcomes. The Bank has performed statistical analysis of historical data to determine which macroeconomic variables (MEVs) are correlated with the performance of specific loan portfolios. The MEVs considered were obtained using publicly available sources such as BSP and Philippine Statistical Association. A broad range of forward looking information are assessed as economic inputs. Based on historical data analysis, the Bank found significant relationships between MEVs and credit risk which vary by product type. Forward looking MEVs used include Remittances, Loan Performances, BVAL rates, Value of Production Index (VAPI), Stock Exchange Index, Exports, Consumer Outlook, Foreign Exchange rates and Gross Domestic Product (GDP) (Agriculture). The selected MEVs were confirmed using experienced credit judgment.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

#### *Restructured Loans*

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and the future payments are likely to occur. When the loan has been restructured but not derecognized, the Bank also reassesses whether there has been a SICR and considers whether the assets should be classified as Stage 3. If the restructuring terms are substantially different, the loan is derecognized and a new 'asset' is recognized at fair value using the revised EIR.

#### *Write-offs*

Financial assets are written off either partially or in full when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included under "Miscellaneous income" account in the statements of income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

#### 'Day 1' Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Bank recognizes the difference between the transaction price and fair value (a 'Day 1' difference) as part of current operations in the period when the asset is acquired or the liability is incurred. In cases where the transaction price used is based on inputs which are not observable, the difference between the transaction price and model value is only recognized as part of current operations in the period 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.

#### Offsetting

Financial assets and liabilities are offset with the net amount reported in the statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, as the related assets and liabilities are presented gross in the statements of financial position.

As at December 31, 2023 and 2022, the Bank did not have any financial instrument that qualified for offsetting.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

### Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include COCI, amounts due from BSP and other banks and interbank loans receivable and SPURA with original maturities of three months or less from dates of placement and that are subject to insignificant risk of changes in value.

COCI consist of cash on hand and checks and other cash items. Cash on hand refers to the total amount of cash in the Bank's vault in the form of notes and coins under the custody of the cashier/cash custodian or treasurer, including notes in the possession of tellers and those kept in automated teller machines (ATMs).

### Repurchase and Reverse Repurchase Agreements

Securities sold under repurchase agreements (SSURA) at a specified future date ("repos") are not derecognized from the statements of financial position. The corresponding cash received, including accrued interest, is recognized in the statements of financial position as liability of the Bank, reflecting the economic substance of such transaction.

Conversely, SPURA to resell at a specified future date ("reverse repos") are not recognized in the statements of financial position. The corresponding cash paid, including accrued interest, is recognized in the statements of financial position as securities purchased under resale agreement, and is considered as a loan to the counterparty. The Bank is not permitted to sell or re-pledge the collateral in the absence of default by the owner of the collateral. The difference between the purchase price and resale price is treated as interest income in the statements of income and is amortized over the life of the agreement using the effective interest method.

### Financial Guarantees and Undrawn Loan Commitments

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. The nominal contractual values of undrawn loan commitments, where the loans agreed to be provided are on market terms, are not recorded in the statements of financial position. These contracts are in the scope of the ECL requirements where the Bank estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to loan commitments is recognized under "Other liabilities" account in the statements of financial position.

In the ordinary course of business, the Bank issues financial guarantees in favor of other parties. Financial guarantees are initially recognized in the financial statements at fair value, and the initial fair value is amortized over the life of the financial guarantee in accordance with PFRS 15. The financial guarantee is subsequently carried at the higher of the amount of loss allowance determined in accordance with the ECL model and the amount initially recognized, less when appropriate, the cumulative amount of income recognized in accordance with PFRS 15.

### Investment in an Associate

An associate is an entity over which the Bank has significant influence but no control. This is a rebuttable presumption in case the equity interest of the Bank in an entity is between 20.0% and 50.0%. The Bank's equity investment in BIC Management and Consultancy, Inc. (formerly Bancommerce Investment Corporation) (BIC) represents 24.26% of BIC's capital stock. Accordingly, the Bank's equity investment in BIC is treated as an investment in an associate accounted for under the equity method of accounting since there is no indication of control.

Under the equity method, an investment in an associate is carried in the statements of financial position at cost plus post-acquisition changes in the Bank's share in the net assets of the associate. The Bank's share in an associate's post-acquisition profits or losses is recognized in the statements of income, and its share of post-acquisition movements in the associate's equity reserves is recognized directly in equity.

When the Bank's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Bank does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Profits and losses resulting from transactions between the Bank and an associate are eliminated to the extent of the Bank's interest in the associate.

The reporting period of BIC is on a calendar year basis. BIC's accounting policies conform to those used by the Bank for like transactions and events in similar circumstances.

#### Property and Equipment

Land is stated at cost less any impairment in value. Depreciable properties including buildings, furniture, fixtures and equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization, and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, and any costs that are directly attributable in bringing the property and equipment to its location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures incurred after the property and equipment have been put to operation, such as repairs and maintenance, are normally charged against operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in the increase in the future economic benefits 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 an additional cost of property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful life of the depreciable assets. Leasehold improvements are amortized over the estimated useful life of the improvements or the terms of the related lease, whichever is shorter.

The estimated useful lives of property and equipment are as follows:

	Years
Building	50
Furniture, fixtures and equipment	3 - 7
Leasehold improvements	5 - 15

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

The asset's residual values, useful lives and method of depreciation and amortization are reviewed, and adjusted if appropriate, at each reporting date.



### Investment Properties

Investment properties are composed of assets acquired from foreclosure or *dacion en pago* and land and building that are vacant and no longer used for administrative purposes (previously owner-occupied property), and are initially measured at cost including transaction costs. An investment property acquired through an exchange transaction is initially recognized at the fair value of the asset acquired unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable, in which case the investment property acquired is measured at the carrying amount of the asset given up. The difference between the fair value of the asset received and the carrying amount of the asset given up is recorded as "Gain on foreclosure" under "Gain on foreclosure and sale of property and equipment and foreclosed assets - net" account in the statements of income. Foreclosed properties are classified under "Investment properties" upon:

- entry of judgment in case of judicial foreclosure;
- execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or
- notarization of the Deed of Dacion in case of payment in kind (*dacion en pago*).

The Bank applies the cost model in subsequently measuring its investment properties. Land is carried at cost less any impairment in value and depreciable properties acquired are carried at cost. Cost is the fair value of the asset at acquisition date, less any accumulated depreciation and any impairment in value. Transaction costs, which include non-refundable capital gains tax and documentary stamp tax, incurred in connection with foreclosure are capitalized as part of cost of the investment properties.

Depreciation is computed on a straight-line basis over the estimated useful life of the depreciable asset or 10 years, whichever is lower. The estimated useful life and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation or the start of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the start of owner-occupation or of development with a view to sell.

Repairs and maintenance costs relating to investment properties are normally charged to statements of income in the period in which the costs are incurred.

An investment property is derecognized when it has either been disposed of or when it is permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on derecognition of an investment property is recognized in the statements of income under "Gains on foreclosure and sale of property and equipment and foreclosed assets - net" account in the period of derecognition.

### Other Properties Acquired

Other properties acquired, included under "Other assets" account in the statements of financial position, include chattel mortgage properties foreclosed in settlement of loan receivables. The Bank applies the cost model of accounting for these assets. Under the cost model, these assets are carried at cost, which is the fair value at acquisition date, less accumulated depreciation and any impairment in value.

Depreciation is computed on a straight-line basis over the estimated useful life of the depreciable asset or three years, whichever is lower. The estimated useful life and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of other properties acquired.

The carrying values of the other properties acquired are reviewed for impairment when events or changes in circumstances indicate that 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 (see accounting policy on Impairment of Non-financial Assets).

An item of other properties acquired is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 recognized in the statements of income under "Gains on foreclosure and sale of property and equipment and foreclosed assets - net" account in the period of derecognition.

#### Intangible Assets

Intangible assets consist of software costs and branch licenses. Intangible assets acquired separately, included under "Other assets" account in the statements of financial position, are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses. Internally generated intangible assets are not capitalized but recognized in the statements of income in the period when the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the economic useful 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 each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statements of income under the expense category consistent with the function of the intangible asset. 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 in the period when the asset is derecognized.

#### *Branch Licenses*

Branch licenses are granted by the BSP and capitalized on the basis of the costs incurred to acquire and bring to use in operation. Branch licenses are determined to have indefinite useful lives and are tested for impairment annually.

#### *Software Costs*

Software costs include costs incurred relative to the purchase of the Bank's software and are amortized on a straight-line basis over 5 years. Software costs are carried at cost less accumulated amortization and any impairment in value.

#### Impairment of Investment in an Associate and Non-financial Assets

##### *Investment in an Associate, Property, Equipment and Right-of-Use Assets, Investment Properties, Other Properties Acquired and Intangible Assets under "Other Assets"*

At each reporting date, the Bank assesses whether there is any indication of impairment on investment in an associate, property, equipment and right-of-use assets, investment properties, other properties acquired and intangible assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Bank makes a formal estimate of the net recoverable amount.

The net recoverable amount is the higher of an asset's (or cash-generating unit'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 net recoverable amount is assessed as part of the cash-generating unit to which it belongs. Value in use is the present value of future cash flows expected to be derived from an asset or cash-generating unit while fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties less any costs of disposal. Where the carrying amount of an asset (or cash-generating unit) exceeds its net recoverable amount, the asset (or cash-generating unit) is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged against operations in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the net recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's net recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its net 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 statements of income.

After such 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 useful life.

### Fair Value Measurement

The Bank measures financial instruments, such as, financial assets and liabilities at FVPL, financial assets at FVOCI and net retirement liability which is measured at present value of the defined benefit obligation less fair value of plan assets, at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost and investment properties are disclosed in Note 6.

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

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

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

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

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

### Fair Value Hierarchy

The majority of valuation models deploy only observable market data as inputs. This has not changed as a result of COVID-19, however the Bank has considered the impact of related economic and market disruptions on fair value measurement assumptions and the appropriateness of valuation inputs, notably valuation adjustments, as well as the impact of COVID-19 on the classification of exposures in the fair value hierarchy.

The Bank evaluates the material accuracy of the valuations incorporated in the financial statements as they can involve a high degree of judgement and estimation in determining the carrying values of financial assets and financial liabilities at the reporting date.

For certain financial instruments, the Bank may use data that is not readily observable in current markets. If the Bank uses unobservable market data, then the Bank needs to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, the Bank derives unobservable inputs from other relevant market data and compares them to observed transaction prices where available.

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



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

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

External appraisers are involved for valuation of significant assets such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. In particular, the external appraisers must hold a recognized and relevant professional qualification and have recent experience in the location and category of the investment property being valued.

Valuation from external appraisers are subject to quality assurance by the Bank to ensure that the minimum requirements and standards for appraisals are met. The minimum requirements and standards entail consistency and accuracy of the information in the appraisal reports. The appraisal undertaking must comply with the provisions of the Philippine Valuation Standards (PVS). Market value is defined by PVS as the estimated amount for which a property can be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in Note 6.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the income can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable.

#### *Determining whether the Bank is acting as a Principal or an Agent*

The Bank assesses its revenue arrangements against the following indicators to determine whether it is acting as a principal or an agent:

- whether the Bank has primary responsibility for providing the services;
- whether the Bank has discretion in establishing prices; and
- whether the Bank has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer.

The Bank has determined that it is acting as a principal in its revenue arrangements except for activities where the Bank acts in a fiduciary or custodian capacity such as nominee, trustee, or agent. Income from fiduciary and custodianship activities are included under “Service charges, fees and commission” account in the statements of income.

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

#### *Revenues Within the Scope of PFRS 15*

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognized at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

#### *Service Charges and Penalties*

Service charges and penalties are recognized only upon collection or accrued when there is reasonable degree of certainty as to its collectability. This arises from deposit-related processing transactions and charges from late payments on loans and drawing against insufficient funds of depositors.

#### *Fees and Commissions*

##### *(i) Fee Income Earned from Services that are Provided over a Certain Period of Time*

Fees earned for the provision of services over a period of time are accrued over that period. These include guarantee fees, credit related fees, investment fund fees, custodian fees, fiduciary fees, portfolio and other management fees. Commitment fees for facilities where a drawdown is not generally expected must be recognized over the facility period. If a drawdown is expected and the commitment expires without the Bank making the loan, the commitment fees are recognized as fee income on expiry of the scheduled drawdown.

##### *(ii) Fee Income Earned from Providing Transaction Services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as underwriting fees and brokerage fees for the arrangement of the acquisition of shares or other securities are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance obligation are recognized after fulfilling the corresponding criteria. Loan syndication fees are recognized in the statements of income when the syndication has been completed and the Bank retains no part of the loans for itself or retains a part of the loan at the same EIR as the other participants.

#### *Discounts Earned and Awards Revenue on Credit Cards*

Discounts received are taken up as income upon receipt from member establishments of charges arising from credit availments by the Bank’s cardholders. These discounts are computed based on certain agreed rates and are deducted from the amounts remitted to the member establishments. These also include interchange income from transactions processed by Mastercard, a card network, and fees from cash advance transactions of cardholders.

The amount allocated to the loyalty program is deferred and recognized as revenue when the award credits expire or the likelihood of the customer redeeming the loyalty points becomes remote. Award credits under customer loyalty program are accounted for as a separately identifiable component of the transaction in which they are granted. The fair value of the consideration received in respect of the initial sale is allocated based on the estimated stand-alone selling prices. Income generated from customer loyalty program is included under 'Service charges, fees and commissions' in the statements of income.

#### *Other Income*

Income from the sale of services is recognized upon completion of the service. Income from sale of properties is recognized when control over properties transfers to the recipients, measured as the difference between the transaction price and the properties' carrying amounts and presented under "Gains on foreclosure and sale of property and equipment and foreclosed assets - net" account in the statements of income.

#### *Revenues Outside the Scope of PFRS 15*

#### *Interest Income*

Interest income is recognized in the statements of income for all financial assets measured at amortized cost and debt securities at FVOCI as they accrue, using the EIR. EIR 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 the contractual terms of the financial instruments including any fees or incremental costs that are directly attributable to the instrument and are integral part of the EIR, but not future credit losses. The EIR is established on initial recognition of the financial asset and liability and is not revised subsequently, except for repricing loans. The carrying amount of the financial asset or liability is adjusted if the Bank revises its estimates of payments or receipts. The change in carrying amount is recognized in the statements of income as interest income or expense.

Interest on interest-bearing financial assets at FVPL is recognized based on the contractual rate.

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

Purchases by credit cardholders, collectible on an installment basis, are recorded at the cost of the items purchased plus a certain percentage of cost. The excess over cost is credited to 'Unearned discount' and is shown as a deduction from 'Loans and receivables' in the statements of financial position. The unearned discount is taken up to interest income over the installment term and is computed using the effective interest method.

#### *Trading and Investment Securities Gains or Losses*

Trading and investment securities gains or losses represent results arising from disposal of debt securities at FVOCI and trading activities (realized gains and losses) and from the changes in fair value of financial assets and liabilities at FVPL (unrealized gains or losses).

#### *Dividends*

Dividends are recognized when received or when the Bank's right to receive the dividends is established.

#### *Rental Income*

Payments received under operating lease arrangements are recognized in the statements of income on a straight-line basis over the term of the lease.

#### *Recovery on Charged-off Assets*

Income arising from collections on accounts or recoveries from impairment of items previously written off is recognized in the statement of income in the year of recovery.

#### Expense Recognition

Expense is recognized when a decrease in future economic benefit related to a decrease in an asset or an increase in liability has arisen to the Bank and can be measured reliably.

#### *Interest Expense*

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

#### *Other Expenses*

Other expenses include losses and expenses that arise in the ordinary course of business of the Bank and are recognized when incurred.

#### Employee Benefits

##### *Short-term Employee Benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Bank has presented legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### *Retirement Benefits*

The Bank has a funded, noncontributory defined benefit plan administered by a trustee. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. The retirement cost is generally funded through payments to a trustee-administered fund, determined by annual actuarial calculations.

The retirement benefits liability recognized in the statements of financial position in respect of the defined benefits retirement plan is the present value of the defined benefits obligation at the valuation date less the fair value of plan assets. The defined benefits obligation is calculated annually by an independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using interest rate on high quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement liability.



Remeasurements of the defined benefit liability, which include actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Bank determines the net interest expense (income) on the retirement benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the retirement benefit liability (asset), taking into account any changes in the retirement liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in the statements of income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statements of income. The Bank recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Equity

*“Capital Stock”* is recorded at par for all shares issued and outstanding.

*“Paid-in Surplus”* represents the proceeds in excess of par value. Incremental costs incurred which are directly attributable to the issuance of new shares are charged to *“Paid-in surplus”*.

*“Retained Earnings (Deficit)”* represents the accumulated earnings (losses) of the Bank.

*“Surplus Reserves”* represent the appropriation of retained earnings in relation to allowance for credit losses which are less than the 1.0% general provision prescribed by the BSP for regulatory purposes, 10.0% of the Bank’s profit from trust business, and self-insurance of the Bank.

### Leases

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

#### *Bank as Lessee*

At the commencement or upon modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises, the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and any impairment losses, adjusted for certain remeasurements of the lease liability. Cost comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove any improvements made. The right-of-use asset is subsequently depreciated using straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Bank’s incremental borrowing rate.

The Bank determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index rate, change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase, extension or termination option is reasonably certain not to be exercised or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents the right-of-use assets in “Property, Equipment and Right-of-Use Assets” while lease liabilities are included under “Other liabilities” in the statements of financial position.

#### *Short-term Leases and Leases of Low-value Assets*

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Bank recognizes the lease payments associated with these leases as a rent expense on a straight-line basis over the lease term.

#### *Bank as a Lessor*

At the inception or upon modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Bank acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease. To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Bank is a party to operating leases as a lessor. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and amortized over the lease term on the same basis as the rental income. Contingent rentals are recognized as income in the period in which they are earned.

## Income Tax Expense

### *Current Tax*

Current income tax is the expected tax payable on the taxable income for the year using the tax rates enacted at the reporting date. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

### *Deferred Tax*

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry-over (NOLCO) to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused MCIT 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.

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 taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are applicable to the year 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. These reflect uncertainty related to income taxes, if there is any.

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

## Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is charged to current operations, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

## Contingent Assets and Liabilities

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

#### Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

#### Events After the Reporting Date

Post year-end events 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 are disclosed in the notes to the financial statements when material.

#### Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Bank acts in a fiduciary capacity such as nominee, trustee or agent.

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## **4. Critical Judgments and Estimates**

The preparation of financial statements in conformity with PFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses, and disclosures of contingent assets and contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Significant Judgments

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

##### **a) Leases**

###### *Bank as Lessee*

The Bank leases properties, land and buildings for the premises it uses for its operations.

The Bank recognizes right-of-use assets and lease liabilities for most leases - on-balance sheet leases. However, the Bank has elected not to recognize right-of-use assets and lease liabilities for leases involving assets of low value. The same policy is likewise applied for short-term leases. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



Significant judgment is exercised by the Bank in determining the discount rate to be used in calculating the present value of right-of-use assets and lease liabilities. The discount rate is represented by the incremental borrowing rate which is Bloomberg Valuation (BVAL) rate and credit spread as determined by the Bank.

The carrying amounts of right-of-use assets and lease liabilities are disclosed in Notes 14 and 22, respectively.

#### ***Bank as Lessor***

The Bank has entered into commercial property lease agreements for its property and equipment, and investment properties. The Bank has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out under operating lease agreements.

In determining whether or not a lease should be treated as an operating lease, the retention of ownership title to the leased property, period of lease contract relative to the estimated economic useful life of the leased property and bearer of executory costs, among others, are considered.

#### ***b) Business Model Assessment***

The Bank manages its financial assets based on the business models that maintain adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investing and trading activities consistent with its risk appetite.

The Bank developed business models which reflect how it manages its portfolio of financial instruments. The Bank's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Bank) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Bank evaluates in which business model a financial instrument or a portfolio of financial instruments belong to, taking into consideration the objectives of each business model established by the Bank. The level of aggregation at which the business model is applied is based on the specific activities being undertaken by each business unit of the Bank to achieve its stated objectives and other relevant factors such as risks affecting the business model, key performance indicators in evaluating the business model, and how managers of the business are compensated.

The Bank assesses the performance of each business model by considering the activities undertaken by the business models, placing the appropriate key performance indicators and monitoring the frequency of sales activities. PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Bank considers facts and circumstances present to assess whether an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a hold-to-collect business model and whether the Bank can explain the reasons for those sales and why those sales do not reflect a change in the Bank's objective for the business model.

### c) *Testing the Cash Flow Characteristics of Financial Assets*

In determining the classification of financial assets under PFRS 9, the Bank assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk), i.e., cash flows that are non-SPPI, does not meet the amortized cost and FVOCI criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Bank assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Bank considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

### d) *Functional Currency*

PAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank considers the following:

- the currency that mainly influences sales prices for financial instruments and services;
- the currency in which funds from financing activities are generated; and
- the currency in which receipts from operating activities are usually retained.

Based on the economic substance of the underlying circumstance relevant to the Bank, the functional currency of the Bank's RBU book of accounts and FCDU book of accounts have been determined to be PHP and USD, respectively.

PHP and USD are the currencies of the primary economic environment in which the Bank operates. These are the currencies that mainly influence the income and costs arising from the Bank operations.

### e) *Provisions and Contingencies*

The Bank, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations in accordance with its policies on provisions and contingencies. Judgment is exercised by management to distinguish between provisions and contingencies (see Note 38).

### Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

#### *(i) Expected Credit Losses on Financial Assets, Loan Commitments and Financial Guarantees*

The Bank reviews its financial assets at amortized cost and debt securities at FVOCI, loan commitments and financial guarantees to assess the amount of credit losses to be recognized in the statements of financial position at least on an annual basis or more frequently, as deemed necessary. The measurement of ECL under PFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining ECL and the assessment of a SICR. These estimates are driven by a number of factors, changes to which can result in different levels of allowances.

The ECL methodology of the Bank is regularly recalibrated to improve the accuracy of the ECL models using updated data. Significant factors affecting the estimates on the enhanced ECL model include:

- The default and credit impaired financial assets are aligned across all credit portfolios;
- PD segmentation is based on the staging criteria (i.e., delinquency age buckets, internal credit risk ratings and loan status);
- The LGD takes into account post-default relevant information such as cost of recoveries and curing rate. LGD is adjusted to its present value of expected cash flows using risk-adjusted interest rate. The final LGD estimates are pooled by collateral type;
- EAD estimates consider (a) time horizon for which EAD needs to be estimated, (b) projected cash flows until the estimated point of default and (c) remaining loan term;
- The Bank uses three economic scenarios to arrive at probability-weighted ECL estimates. These scenarios represent a most likely outcome (that is, the 'Baseline' or central scenario) and two less likely scenarios on the either side of the central (that is, the 'Optimistic' and 'Pessimistic', respectively). The scenario weights are developed based on the relative frequency distribution of historical GDP data. Both the 'Optimistic' and 'Pessimistic' scenarios reflect the lower and upper levels whereas the 'Baseline' scenario represents the central distribution; and
- The impact of Covid-19 has been appropriately incorporated in the impairment allowance calculation using more recent data. The Bank has updated the macroeconomic expectations in the model to consider the effects of Covid-19 pandemic situation.

In 2022, the ECL methodology of the Bank was validated by an external validator. Changes brought upon by the model validation are the following:

- The PD calculation template was aligned with the model documentation;
- The migration rates used for the LGD calculation of the Corporate, Auto, Housing, Salary, Personal and Benefit loans were also aligned with the model documentation; and
- Aligned the logical trend of Optimistic, Baseline, and Pessimistic scenarios using historical data.

In 2023, the Bank recalibrated the ECL framework. Updates on the ECL parameters involved the following:

- The most recent data were applied for PD, LGD and EAD.
- The following information were incorporated in LGD:
  - Recovery information for Corporate & Consumer
  - Collection fees for Auto and Housing
- Additional PD and EAD segmentation were considered.
- Account-level discounting factor was applied.
- The Macroeconomic Factors (MEF) were tested and updated based on the recalibration. The updated MEFs include Remittances, Loan Performances, BVAL rates, VAPI, Stock Exchange Index, Exports, Consumer Outlook, FX rates, and GDP (Agriculture).

Refer to Notes 3 and 5 for the detailed discussions of the inputs, assumptions and estimation uncertainty used in measuring ECL under PFRS 9. The related allowance for credit losses subject to ECL are disclosed in Note 17.

*(ii) Fair Value of Financial Instruments*

Where the fair values of financial assets and liabilities (including derivatives) recognized in the statements of financial position cannot be derived from active markets, these are determined using a variety of valuation techniques that include the use of mathematical 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 estimates may include consideration of liquidity, volatility and correlation. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

*(iii) Impairment of Investment in an Associate and Non-financial Assets*

Investment in an Associate, Property, Equipment and Right-of-Use Asset, Investment Properties, Other Properties Acquired, and Intangible Assets under "Other Assets"

The Bank assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- a) significant underperformance relative to expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends.

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its net recoverable amount. Net recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

The carrying values of investment in an associate, property, equipment and right-of-use assets, investment properties, other properties acquired and intangible assets under "Other Assets" are disclosed in Notes 13, 14, 15 and 16, respectively.



*(iv) Estimated Useful Lives of Property and Equipment, Investment Properties, Other Properties Acquired and Software Costs*

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from property and equipment and computer software.

The estimated useful lives of property and equipment, investment properties, other properties acquired and software costs are disclosed in Note 3.

*(v) Recognition of Deferred Tax Assets*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that sufficient taxable income will be available against which the related tax benefits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the forecasted timing and amount of future taxable income together with future tax planning strategies.

The estimates of future taxable income indicate that certain temporary differences will be realized in the future. The recognized and the unrecognized deferred tax assets are disclosed in Note 32.

*(vi) Present Value of Retirement Benefit Obligation*

The cost of retirement benefits and other post-employment benefits are determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of the plan, such estimates are subject to significant uncertainty.

The assumed discount rates were determined using the prevailing market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at reporting date. The present value of the Bank's retirement obligation and the fair value of plan assets are disclosed in Note 29.

*(vii) Contingencies*

The Bank is currently involved in various legal proceedings. The probable costs for the resolution of these proceedings has been estimated by management, in consultation with the legal counsels handling the Bank's legal defense in these matters, and is based upon an analysis of potential results.

Management currently does not believe that these proceedings will have a material adverse effect on the Bank's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 38).

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## 5. Financial Risk Management Objectives and Policies

### Introduction

The business of banking involves financial risks which must be measured, monitored and managed by an effective risk management system embedded throughout the whole organization. Effective risk management ensures that financial risks are properly identified, assessed, measured and managed. The diligent monitoring and management of all financial risks, notably credit, interest rate risk in the banking book (IRRBB), market and liquidity risk require the development of a risk-conscious culture that will influence daily business activities and decision-making.

The Bank believes that effective risk management will not only minimize potential or actual losses but will also optimize earnings by correctly pricing its products and services commensurate to the risks taken. Its risk mission and objectives are to consistently and accurately measure risks, to always consider risk and return in evaluating transactions and exposures while preserving and maintaining adequate risk-based capital and to ensure adequate returns on such capital. Risk mitigation strategies form an integral part of risk management activities.

### Risk Management Structure

The BOD is ultimately responsible for identifying and controlling risks. However, there are separate independent units at the BOD and management levels, which are responsible for managing and monitoring financial risk.

### *Board of Directors*

The BOD is primarily responsible for the sound governance of the Bank, promotion of the highest standards of ethics and integrity. It approves and oversees the implementation of the Bank's strategic objectives and establishes and maintains sound risk management system for the whole institution. The BOD approves and reviews the institutional tolerance for risks, business strategies and risk philosophy.

### *Executive Committee (Excom)*

The Excom is primarily responsible for the evaluation, approval and/or endorsement to the BOD for approval, credit and real and other properties acquired (ROPA) sales proposals from Management. The Excom also evaluates and recommends for BOD approval new, amended or enhanced Bank policies, products or services. The Excom may also act on such specific matters within the competence of the BOD, as may be delegated by majority vote of the BOD, except on certain matters expressly reserved by law for stockholders' and/or for the BOD' action.

### *Corporate Governance Committee*

The Corporate Governance Committee is tasked to assist the BOD in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank's Compliance System. It is responsible for ensuring due observance of corporate governance principles and guidelines across the Bank.

### *Related Party Transactions Committee (RPTCom)*

The RPTCom assists the BOD in fulfilling its responsibility of ensuring that transactions with related parties are arm's length. It covers proper identification of related parties, recording and vetting of transactions with them including disclosures in financial reports, which must be consistent with relevant legal and regulatory requirements, and Bank policies.

#### *Audit Committee*

The Audit Committee represents and assists the BOD in its general oversight of the Bank's financial reporting policies, practices and control and internal and external audit functions. It oversees the relationship with the independent external auditors, receives information and provides advice, counsel and general direction, as it deems appropriate, to management and the auditors, taking into account the information it receives, discussions with the auditors, and the experience of the Committee's members in business, financial and accounting matters.

#### *Board Risk Oversight Committee (BROC)*

The BROC, a sub-committee of the BOD, oversees the Bank's risk management system. It has the power to approve procedures for implementing risk and capital management policies. The BROC shall assist the BOD with its oversight function to identify and evaluate risk exposures, develop risk management strategies, implement and periodically review the risk management framework and promote a risk management culture in the Bank.

#### *Risk Management Division (RSK)*

The RSK is responsible for the creation and oversight of the Bank's corporate risk policy. It is responsible for making recommendations to the BOD on corporate policies and guidelines for risk measurement, management and reporting. It also reviews the system of risk limits, compliance to said limits and validates the reports of the risk-taking personnel. The RSK reports to the BROC.

#### *Senior Executive Team (SET)*

The SET brings together the Chief Executive Officer, Group Heads and select Division Heads of the Bank to discuss and take up policy and strategic issues vital to the Bank's business, shareholders, employees and long term viability.

#### *Asset Liability Management Committee (ALCO)*

The ALCO is responsible for setting, developing and implementing the Bank's Asset Liability Management (ALM) and hedging policy. It also reviews the allocation of resources, pricing of products and foreign exchange position of the Bank.

#### *Internal Capital Adequacy Assessment Process (ICAAP) Steering Committee (ICAAPcom)*

The ICAAPcom is responsible for overseeing the Bank's ICAAP to ensure that mandated minimum capital requirements are met and that capital levels are sufficient to cover the Bank's risk exposures driven by its strategic plans.

#### *Credit and Collections Committee (Crecom)*

The Crecom plays a critical role in the credit approval process. It has the power to approve credit proposals of any sort, e.g. establishment, renewal, extension, increase/decrease, restructuring or settlement of a credit line or term loan (whether short or long) within its authority and to endorse those credit proposals which are beyond its authority to the Excom and/or the BOD. It has likewise the responsibility to ensure that credit accommodations to related parties falling below the materiality thresholds are granted on arms' length basis and are compliant with the set regulations. On top of these, the Crecom studies and deliberates proposals intended to adopt new credit policies or to amend existing ones or to offer new loan products or programs, prior to endorsement to the SET and Excom for approval.

#### *Internal Audit Division*

Internal Audit Division is an independent unit of the Bank that conducts objective assurance and consulting activities designed to add value and improve the Bank's operations. It helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to examine, evaluate and improve the effectiveness of risk management, internal control and governance processes of the Bank. The Internal Audit Division reports to the Audit Committee.

#### *Legal Services Division*

The primary functions of the Bank's Legal Services Division are composed of rendering legal advice and document review to ensure that relevant laws are disseminated and complied with, the Bank's interest is duly protected, and identified risks are either eliminated or minimized and imparted to responsible units of the Bank. The Division also handles cases filed for and against the Bank.

#### *Compliance Division*

The Compliance Division is responsible for coordinating, monitoring and facilitating the Bank's compliance with regulatory requirements. It is responsible for implementing the Bank's Compliance Program and the Money Laundering and Terrorist Financing Prevention Program .

#### Risk Measurement and Reporting Systems

The Bank's capital adequacy is determined by measuring credit, market and operational risk exposures using standardized or basic approaches as suggested by BSP. Risk exposures are measured both individually and in aggregate amounts.

Risk measurements are done by respective risk-taking personnel and groups but are independently validated, analyzed and reported by the RSK.

Market risks are measured by mark-to-market and Value-at-Risk (VAR) analyses on the overall exposure, on a portfolio level, and on each individual financial instrument. These exposures are also subjected to stress testing using a variety of historical and hypothetical scenarios.

Quality of credit risks are measured via risk classifications of accounts using ICRRS together with BSP risk classification of borrowing accounts. The Bank's front office recommends the credit risk rating of borrowing accounts and classifications and allowance for losses including changes thereon, when necessary. All risk information is processed, analyzed and consolidated for proper reporting to the BOD through the BROCC and Audit Committee, as well as the SET and various management committees of the Bank.

Actual and estimated risk exposures/losses at Treasury, Corporate, Consumer Business and Credit Cards, Operations and Information Technology, Trust and Branches are consolidated for regular reporting. Reports include, among others, portfolio mix, liquidity and maturity matching, interest rate matching, trading gains and losses, sensitivity and back-testing results, top borrowers, non-performing assets and loans, industry exposures, large exposures, fines and penalties, employee fraud cases, service level of major information technology systems and ATMs.

#### Risk Mitigation

To mitigate market risk exposures, other financial instruments are used to manage exposures resulting from changes in foreign currency and interest rate risk. The Bank also observes limits on positions, losses, and market sensitivities to contain these risk exposures.



The Bank maintains a capital adequacy ratio (CAR) of ten percent (10.0%) or better at all times, for regulatory compliance purposes.

#### Risk Concentration

The Bank manages loan concentration by controlling its mix of counterparties or borrowers in accordance with conditions permitted by regulators. Borrowers that are considered large in size are regularly monitored and reported to the BROOC. Also, the limits for exposure on specific economic activity groups are in place allowing the Bank to maintain a strategic breakdown of credit risk of the different segments. Having these controls in place allows the Bank to proactively monitor exposure status and act upon limit breaches whenever necessary.

#### Credit Risk

The Bank considers credit risk as the possibility of loss arising from the counterparty's or customer's inability or unwillingness to settle his/her obligations on time or in full as expected or previously contracted.

The Bank has in place a credit policy manual that defines all practices, policies and procedures regarding loan activities from identification of target markets, credit initiation, documentation and disbursement, loan administration, remedial management, and loan unit organization and staffing. Also, it has in place credit approval authorities and respective limits duly approved by the BOD.

The Bank's primary element of credit risk management is the detailed risk assessment of every credit exposure associated with the counterparty. Risk assessment procedures consider both the creditworthiness of the counterparty and the risks related to the specific type of underlying credit exposures as mandated by the circulars issued by BSP. The risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the monitoring procedure applied to the ongoing exposures.

There has been no material change on the Bank's exposure to credit risk or the manner in which it manages and measures the risk.

#### *Derivative Financial Instruments*

The Bank enters into currency forward contracts to manage its foreign exchange risks. Currency forwards are contractual agreements to buy or sell a specified currency at a specific price and date in the future. These derivatives are accounted for as non-hedges, with the fair value changes being reported in the statements of income for the period under "Foreign exchange gains - net" account. Credit risk, in respect of derivative financial instruments, is limited to those with positive fair values, which are reported as "Financial assets at FVPL" account in the statements of financial position.

#### *Credit-related Commitment Risks*

The Bank makes available to its customers guarantees which may require the Bank to make payments on their behalf. Such payments are collected from customers based on the terms of the letters of credit. They expose the Bank to risks similar to loans and these are mitigated by the same control processes and policies.

### Credit Risk Exposures

The table below shows the Bank's maximum exposure on receivables from customers and sales contract receivables, net of unearned interest income and allowance for credit losses, before and after collateral to credit risk as at December 31, 2023 and 2022:

	December 31, 2023		December 31, 2022	
	Maximum Exposure		Maximum Exposure	
	Before Collateral	After Financial Effect of Collateral or Credit Enhancement	Before Collateral	After Financial Effect of Collateral or Credit Enhancement
Receivables from customers:				
Term loans	P80,465,866,990	P72,479,226,327	P85,853,607,701	P80,428,467,579
Agri-agra loans	11,478,913,064	11,221,920,766	2,508,188,756	2,422,186,023
Housing loans	8,256,741,837	2,913,703,470	8,050,636,414	2,971,809,373
Auto loans	3,880,015,183	1,352,091,080	3,248,375,385	1,559,773,409
Bills purchased, import bills and trust receipts	959,027,056	959,027,056	1,293,445,667	1,293,445,667
Direct advances	453,960,006	1,644,710	468,677,985	-
Others	2,084,429,902	2,084,264,623	1,874,451,667	1,874,451,667
	107,578,954,038	91,011,878,032	103,297,383,575	90,550,133,718
Sales contract receivables	331,532,289	-	325,652,637	-
	P107,910,486,327	P91,011,878,032	P103,623,036,212	P90,550,133,718

For the other financial assets, the carrying amounts represent the maximum exposure to credit risk as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, fair value of collaterals held for loans and receivables amounted to P105.5 billion and P78.5 billion, respectively.

The table below shows the Bank's maximum exposures, net of unearned interest income, relating to financial assets carried under Stage 3 as at December 31, 2023 and 2022:

	December 31, 2023			
	Maximum Exposure			
	Before Collateral	Financial Effect of Collateral or Credit Enhancement	After Financial Effect of Collateral or Credit Enhancement	Expected Credit Loss
Receivables from customers:				
Term loans	P443,679,697	P209,080,940	P234,598,757	P407,680,265
Agri-agra loans	185,707,842	6,232,700	179,475,142	185,707,842
Housing loans	543,308,772	477,362,994	65,945,778	172,339,550
Auto loans	350,702,965	341,795,414	8,907,551	232,543,078
Bills purchased, import bills and trust receipts	89,469,843	-	89,469,843	89,469,843
Direct advances	121,241,742	-	121,241,742	121,241,742
Others	253,848,484	183,895	253,664,589	186,626,571
	1,987,959,345	1,034,655,943	953,303,402	1,395,608,891
Sales contract receivables	100,875,387	47,192,830	53,682,557	54,151,486
	P2,088,834,732	P1,081,848,773	P1,006,985,959	P1,449,760,377

	December 31, 2022			
	Maximum Exposure			
	Before Collateral	Financial Effect of Collateral or Credit Enhancement	After Financial Effect of Collateral or Credit Enhancement	Expected Credit Loss
Receivables from customers:				
Term loans	P470,461,970	P128,734,453	P341,727,517	P465,848,155
Agri-agra loans	17,663,370	14,362,060	3,301,310	17,663,370
Housing loans	746,112,810	593,276,797	152,836,013	144,275,644
Auto loans	409,506,693	395,813,302	13,693,391	341,667,642
Bills purchased, import bills and trust receipts	88,174,014	7,656,284	80,517,730	88,174,014
Direct advances	133,007,418	-	133,007,418	133,007,418
Others	684,459,703	183,895	684,275,808	612,085,091
	2,549,385,978	1,140,026,791	1,409,359,187	1,802,721,334
Sales contract receivables	115,356,863	61,674,306	53,682,557	54,296,300
	P2,664,742,841	P1,201,701,097	P1,463,041,744	P1,857,017,634

For the other financial assets carried under Stage 3, the carrying amounts represent the maximum exposure to credit risk as at December 31, 2023 and 2022.

#### *Collaterals and Other Credit Enhancements*

The amount and type of collateral required depend on the assessment of the credit risk of the borrower or counterparty. Guidelines are implemented regarding the acceptability of types of collateral valuation and parameters.

The main types of collaterals obtained are as follows:

- For securities lending and reverse repurchase transactions: cash or securities;
- For commercial lending: mortgages over real properties, inventory and trade receivables and chattel mortgages; and
- For retail lending: mortgages over real properties and financed vehicles.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement, in the event that the value of the collateral depreciates due to various factors affecting the collateral.

It is the Bank's policy to dispose repossessed properties in the most expeditious manner possible. Sale is facilitated by offering incentives to the Bank's accredited brokers and/or formulating programs to attract buyers like offering fixed interest rates for an extended period of time and reduced rates for down payment as compared to prevailing market rates, among others.

#### *Credit Quality Per Class of Financial Assets*

The credit quality of financial assets is assessed and managed by the Bank using both external and internal credit ratings. The Bank's ICRRS is an established tool used to evaluate the Credit Risk associated with each borrower. The ICRRS assigns a score to each account based on a combination of quantitative and qualitative factors. The scores assigned to each obligor is equivalent to the risk associated to each individual. The scoring model is reviewed and validated by external parties regularly to ensure that the model is risk ranking properly. The risk rating is used as one of the measures of the Bank's risk appetite and as a factor in impairment calculation.

Based on the evaluation of the facility risk factor (FRF), the borrower risk rating (BRR) can be upgraded or downgraded to come up with the final credit risk rating (CRR). Such CRR is eventually used in the determination of the ECL.

### **BRR Disclosure**

In compliance with BSP, the Bank implemented a credit risk classification that is compliant with global rating standards. The BRR is the evaluation of the credit worthiness of an existing or prospective borrower. The account is evaluated independent of any influence from any transactional factors. The BRR measures the borrower's credit quality by looking into three major aspects, namely, financial condition, industry analysis and management quality. The financial condition is assessed by the Bank through financial ratio analysis based on the latest available financial information of the borrower. The Bank performs industry analysis by reviewing actual and expected significant changes in the political, regulatory, and technological environment of the borrower or in its business activities. Management quality is assessed by reviewing the experience and quality of management and management's business strategy. In addition, management's business planning and management of banking relationship are also considered. Each section is given the following point allocation:

Section	Maximum Points	Section Rating
Financial Condition	240	40%
Industry Analysis	210	30%
Management Quality	150	30%
<b>TOTAL</b>	<b>600</b>	<b>100%</b>

There are several rating factors per section which can earn points depending on the four (4) quality judgment levels as follows:

Good	- 30 points
Satisfactory	- 20 points
Still acceptable	- 10 points
Poor	- 0 point

If there is no available information for a specific factor, a rating of "Poor" will be given.

The BRR is used to determine the credit quality of the Bank's corporate accounts. Loan accounts are classified according to a 1 -10 rating scale based on BRR results, as follows:

	Final Score	Equivalent Risk Rating	Calculated BRR
High Grade	>177	Excellent	1
	150 - 176	Strong	2
	123 - 149	Good	3
Standard Grade	96 - 122	Satisfactory	4
	68 - 95	Acceptable	5
	<68	Watchlist	6
Substandard Grade		Special Mention	7
		Substandard	8
Impaired		Substandard	8
		Doubtful	9
		Loss	10

High Grade or accounts with BRR of 1-3 are loans where the risk of the Bank are good to excellent in terms of risk quality and where the likelihood of the non-payment of obligation is less likely to happen.

Standard Grade or accounts with BRR of 4-6 are loans where the risk of the Bank ranges from satisfactory to acceptable with some form of weakness and where repayment capacity needs to be watched.

Substandard Grade or accounts with BRR of 7-8 are loans still in current status but observed to have potential weaknesses and require a closer observation than the accounts under the Standard rating since if weaknesses are uncorrected, repayment of the loan may be affected increasing the credit risk to the Bank.

Past due but not impaired are those accounts for which contractual principal and interest payments were past due but the Bank still believes that impairment is not appropriate on the basis of the level of security or collateral available and/or the stage of collection of amounts owed to the Bank.

Impaired accounts are loans classified by the Bank as Substandard, Doubtful and Loss where there are experiences of past due accounts and there are well-defined weaknesses where collection or liquidation of obligation may be or is already jeopardized.

Consumer loans portfolio and credit card receivables undergo credit scoring, which results in applications either being referred for further manual evaluation or declined. Receivables considered outside the main business lines of the Bank are considered unrated accounts, which include benefit loans, accounts receivable, accrued interest receivables, sales contract receivables and returned checks and other cash items (RCOCI).

The BRR can be subject to an upgrade/downgrade on the basis of the following:

*Group Affiliation:*

- (a) When a borrower belongs to a group of companies, it can be upgraded up to the rating of the parent company provided that the parent company has a BRR of 4 or better.
- (b) If the BRR of the subsidiary is better than the parent, a downgrade can be considered especially if the parent has a BRR of 5 or worse.
- (c) If the parent has a BRR of 5 or lower and the subsidiary was also rated 5 or worse, it can retain its own rating.
- (d) If there are criteria such as the medium and long-term outlook, special risks that can grievously affect the company and outweigh the other criteria, a possible downgrade can be considered.
- (e) Companies with rapid expansion without a strong driving force or only on account of a single customer are also potential for downgrading.

*FRF:*

- (a) The FRF is an adjustment in the BRR that considers the transactional influence. It takes into account the quality of each facility. It is important to note that a Borrower can have only 1 BRR but several FRF for its multiple facilities. FRF evaluates the different security arrangements; the quantity and the quality of the collateral cover for each facility.



- (b) Collaterals are assessed at the net realizable value in a liquidation scenario. In evaluating the worthiness of the collateral, the quality of the documentation and the possible subordination of the Bank's claim should also be considered.

The adjustment on the BRR based on the FRF will be based on the following:

Upgrade	The facility is cash collateralized or covered by marketable securities
	Full collateralization of other assets
	3 <sup>rd</sup> party guarantees in accordance with the BRR of the guarantor an upgrade should be set to the BRR of the guarantor
Downgrade	Borrower is a potential candidate for a downgrade if the facility is clean or a major part of the facilities are pledged to other creditors

The following table shows the credit quality of loans and receivables, excluding unquoted debt securities (gross of allowance for credit losses and net of unearned interest income) as at December 31, 2023 and 2022 (amounts in thousands).

December 31, 2023											
	Bills										
	Term Loans	Housing Loans	Auto Loans	Purchased, Import Bills and Trust Receipts	Direct Advances	Agri Agra Loans	Others*	Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
Stage 1											
Neither past due nor impaired:											
High grade	P28,024,849	P -	P339	P672,648	P442,426	P -	P -	P29,140,262	P -	P767,219	P29,907,481
Standard grade	52,189,800	-	26,565	288,581	9,996	11,489,607	-	64,004,549	-	413,571	64,418,120
Subject to scoring and unrated	-	7,739,774	3,696,107	-	-	-	1,985,562	13,421,443	282,515	459,924	14,163,882
	80,214,649	7,739,774	3,723,011	961,229	452,422	11,489,607	1,985,562	106,566,254	282,515	1,640,714	108,489,483
Stage 2											
Neither past due nor impaired:											
Standard grade	3,370	-	-	-	-	4,731	-	8,101	-	32	8,133
Substandard grade	535,173	-	-	-	1,674	-	-	536,847	-	3,384	540,231
Past due but not impaired	-	171,144	46,914	-	-	-	88,814	306,872	5,171	27,021	339,064
Impaired	-	-	-	-	-	1,500	-	1,500	-	1	1,501
	538,543	171,144	46,914	-	1,674	6,231	88,814	853,320	5,171	30,438	888,929
Stage 3											
Impaired	443,680	543,309	350,703	89,470	121,242	185,708	253,848	1,987,960	100,875	827,152	2,915,987
	443,680	543,309	350,703	89,470	121,242	185,708	253,848	1,987,960	100,875	827,152	2,915,987
	P81,196,872	P8,454,227	P4,120,628	P1,050,699	P575,338	P11,681,546	P2,328,224	P109,407,534	P388,561	P2,498,304	P112,294,399

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOCI

December 31, 2022

	Term Loans	Housing Loans	Auto Loans	Purchased, Import Bills and Trust Receipts	Direct Advances	Agri Agra Loans	Others*	Total Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
Stage 1											
Neither past due nor impaired:											
High grade	P32,370,341	P -	P1,099	P979,105	P466,443	P346,095	P -	P34,163,083	P -	P719,404	P34,882,487
Standard grade	52,782,106	-	24,605	219,323	-	2,032,048	-	55,068,082	-	277,124	55,335,206
Subject to scoring and unrated	-	7,294,257	3,089,406	97,976	-	-	1,808,374	12,290,013	263,227	450,648	13,003,888
	85,152,447	7,294,257	3,115,110	1,296,404	466,443	2,378,143	1,808,374	101,511,178	263,227	1,447,176	103,221,581
Stage 2											
Neither past due nor impaired:											
Standard grade	329,863	-	-	-	-	-	-	329,863	-	4,196	334,059
Substandard grade	81,637	-	-	-	2,641	134,258	-	218,536	-	962	219,498
Past due but not impaired	-	182,084	127,407	-	-	-	65,034	374,525	4,038	27,341	405,904
Impaired	548,625	-	-	-	-	7,818	-	556,443	-	3,464	559,907
	960,125	182,084	127,407	-	2,641	142,076	65,034	1,479,367	4,038	35,963	1,519,368
Stage 3											
Impaired	470,462	746,113	409,507	88,174	133,007	17,663	684,460	2,549,386	115,357	854,554	3,519,297
	470,462	746,113	409,507	88,174	133,007	17,663	684,460	2,549,386	115,357	854,554	3,519,297
	P86,583,034	P8,222,454	P3,652,024	P1,384,578	P602,091	P2,537,882	P2,557,868	P105,539,931	P382,622	P2,337,693	P108,260,246

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOI

The following table shows the credit quality of loan commitment and financial guarantee contracts as at December 31, 2023 and 2022 (amounts in thousands).

	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Loan Commitment and Financial Guarantees</b>				
Neither past due nor impaired:				
High grade	P391,758	P -	P -	P391,758
Standard grade	23,941,997	-	-	23,941,997
Subject to scoring*	3,600,977	-	-	3,600,977
	P27,934,732	P -	P -	P27,934,732

\*Comprised of unused credit card lines.

	December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Loan Commitment and Financial Guarantees				
Neither past due nor impaired:				
High grade	P1,586,005	P -	P -	P1,586,005
Standard grade	21,522,712	-	-	21,522,712
Subject to scoring*	3,601,178	-	-	3,601,178
	P26,709,895	P -	P -	P26,709,895

\*Comprised of unused credit card lines.

#### Sensitivity of ECL to Future Economic Conditions

Set out below are the changes to the Bank's ECL in 2023 and 2022 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions.

	December 31, 2023			
	Change in MEF		Impact on ECL	
	Increase	Decrease	Impact of 1% Increase in MEF	Impact of 1% Decrease in MEF
<b>Corporate MEF</b>				
Lag 3 of the quarterly change of the Overseas Filipino personal remittance*				
Lag 12 of the annual change of the ratio: (Gross NPL/Total Loans)				
Philippine Treasury Reference Rates - PM (PDST-R2) Tenor-6M lagged over 12 months	1%	1%	-0.05%	0.05%
Lag 9 of the annual change of the VaPI of Key Manufacturing Indices by Industry (2018 values of growth rates)*				
<b>Auto MEF</b>				
6-month lag of the quarterly change of the ratio: (Gross NPL/Total Loans)				
Out-of-pattern variable of the month-end Philippine Stock Exchange Index lagged over 3 months*				
Exports of Goods and Services, current prices (in million Philippine Pesos) lagged over 6 months.*	1%	1%	-0.02%	0.02%
Philippine Treasury Reference Rates -PM (PDST-R2) Tenor-1M lagged over 11 Months.				
<b>Housing MEF</b>				
6-month lag of the quarterly change of the ratio: (Gross NPL/Total Loans)				
C Out-of-pattern variable of the Consumer Expectations Survey next 12 months (rate)*				
9-month lag of the annual change of the current prices of the Exports of Goods and Services*	1%	1%	-0.001%	0.001%
Foreign Exchange rate: Monthly averages of the Japanese Yen per Philippine Peso lagged over 3 months				
<b>Salary MEF</b>				
6-month lag of the quarterly change of the ratio: (Gross NPL/Total Loans)				
Out-of-pattern variable of the Consumer Expectations Survey next 12 months (rate)*	1%	1%	-0.001%	0.001%
12-month lag of the annual change of the Agriculture, Fishery and Forestry, current prices*				

\*These variables have a negative relationship with default

December 31, 2022				
	Change in MEF		Impact on ECL	
	Increase	Decrease	Impact of 1% Increase in MEF	Impact of 1% Decrease in MEF
Corporate MEF				
Wholesale Price Index: Year-on-year change, lagged for 6 months				
2Y Interest Rates: Year-on-year (quarterly average) change, lagged for 9 months	1%	1%	5.18%	-3.62%
Stock Index (PSEI)*				
Auto MEF				
Stock Index (PSEI)*	1%	1%	0.12%	-0.11%
USD/PHP Exchange Rate: Lagged for 12 months				
Housing MEF				
USD/PHP Exchange Rate: Lagged for 9 months				
Consumer Price Index: Year-on-year change, lagged for 12 months	1%	1%	0.61%	-0.47%
Stock Index (PSEI)*				
Salary MEF				
Cash Remittances: Quarterly Average Ratio, lagged for 3 months*				
3Y Interest Rates: Lagged for 12 Months	1%	1%	-0.07%	0.07%
Stock Index (PSEI): Lagged for 3 months*				

\*These variables have a negative relationship with default

### Loans with Renegotiated Terms

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. The Bank renegotiates receivable from customers in financial difficulties to maximize collection opportunities and minimize the risk of default. The carrying amounts per class of loans and receivables whose terms have been renegotiated are as follows:

	2023	2022
Term loans	<b>P796,146,616</b>	P774,912,259
Agri-Agra loans	<b>132,758,283</b>	159,738,819
Housing loans	<b>33,325,362</b>	47,758,907
Auto loans	<b>341,434</b>	617,479
Others	<b>82,594,485</b>	75,456,193
	<b>P1,045,166,180</b>	P1,058,483,657



For financial assets such as amounts due from BSP and other banks, interbank loans receivable and SPURA, financial assets at FVPL, financial assets at FVOCI, investment securities at amortized cost, and unquoted debt securities classified as loans, the credit quality is assessed using external credit rating (such as Standard & Poor's, Fitch, Moody's, etc.) of the respective counterparties considering relevant BSP mandates, as follows:

	December 31, 2023		
	AA - A	BBB and Below or Unrated	Total
Loans and advances to banks: **			
Due from BSP	P24,275,195,629	P -	P24,275,195,629
Due from other banks	504,166,331	551,330,762	1,055,497,093
Interbank loans receivable and SPURA	20,114,496,080	-	20,114,496,080
	44,893,858,040	551,330,762	45,445,188,802
Financial assets at FVPL:			
Private debt securities	-	190,504,814	190,504,814
Government securities held-for-trading	96,719,128	83,883,498	180,602,626
Derivative assets*	-	27,685,000	27,685,000
	96,719,128	302,073,312	398,792,440
Financial assets at FVOCI:			
Government securities**	-	10,850,047,722	10,850,047,722
Equity securities	-	193,757,106	193,757,106
	-	11,043,804,828	11,043,804,828
Investment securities at amortized cost:			
Government securities**	-	50,311,649,891	50,311,649,891
Private debt securities**	-	2,165,662,758	2,165,662,758
	-	52,477,312,649	52,477,312,649
Loans and receivables - gross:			
Unquoted debt securities***	-	291,578,212	291,578,212
	P44,990,577,168	P64,666,099,763	P109,656,676,931

\*Unrated derivatives pertain to warrants

\*\*Accounts are neither past due nor impaired and carried at Stage 1 in 2023

\*\*\*Accounts are impaired and carried at Stage 3 in 2023

	December 31, 2022		
	AA - A	BBB and Below or Unrated	Total
Loans and advances to banks: **			
Due from BSP	P23,678,666,441	P -	P23,678,666,441
Due from other banks	562,517,326	481,879,040	1,044,396,366
Interbank loans receivable and SPURA	18,381,225,853	-	18,381,225,853
	42,622,409,620	481,879,040	43,104,288,660
Financial assets at FVPL:			
Private debt securities	-	344,809,237	344,809,237
Government securities held-for-trading	-	7,258,797	7,258,797
Derivative assets*	-	28,933,434	28,933,434
	-	381,001,468	381,001,468
Financial assets at FVOCI:			
Government securities**	-	5,619,271,980	5,619,271,980
Equity securities	-	185,778,540	185,778,540
	-	5,805,050,520	5,805,050,520
Investment securities at amortized cost:			
Government securities**	5,573,045,203	43,877,476,613	49,450,521,816
Private debt securities**	1,131,471,358	1,632,844,687	2,764,316,045
	6,704,516,561	45,510,321,300	52,214,837,861
Loans and receivables - gross:			
Unquoted debt securities***	-	291,578,213	291,578,213
	P49,326,926,181	P52,469,830,541	P101,796,756,722

\*Unrated derivatives pertain to warrants

\*\*Accounts are neither past due nor impaired and carried at Stage 1 in 2022

\*\*\*Accounts are impaired and carried at Stage 3 in 2022

### Aging Analysis of Past Due but not Impaired

The table below shows the aging of past due but not impaired loans and receivables as at December 31, 2023 and 2022.

	December 31, 2023			Total
	1 - 30 Days	31 - 60 Days	61 - 90 Days	
Receivable from customers (gross):				
Housing loans	P21,420,752	P86,393,824	P63,329,410	P171,143,986
Auto loans	31,415	34,781,613	12,100,719	46,913,747
Others	44,493,128	40,144,605	4,176,718	88,814,451
Sales contract receivables	-	3,491,830	1,679,150	5,170,980
Other receivables*	300,075	20,832,308	5,555,872	26,688,255
	<b>P66,245,370</b>	<b>P185,644,180</b>	<b>P86,841,869</b>	<b>P338,731,419</b>

\* Comprised of accrued interest receivables, accounts receivables, and RCOCI

	December 31, 2022			Total
	1 - 30 Days	31 - 60 Days	61 - 90 Days	
Receivable from customers (gross):				
Housing loans	P7,502,766	P117,540,395	P57,041,326	P182,084,487
Auto loans	304,994	82,232,033	44,870,404	127,407,431
Others	27,455,097	30,326,359	7,252,677	65,034,133
Sales contract receivables	-	1,077,598	2,959,821	4,037,419
Other receivables*	111,258	21,429,780	5,800,524	27,341,562
	<b>P35,374,115</b>	<b>P252,606,165</b>	<b>P117,924,752</b>	<b>P405,905,032</b>

\* Comprised of accrued interest receivables, accounts receivables, and RCOCI

### Impairment Assessment

The Bank recognizes credit losses on financial assets at amortized cost and debt securities at FVOCI based on whether it has had a significant increase in credit risk since initial recognition. ECLs are recognized in two (2) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

### Liquidity Risk and Funding Management

Liquidity risk is the risk to the Bank's earnings and capital arising from its inability to meet funding requirements in a timely manner. To measure and monitor this risk, the Bank generates a report on future cash flows and liquidity on a daily basis. To ensure sufficient liquidity, the Bank has a set of internal limits incorporated in its annual budget that allocates a portion of its liabilities into cash, investment securities and other liquid assets. Concentration on a single funding source is also regularly monitored to control the Bank's reliance on a specific product or counterparty.

The Bank has available credit lines from various counterparties that it can utilize to meet sudden liquidity demands. It also maintains a portfolio of high quality liquid assets (HQLA) that can be converted to cash in a short period of time and with minimal loss incurred. This ensures compliance with Liquidity Coverage Ratio (LCR) as required by Basel III regulations. LCR checks if there is sufficient HQLA to offset short-term net outflows or short-term obligations under stressed conditions. The Bank also expands its sources of stable funds in order to support asset growth and meet the Net Stable Funding Ratio (NSFR) regulatory limit. NSFR ensures that the Bank is not overly reliant on short-term funding in funding its long-term assets. The Bank's liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating both to the market in general and to events specific to the Bank. A contingency funding plan, which covers quantitative and procedural measures, is in place and may be applied under different stress scenarios.

The Bank also manages its liquidity position through the monitoring of a Maximum Cumulative Outflow against a Board-approved limit. This process measures and estimates projected funding requirements that the Bank will need at specific time horizons.

There has been no material change to the Bank's exposure to liquidity and funding management risk or the manner in which it manages and measures the risk.

#### *Analysis of Financial Liabilities by Remaining Contractual Maturities*

The table below summarizes the maturity profile of the Bank's financial liabilities as at December 31, 2023 and 2022 based on contractual undiscounted repayment obligations (amounts in thousands).

	December 31, 2023					Total
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	
Deposit liabilities:						
Demand	P54,569,494	P -	P -	P -	P -	P54,569,494
Savings	41,230,115	66,890,815	1,734,937	-	-	109,855,867
Time	16,157	14,695,940	1,575,014	446,877	-	16,733,988
Long-term negotiable certificates	-	55,952	170,372	5,190,990	-	5,417,314
Financial liabilities at FVPL	-	6,202	-	-	-	6,202
Bonds payable	-	93,196	7,625,657	-	-	7,718,853
Manager's checks	-	1,846,500	-	-	-	1,846,500
Accrued interest and other expenses*	-	1,047,574	-	-	-	1,047,574
Lease liabilities	-	38,696	172,936	422,940	35,149	669,721
Other liabilities**	-	951,269	2,039,295	-	290,118	3,280,682
<b>Total Undiscounted Financial Liabilities</b>	<b>P95,815,766</b>	<b>P85,626,144</b>	<b>P13,318,211</b>	<b>P6,060,807</b>	<b>P325,267</b>	<b>P201,146,195</b>

\*amounts exclude accruals of employee and other benefits, taxes payable and rent

\*\*amounts exclude withholding tax payable, retirement liability and ECL on off-balance sheet exposures

	December 31, 2022					Total
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	
Deposit liabilities:						
Demand	P51,792,970	P -	P -	P -	P -	P51,792,970
Savings	44,346,299	55,343,320	2,080,915	-	-	101,770,534
Time	18,985	15,249,042	1,777,238	847,661	-	17,892,926
Long-term negotiable certificates	-	55,952	170,372	5,417,314	-	5,643,638
Financial liabilities at FVPL	-	283	-	-	-	283
Bonds payable	-	93,196	283,777	7,718,853	-	8,095,826
Manager's checks	-	661,454	-	-	-	661,454
Accrued interest and other expenses*	-	791,326	-	-	-	791,326
Lease liabilities	-	37,862	159,856	315,455	25,397	538,570
Other liabilities**	-	1,251,721	1,760,517	-	282,393	3,294,631
<b>Total Undiscounted Financial Liabilities</b>	<b>P96,158,254</b>	<b>P73,484,156</b>	<b>P6,232,675</b>	<b>P14,299,283</b>	<b>P307,790</b>	<b>P190,482,158</b>

\*amounts exclude accruals of employee and other benefits, taxes payable and rent

\*\*amounts exclude withholding tax payable, retirement liability and ECL on off-balance sheet exposures

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments (amounts in thousands):

December 31, 2023					
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	Total
Commitments	P3,600,977	P5,204,466	P6,350,066	P12,779,223	P27,934,732
Contingent liabilities	66,885,084	5,371,330	2,192,872	3,323,586	77,772,872
	P70,486,061	P10,575,796	P8,542,938	P16,102,809	P105,707,604

December 31, 2022					
	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	Total
Commitments	P3,601,178	P12,598,713	P8,447,129	P2,062,875	P26,709,895
Contingent liabilities	67,818,593	2,192,776	3,343,696	3,054,409	76,409,474
	P71,419,771	P14,791,489	P11,790,825	P 5,117,284	P103,119,369

### Interest Rate Risk in the Banking Book

The loans provided by the Bank to its borrowers are mostly funded by the deposits of its branch and corporate customers. The difference in the interest revenues from loans and the interest expense in servicing deposits provide the bulk of the Bank's Net Interest Income (NII). Aside from loans, interest revenue is also generated from holdings in debt securities, repurchase agreements (repo), and other interest-bearing assets. Occasionally, the Bank taps interbank loans and other sources of funding to supplement deposits, which are subject to additional interest expense.

The Bank utilizes Funds Transfer Pricing (FTP) as a mechanism to charge the asset businesses for funding (e.g., term loans, housing loans) and to compensate fund raisers (e.g., branch deposits). FTP helps units evaluate profitability and calculate returns upon deal origination. Furthermore, the FTP framework insulates them from interest rate risk. The Central Funding Unit (CFU), under the Treasury Management Group, manages the Bank's overall IRRBB. CFU is the first line of defense for both IRRBB and Liquidity Risk. While the Bank does not have intentions to hedge IRRBB via interest rate swaps in the short-term, it actively manages IRRBB by growing its sources of stable funds to match long-term assets.

The FTP policy is properly documented and is transparent to all parties. The FTP interest rates are anchored by widely-used and market-driven benchmark rates such as BVAL and BSP interest rate corridor rates for Peso; USD Secured Overnight Financing Rates and USD-denominated bonds issued by the Philippines for USD. Trends, forecasts, and adjustments to the FTP are discussed and approved in the regular ALCO meeting.

The NII, and ultimately earnings and capital, is vulnerable to adverse fluctuations in interest rates. The Bank also measures the sensitivity of its assets and liabilities to interest rate fluctuations by way of asset-liability gap analysis on a monthly basis. This analysis focuses on the repricing profile of its rate sensitive assets and liabilities, and the impact of interest rate movements on the Bank's accrual earnings. The interest rate repricing gap report assigns all assets and liabilities into various time buckets according to the remaining days to maturity for fixed-rate items, remaining days to next re-pricing for floating-rate items, or based on behavioral assumptions, if more applicable.

The difference between the total of the repricing (interest rate-sensitive) assets and repricing (interest rate-sensitive) liabilities gives an indication of the Bank's repricing risk exposure. A positive gap means more assets mature or have to be repriced than liabilities. In this case, the Bank is said to be "asset sensitive" in that time bucket and it benefits from an increase of interest rates as the assets will be repriced faster than liabilities.

A bank with a negative gap is considered “liability sensitive” since it has more liabilities to be repriced during such period than assets. It is negatively affected by a hike in interest rates. An example would be a bank that uses short-term deposits to fund long-term loans at fixed rates. It may encounter a decline in its net interest income if the interest rates increase since the cost of funds (the deposit rates) will increase while the earnings from loans remain fixed.

RSK monitors the mismatches in the repricing of its assets and liabilities through the interest rate gap reports presented to ALCO and BROCC on a monthly basis. To ensure that the Bank’s net interest income is preserved, the Bank has set a limit for the maximum repricing gap, either positive or negative, for tenors up to 1 year. These limits are reviewed annually and form part of the Bank’s risk appetite statements.

Non-maturing fixed-rate deposits or current-savings accounts (CASA) are split into three classifications: 1) stable and core deposits; 2) stable-but-non-core deposits and; 3) non-stable deposits. The volatile or non-stable portion of the non-maturing deposits/CASA is slotted in the shortest time-bucket (i.e., less than one month). Stable-but-non-core portion is slotted based on an assumed repricing approximation. Stable-and-core portion is slotted in the 3 to 5-year bucket. The IRRBB model captures the possibility of borrowers prepaying their loans and time deposit customers pre-terminating their investments. The interest rate scenario of the model simulates the impact of interest rate movements on existing loans and deposits. More (less) prepayment is expected if interest rates decline (increase), while more (less) pre-termination is expected if interest rates increase (less).

Earnings at risk is simulated on a monthly basis and subject to a limit approved by the Board. The report is also accompanied by stress testing with scenarios such as: 1) standard parallel yield curve shifts; 2) BSP-prescribed yield curve shifts; 3) steepening and inversion of the curves; and 4) timing mismatch in assets and liabilities repricing. Internal Audit conducts a regular validation of the IRRBB models and parameters in addition to the risk-based full scope audit of RSK, which includes a review and evaluation of the processes and controls, including governance and risk management activities.

The table below sets forth the Bank’s interest rate repricing gap as at December 31, 2023 and 2022 (amounts in millions).

	December 31, 2023								
	Up to 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	3 - 5 Years	Beyond 5 Years	Non-rate Sensitive	Total
<b>Resources</b>									
Cash and COCI	P -	P -	P -	P -	P -	P -	P -	P3,501	P3,501
Due from BSP	8,473	-	-	-	-	-	-	15,799	24,272
Due from other banks	-	-	-	-	-	-	-	3,068	3,068
Interbank loans receivable	17,973	128	-	-	-	-	-	(2)	18,099
Financial assets at FVPL	-	-	-	-	-	-	-	399	399
Financial assets at FVOCI	243	353	1,239	2,598	6,923	-	-	(468)	10,888
Investment securities at AC	12,835	3,728	682	-	14,720	10,705	10,240	(343)	52,567
Loans - net	33,245	26,033	7,569	7,929	12,790	17,675	24	2,314	107,579
Other resources	236	33	-	-	-	-	-	9,632	9,901
	P73,005	P30,275	P9,490	P10,527	P34,433	P28,380	P10,264	P33,900	P230,274
<b>Liabilities and Equity</b>									
Deposit liabilities:	P71,562	P17,602	P16,618	P908	P5,343	P73,872	P -	P -	P185,905
Demand deposits	6,423	-	6,990	-	-	41,157	-	-	54,570
Savings deposits	1,037	-	7,563	-	-	32,619	-	-	41,219
Time deposits	64,102	17,602	2,065	908	314	96	-	-	85,087
Long-term negotiable certificates	-	-	-	-	5,029	-	-	-	5,029
Bonds payable	-	-	-	7,478	-	-	-	-	7,478
Other liabilities	-	-	-	-	-	-	-	7,420	7,420
	71,562	17,602	16,618	8,386	5,343	73,872	-	7,420	200,803
Capital funds	-	-	-	-	-	-	-	29,471	29,471
	P71,562	P17,602	P16,618	P8,386	P5,343	P73,872	P -	P36,891	P230,274
<b>Total periodic gap</b>	<b>P1,443</b>	<b>P12,673</b>	<b>(P7,128)</b>	<b>P2,141</b>	<b>P29,090</b>	<b>(P45,492)</b>	<b>P10,264</b>	<b>(P2,991)</b>	<b>P -</b>



December 31, 2022									
	Up to 1 Month	1 - 3 Months	3 - 6 Months	6 - 12 Months	1 - 3 Years	3 - 5 Years	Beyond 5 Years	Non-rate Sensitive	Total
Resources									
Cash and COCI	P -	P -	P -	P -	P -	P -	P -	P2,735	P2,735
Due from BSP	6,096	-	-	-	-	-	-	17,579	23,675
Due from other banks	-	-	-	-	-	-	-	4,761	4,761
Interbank loans receivable	14,664	-	-	-	-	-	-	(2)	14,662
Financial assets at FVPL	-	-	-	-	-	-	-	381	381
Financial assets at FVOCI	369	430	1,998	2,250	1,355	-	-	(783)	5,619
Investment securities at AC	6,697	2,040	3,051	3,616	9,625	15,299	12,392	(346)	52,374
Loans - net	34,468	15,534	8,479	11,592	13,484	12,281	4,732	2,727	103,297
Other resources	247	5	-	-	-	-	-	8,687	8,939
	P62,541	P18,009	P13,528	P17,458	P24,464	P27,580	P17,124	P35,739	P216,443
Liabilities and Equity									
Deposit liabilities:	P69,553	P14,024	P18,688	P1,289	P5,648	P67,065	P -	P -	P176,267
Demand deposits	7,521	-	7,025	-	-	37,247	-	-	51,793
Savings deposits	5,194	-	9,475	-	-	29,674	-	-	44,343
Time deposits	56,838	14,024	2,188	1,289	619	144	-	-	75,102
Long-term negotiable certificates	-	-	-	-	5,029	-	-	-	5,029
Bonds payable	-	-	-	-	7,442	-	-	-	7,442
Other liabilities	-	-	-	-	-	-	-	5,930	5,930
	69,553	14,024	18,688	1,289	13,090	67,065	-	5,930	189,639
Capital funds	-	-	-	-	-	-	-	26,804	26,804
	P69,553	P14,024	P18,688	P1,289	P13,090	P67,065	P -	P32,734	P216,443
Total periodic gap	(P7,012)	P3,985	(P5,160)	P16,169	P11,374	(P39,485)	P17,124	P3,005	P -

The Bank manages interest rate risk separately for its RBU and FCDU books. The interest rate risk of the RBU of the Bank from its accounts is managed in PHP while the FCDU of the Bank, regardless of original currency, is managed in USD. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Bank's results of operations and OCI:

December 31, 2023				
Currency	Changes in Interest Rates (In Basis Points)	Sensitivity of Net Interest Income (In Millions)	Sensitivity of Trading Gains - net on FA at FVPL (In Millions)	Sensitivity of OCI (In Millions)
PHP	+200	P147.58	(P5.67)	(P960.56)
USD	+100	(0.35)	(9.43)	(79.95)
PHP	-200	(147.58)	5.67	960.56
USD	-100	0.35	9.43	79.95

December 31, 2022				
Currency	Changes in Interest Rates (In Basis Points)	Sensitivity of Net Interest Income (In Millions)	Sensitivity of Trading Gains - net on FA at FVPL (In Millions)	Sensitivity of OCI (In Millions)
PHP	+200	P201.26	(P0.25)	(P490.44)
USD	+100	1.76	(3.38)	(73.93)
PHP	-200	(201.26)	0.25	490.44
USD	-100	(1.76)	3.38	73.93

The sensitivity of the results of operations is measured as the effect of the assumed changes in interest rates on the net interest income for one year based on the floating rate of financial assets and liabilities held as at December 31, 2023 and 2022.

The sensitivity of “Trading and investment securities gains (losses) - net” and OCI is calculated by revaluing fixed-rate financial assets at FVPL and debt securities at FVOCI, respectively, as at December 31, 2023 and 2022. The total sensitivity of OCI is based on the assumption that there are parallel shifts in the yield curve, while the analysis by maturity band displays the sensitivity to non-parallel changes.

#### Market Risk

Market risk arises from the potential decline in earnings and capital due to adverse changes in market conditions and the underlying risk factors, which in turn affect the value and future cash flows of financial instruments, products, and transactions. The Bank is primarily exposed to two sources of market risk, namely: 1) market price risk in the trading book; and 2) foreign exchange risk from open foreign currency exposures. The Bank also has equity-related holdings which is a source of equity price risk, although deemed as minimal compared to the first two.

There has been no material change to the Bank’s exposure to market risk or the manner in which it manages and measures the risk.

#### *Market Price Risk in the Trading Book*

The market price of financial instruments and transactions in the trading book may change unfavorably as a result of movements in interest rates, foreign exchange rates, credit spreads, and other risk factors. The Bank employs an internally developed VAR model, along with other sensitivity metrics, to measure and monitor the probable deterioration in the market value of its trading portfolio. The Bank’s RSK simulates the trading book’s VAR on a daily basis and the results are compared against Board-approved limits. In addition to the limit on VAR, the trading portfolio is also subject to limits on aggregate exposures, sensitivity metrics, monthly and yearly losses.

#### *Value-at-Risk Methodology*

VAR serves as the Bank’s key metric in the measurement of risk arising from market price changes of financial assets and foreign currency exposures. Given data for the market risk factors over a 1-year period (260 business days), VAR is the maximum probable loss that may be incurred from positions exposed to market risk. The maximum probable loss is calculated from simulations of daily profit and losses assuming that historical movements in market risk factors will recur, subject to a 99% confidence level and a 1-day holding period.

The Bank’s VAR methodology is based on the widely used historical simulation method but with a modification on the usual assumption of equal probabilities in the simulation data points. Profit and loss simulations derived from older data are given less importance by assigning them with progressively lower probabilities of occurrence when used in the calculation of the maximum probable loss.

The table below summarizes the results of the Bank’s VAR calculations as at December 31, 2023 and 2022.

	FX Exposures	HFT Securities	FVOCI Securities	Aggregate VAR
<b>2023</b>				
<b>As at December 31, 2023</b>	<b>P1,950,756</b>	<b>P1,471,726</b>	<b>P50,010,354</b>	<b>P53,432,836</b>
Average	1,618,958	2,794,146	51,444,695	54,952,559
Highest	7,728,518	9,254,465	67,024,351	69,553,970
Lowest	268,678	78,190	39,722,601	41,246,030
<b>2022</b>				
<b>As at December 31, 2022</b>	944,454	84,887	55,262,009	55,452,704
Average	2,381,036	1,147,342	48,111,020	48,504,463
Highest	12,183,300	2,585,544	73,264,380	72,311,569
Lowest	140,229	83,357	37,230,085	36,648,881

### Currency Risk

The Bank's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Bank believes that its profile of foreign currency exposure based on its assets and liabilities is within conservative limits for a financial institution engaged in a type of business similar to that of the Bank.

Foreign currency deposits are generally used to fund the foreign currency-denominated loan and investment portfolios in the FCDU. Banks are required by BSP to match the foreign currency liabilities held in the FCDU with foreign currency assets. In addition, BSP requires a 30.0% liquidity reserve on all foreign currency liabilities held in the FCDU.

Similar to market price risk in the trading book, the Bank employs limits and a VAR model to manage the risk that possible interest or currency movements pose. Such limits are prudently set and the position status is monitored on a daily basis.

The table below summarizes the Bank's exposure to foreign exchange risk as at December 31, 2023 and 2022. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by currency (based on USD equivalents in thousands):

	December 31, 2023			
	USD	Euro	Others	Total
<b>Assets</b>				
Due from other banks	\$1,065	\$1,188	\$822	\$3,075
Interbank loans	3,550	-	-	3,550
Financial assets at FVPL	-	1,747	-	1,747
Loans and receivables	1,950	20	-	1,970
<b>Total Assets</b>	<b>6,565</b>	<b>2,955</b>	<b>822</b>	<b>10,342</b>
<b>Liabilities</b>				
Deposit liabilities	-	736	2	738
Other liabilities	1,028	73	2	1,103
<b>Total Liabilities</b>	<b>1,028</b>	<b>809</b>	<b>4</b>	<b>1,841</b>
<b>Net Exposure</b>	<b>\$5,537</b>	<b>\$2,146</b>	<b>\$818</b>	<b>\$8,501</b>
<b>Amount in PHP</b>	<b>P306,584</b>	<b>P118,824</b>	<b>P45,293</b>	<b>P470,701</b>

	December 31, 2022			
	USD	Euro	Others	Total
<b>Assets</b>				
Due from other banks	\$614	\$530	\$388	\$1,532
Interbank loans	9,449	-	-	9,449
Loans and receivables	1,764	-	-	1,764
<b>Total Assets</b>	<b>11,827</b>	<b>530</b>	<b>388</b>	<b>12,745</b>
<b>Liabilities</b>				
Deposit liabilities	-	1,260	-	1,260
Other liabilities	1,573	55	9	1,637
<b>Total Liabilities</b>	<b>1,573</b>	<b>1,315</b>	<b>9</b>	<b>2,897</b>
<b>Net Exposure</b>	<b>\$10,254</b>	<b>(\$785)</b>	<b>\$379</b>	<b>\$9,848</b>
<b>Amount in PHP</b>	<b>P571,712</b>	<b>(P43,768)</b>	<b>P21,131</b>	<b>P549,075</b>

The table below indicates the currencies which the Bank has significant exposure to as at December 31, 2023 and 2022 based on its foreign currency-denominated assets and liabilities and its forecasted cash flows. The analysis calculates the effect of a reasonably possible movement of other currency rates against the PHP, with all other variables held constant on the results of operations (due to the fair value of currency sensitive monetary assets and liabilities) and OCI. A negative amount in the table reflects a potential net reduction of net income or OCI while positive amount reflects a net potential increase. Changes in currency rates are based on the historical movements of each currency for the same period:

	Philippine Peso Appreciates by	Effect on Profit before Tax (In Millions)	Philippine Peso Depreciates by	Effect on Profit before Tax (In Millions)
<b>December 31, 2023</b>				
Currency:				
USD	P1.00	(P5.54)	(P1.00)	P5.54
Euro	0.50	(1.07)	(0.50)	1.07
Others	0.40	(0.33)	(0.40)	0.33
<hr/>				
	Philippine Peso Appreciates by	Effect on Profit before Tax (In Millions)	Philippine Peso Depreciates by	Effect on Profit before Tax (In Millions)
<b>December 31, 2022</b>				
Currency:				
USD	P1.00	(P10.25)	(P1.00)	P10.25
Euro	0.50	0.39	(0.50)	(0.39)
Others	0.40	(0.15)	(0.40)	0.15

Given the nature and amount of the Bank's equity investments portfolio in 2023 and 2022, management believes the Bank's exposure to currency risk is considered minimal.

#### *Equity Price Risk*

Given the nature and amount of the Bank's equity investments portfolio in 2023 and 2022, management believes the Bank's exposure to equity price risk is considered minimal.

## **6. Categories and Fair Value Measurement**

The methods and assumptions used by the Bank in estimating the fair values of financial and non-financial assets and liabilities are as follows:

*COCI, Due from BSP and Other Banks and Interbank Loans Receivable and SPURA* - Fair values approximate carrying amounts given the short-term nature of the instruments.

*Debt Securities (Financial Assets at FVPL, Financial Assets at FVOCI, and Investment Securities at Amortized Cost)* - Fair values are generally based on quoted market prices. If not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using discounted cash flow methodology.

*Equity Securities (Financial Assets at FVOCI)* - Fair values are determined based on market prices quoted in an established exchange, or on published quotes by accredited brokers.

*Derivative Instruments (Financial Assets and Financial Liabilities at FVPL)* - Fair values are determined based on published quotes or price valuations provided by counterparties or calculations using market-accepted valuation techniques.

*Loans and Receivables* - The estimated fair values of long-term receivables from customers and sales contract receivables are equal to the estimated future cash flows expected to be received which are discounted using current market rates (i.e., BVAL and USD Secured Overnight Financing Rates). Fair value of short-term receivable from customers, sales contract receivables, accounts receivables, accrued interest receivables, and RCOCI approximates carrying amounts given the short-term nature of the accounts.

*Investment Properties* - Fair value is determined based on valuations performed by external and in-house appraisers using the market data approach. Valuations are derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. Significant unobservable inputs in determining the fair values include the following:

Location	Location of comparative properties whether on a main road or secondary road. Road width could also be a consideration if data is available. As a rule, properties along a main road are superior to properties along a secondary road.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable confirms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Time Element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investor's perceptions of the market over time, in which case, the current date is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

*Deposit Liabilities* - Fair values of long-term time deposits are estimated using the discounted cash flow methodology, where future cash flows are discounted using the current market rate (i.e., BVAL and USD Secured Overnight Financing Rates) and with maturities consistent with those remaining for the liability being valued. Carrying amounts of short-term time deposits approximate fair value. For demand and savings deposits, carrying amounts approximate fair values considering that these are currently due and demandable.



**Bonds and Bills Payable** - For long-term bonds and bills payable, fair values are estimated using the discounted cash flow methodology, where future cash flows are discounted using the current market rate (i.e., BVAL and USD Secured Overnight Financing Rate and with maturities consistent with those remaining for the liability being valued. Carrying amounts of short-term bonds and bills payable approximate fair value.

**Manager's Checks, Accrued Interest and Other Expenses and Other Liabilities (excluding non-financial liabilities)** - Carrying amounts approximate fair values due to the short-term nature of the accounts. Due to preferred shareholders is determined to be long term in nature due to a pending dispute which affects maturity. Fair value cannot be estimated reliably due to lack of available supportable data.

The following table provides the fair value hierarchy of the Bank's assets and liabilities measured at fair value and those for which fair values should be disclosed (amounts in thousands):

	December 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets Measured at Fair Value</b>					
<i>Financial Assets</i>					
Financial assets at FVPL:					
Government securities held for trading	P180,603	P61,208	P119,395	P -	P180,603
Private debt securities	190,505	-	-	190,505	190,505
Derivative assets	27,685	-	27,685	-	27,685
Financial assets at FVOCI:					
Government securities	10,850,048	4,088,139	6,761,909	-	10,850,048
Equity securities	193,757	155,300	-	38,457	193,757
	P11,442,598	P4,304,647	P6,908,989	P228,962	P11,442,598
<b>Liabilities Measured at Fair Value</b>					
<i>Financial Liabilities</i>					
Derivative liabilities	P6,202	P -	P6,202	P -	P6,202
<b>Assets for which Fair Values are Disclosed</b>					
<i>Financial Assets</i>					
Investment securities at amortized cost:					
Government securities	P50,305,668	P20,087,916	P28,833,159	P -	P48,921,075
Private debt securities	2,165,435	343,612	1,629,236	-	1,972,848
Loans and receivables:					
Receivables from customers	107,624,342	-	-	110,630,437	110,630,437
Less unearned interest	45,388	-	-	45,388	45,388
	107,578,954	-	-	110,585,049	110,585,049
Sales contract receivables	331,532	-	-	345,450	345,450
	160,381,589	20,431,528	30,462,395	110,930,499	161,824,422
<i>Non-financial Assets</i>					
Investment properties	3,676,126	-	-	10,514,333	10,514,333
	P164,057,715	P20,431,528	P30,462,395	P121,444,832	P172,338,755
<b>Liabilities for which Fair Values are Disclosed</b>					
<i>Financial Liabilities</i>					
Deposit liabilities:					
Time	P16,638,541	P -	P16,609,959	P -	P16,609,959
Long-term negotiable certificates	5,029,420	-	4,909,268	-	4,909,268
Bonds payable	7,478,265	-	7,500,000	-	7,500,000
	P29,146,226	P -	P29,019,227	P -	P29,019,227

December 31, 2022					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets Measured at Fair Value</b>					
<i>Financial Assets</i>					
<i>Financial assets at FVPL:</i>					
Government securities held for trading	P7,259	P3,569	P3,690	P -	P7,259
Private debt securities	344,809	-	-	344,809	344,809
Derivative assets	28,933	-	28,933	-	28,933
<i>Financial assets at FVOCI:</i>					
Government securities	5,619,272	511,282	5,107,990	-	5,619,272
Equity securities	185,779	147,253	-	38,526	185,779
	P6,186,052	P662,104	P5,140,613	P383,335	P6,186,052
<b>Liabilities Measured at Fair Value</b>					
<i>Financial Liabilities</i>					
Derivative liabilities	P283	P -	P283	P -	P283
<b>Assets for which Fair Values are Disclosed</b>					
<i>Financial Assets</i>					
<i>Investment securities at amortized cost:</i>					
Government securities	P49,444,750	P12,626,246	P34,050,746	P -	P46,676,992
Private debt securities	2,764,019	375,615	2,035,004	-	2,410,619
<i>Loans and receivables:</i>					
Receivables from customers	103,340,539	-	-	102,468,646	102,468,646
Less unearned interest	43,155	-	-	43,155	43,155
	103,297,384	-	-	102,425,491	102,425,491
Sales contract receivables	325,653	-	-	380,020	380,020
	155,831,806	13,001,861	36,085,750	102,805,511	151,893,122
<i>Non-financial Assets</i>					
Investment properties	3,399,987	-	-	9,969,666	9,969,666
	P159,231,793	P13,001,861	P36,085,750	P112,775,177	P161,862,788
<b>Liabilities for which Fair Values are Disclosed</b>					
<i>Financial Liabilities</i>					
<i>Deposit liabilities:</i>					
Time	P17,793,298	P -	P17,735,829	P -	P17,735,829
Long-term negotiable certificates	5,029,420	-	4,787,902	-	4,787,902
Bonds payable	7,442,251	-	7,386,764	-	7,386,764
	P30,264,969	P -	P29,910,495	P -	P29,910,495

In 2023 and 2022, due to changes in market conditions for certain government securities measured at FVOCI, quoted prices in active markets were not available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities at FVOCI, with carrying amounts of P327.4 million and P306.1 million in 2023 and 2022, respectively, were transferred from Level 1 to Level 2 of the fair value hierarchy.

In 2023, securities at FVOCI, with carrying amount of P394.3 million were transferred from Level 2 to Level 1 of the fair value hierarchy since quoted prices in active markets were already available. There have been no transfers from Level 2 to Level 1 of the fair value hierarchy in 2022.

In 2023 and 2022, there have been no transfers into and out of Level 3 of the fair value hierarchy.

An instrument in its entirety is classified as Level 3 if a significant portion of the instrument's fair value is driven by unobservable inputs. Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived. The fair value of the Level 3 instruments is based on cost which approximates its fair value.

The carrying values of the financial assets and liabilities not included in the fair value hierarchy table shown above approximate their respective fair values as at December 31, 2023 and 2022.

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## 7. Segment Reporting

The Bank's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to SET who is responsible for allocating resources to the segments and assessing their performance. Segment performance is evaluated based on net income before provision/reversal of credit and impairment losses, share in net loss of an associate, and income tax expense. The Bank's business segments follow:

*Treasury Management Group* - principally provides money market, trading and treasury services, as well as management of the Bank's funding operations by use of treasury bills, government securities and placements and acceptances with other banks.

*Corporate Banking Group* - principally handles loans and other credit facilities for corporate institutional, and middle market clients.

*Branch Banking Group* - principally supervises customers' deposits and offers standard customer transactional services through the branch network.

*Consumer Group* - principally manages home, automobile, and salary loans for individual customers.

*Others* - includes but not limited to Credit Cards, Transaction Banking, Investment Banking, Trust, and Acquired Assets. Other operations of the Bank also include operations and financial control groups.

Segment assets and liabilities comprise operating assets and liabilities, including borrowings. Revenues and expenses that are directly attributable to a particular business segment and the relevant portions of the Bank's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment. Transactions between the business segments are carried out at arm's length. The Bank uses an Internal Funds Transfer Pricing rate to allocate the cost of funds or to recognize internal revenue for deposit takers. The Bank has no significant customers which contributes 10.00% or more of the Bank's revenue net of interest expense. Internal charges and transfer pricing adjustments have been reflected in the performance of each business.

The segment information of the Bank for the years ended December 31, 2023, 2022 and 2021 for statements of income items, and as at December 31, 2023 and December 31, 2022 for statements of financial position items follow (amounts in millions):

	December 31, 2023					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
<b>Statement of Income</b>						
Net interest income:						
Third party	P2,908	P7,049	(P2,707)	P958	P88	P8,296
Intersegment	(2,269)	(5,723)	7,021	(662)	1,633	-
Net interest income	639	1,326	4,314	296	1,721	8,296
Non-interest income	140	73	96	52	1,318	1,679
Total revenues	779	1,399	4,410	348	3,039	9,975
Other expenses	357	364	2,171	184	3,083	6,159
Income (losses) before provision for credit losses and income tax expense	P422	P1,035	P2,239	P164	(P44)	P3,816
Provision for credit and impairment losses						P79
Share in net loss of an associate						1
Income tax expense						934
Net income						P2,802
<b>Other Segment Information</b>						
Capital expenditures	P6	P8	P156	P3	P226	P399
Depreciation and amortization	P4	P4	P59	P7	P415	P489

	December 31, 2023					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
<b>Statement of Financial Position</b>						
Total assets	P89,494	P96,924	P23,438	P13,022	P8,790	P231,668
Total liabilities	6,344	48	187,210	134	7,081	200,817

	December 31, 2022					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
<b>Statement of Income</b>						
Net interest income:						
Third party	P2,171	P4,448	(P880)	P896	P47	P6,682
Intersegment	(1,602)	(3,157)	5,306	(542)	(5)	-
Net interest income	569	1,291	4,426	354	42	6,682
Non-interest income	116	154	89	40	1,035	1,434
Total revenues	685	1,445	4,515	394	1,077	8,116
Other expenses	222	258	2,098	157	2,749	5,484
Income (losses) before provision for credit losses and income tax expense	P463	P1,187	P2,417	P237	(P1,672)	P2,632
Provision for credit and impairment losses						P166
Share in net loss of an associate						-
Income tax expense						666
Net income						P1,800
<b>Other Segment Information</b>						
Capital expenditures	P6	P6	P57	P7	P86	P162
Depreciation and amortization	P4	P3	P53	P7	P365	P432

	December 31, 2022					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
<b>Statement of Financial Position</b>						
Total assets	P80,035	P93,631	P23,810	P12,063	P7,979	P217,518
Total liabilities	9,995	35	172,912	116	6,429	189,487

	December 31, 2021					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Income						
Net interest income:						
Third party	P1,614	P3,328	(P560)	P896	P120	P5,398
Intersegment	(1,256)	(1,321)	3,879	(629)	(673)	-
Net interest income	358	2,007	3,319	267	(553)	5,398
Non-interest income	(29)	40	83	31	702	827
Total revenues	329	2,047	3,402	298	149	6,225
Other expenses	147	199	2,040	146	2,496	5,028
Income (losses) before provision for credit losses and income tax expense	P182	P1,848	P1,362	P152	(P2,347)	P1,197
Reversal of credit and impairment losses						(P635)
Share in net loss of an associate						1
Income tax expense						624
Net income						P1,207
Other Segment Information						
Capital expenditures	P1	P7	P52	P2	P53	P115
Depreciation and amortization	P4	P3	P63	P7	P386	P463

Non-Interest income consists of trading and investment securities gains (losses), service charges, fees and commissions, foreign exchange gains, gain on foreclosure, and sale of property and equipment and foreclosed assets and miscellaneous income.

Other expenses consist of compensation and fringe benefits, taxes and licenses, rent and utilities, depreciation and amortization, insurance, service fees and commissions, subscription fees, entertainment and recreation, management and professional fees, amortization of software costs and miscellaneous expense.

## 8. Interbank Loans Receivable and Securities Purchased under Resale Agreements

This account consists of:

	Note	2023	2022
SPURA		<b>P17,973,348,893</b>	P14,538,857,444
Interbank loans receivable		<b>2,141,147,187</b>	3,842,368,409
		<b>20,114,496,080</b>	18,381,225,853
Less allowance for credit losses	17	<b>2,715,457</b>	2,481,466
		<b>P20,111,780,623</b>	P18,378,744,387

SPURA represents overnight lending placements with the BSP where the underlying securities cannot be sold or re-pledged to parties other than the BSP.

Interbank loans receivable consists of short-term loans granted to other banks.

Interest income on SPURA and interbank loans receivable follows:

	2023	2022	2021
SPURA	<b>P746,318,560</b>	P475,286,408	P316,263,835
Interbank loans receivable	<b>129,387,516</b>	63,872,487	17,540
	<b>P875,706,076</b>	P539,158,895	P316,281,375

SPURA bears interest rates ranging from 5.5% to 6.4% in 2023, from 2.0% to 5.5% in 2022 and interest rate of 2.0% in 2021.



Peso-denominated interbank loans receivable bear interest rates ranging from 5.5% to 6.5% in 2023 and 1.8% to 5.0% in 2022. No short-term peso-denominated loans were granted by the Bank to other banks in 2021. Dollar-denominated interbank loans receivable bear interest rates ranging from 3.0% to 5.6%, from 0.5% to 3.8%, and from 0.1% to 0.5% in 2023, 2022 and 2021, respectively.

## 9. Financial Assets and Liabilities at Fair Value through Profit or Loss

Financial assets at FVPL consist of:

	2023	2022
Private debt securities	<b>P190,504,814</b>	P344,809,237
Government securities held-for-trading	<b>180,602,626</b>	7,258,797
Derivative assets	<b>27,685,000</b>	28,933,434
	<b>P398,792,440</b>	P381,001,468

Private debt securities pertain to investment in MRT III bonds that does not qualify as SPPI, thus, mandatorily classified and measured as financial assets at FVPL.

As at December 31, 2023, 2022 and 2021, financial assets at FVPL are adjusted for unrealized gain of P22.8 million and P3.0 million and unrealized loss of P4.2 million, respectively (see Note 28).

### Derivative Financial Instruments

This includes warrants amounting to \$0.05 million acquired by the Bank in June 2008. The warrants give the Bank the option or right to exchange its holding of certain Republic of the Philippines Global Bonds into peso-denominated government securities upon occurrence of a predetermined credit event. The warrants will mature in November 2032.

Forward swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future. As at December 31, 2023, these pertain to two contracts with notional amount of \$1.0 million each, two contracts with notional amount of \$5.0 million each and two contracts with notional amount of \$10.0 million each. The Bank has one contract with notional amount of \$1.0 million and three contracts with notional amount of \$0.5 million each as at December 31, 2022.

The table below shows the fair values of derivative financial instruments entered into by the Bank, recorded as derivative assets or derivative liabilities, together with the notional amount and leverage exposure. The leverage exposure is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The leverage exposure indicates the volume of transactions outstanding as at December 31, 2023 and 2022 and is not indicative of either market risk or credit risk.

	December 31, 2023			December 31, 2022		
	Derivative Assets	Notional Amount	Leverage Exposure	Derivative Assets	Notional Amount	Leverage Exposure
Freestanding derivatives:						
Warrants	<b>P27,685,000</b>	<b>\$50,000</b>	<b>\$ -</b>	P27,877,500	\$50,000	\$ -
Forwards	-	-	-	1,055,934	1,000,000	-
	<b>P27,685,000</b>	<b>\$50,000</b>	<b>\$ -</b>	P28,933,434	\$1,050,000	\$ -

	December 31, 2023			December 31, 2022		
	Derivative Liabilities	Notional Amount	Leverage Exposure	Derivative Liabilities	Notional Amount	Leverage Exposure
Freestanding derivatives:						
Forwards	P6,201,649	\$32,000,000	\$ -	P283,329	\$1,500,000	\$ -

## 10. Financial Assets at Fair Value through Other Comprehensive Income

This account consists of:

	2023	2022
Government securities	P10,850,047,722	P5,619,271,980
Equity securities	193,757,106	185,778,540
	P11,043,804,828	P5,805,050,520

As at December 31, 2023 and 2022, the ECL allowance on debt securities at FVOCI included under "Net unrealized losses on financial assets at FVOCI" amounted to P1.1 million and P0.6 million, respectively (see Note 17).

### *Equity Securities*

This account consists of ordinary shares from a foreign financial institution and a telecommunications company and club shares. The Bank has designated these equity securities at FVOCI.

Equity securities include the Bank's 3.07% equity interest in Banco National de Guinea Equatorial (BANGE) as part of its partnership with the National Government of the Republic of Equatorial Guinea. The carrying amount of the equity securities amounted to P19.4 million and P18.8 million, respectively, as at December 31, 2023 and 2022. Dividend income received from BANGE in 2023 amounted to P4.0 million, booked under "Miscellaneous Income" in the statements of income (see Note 31). No dividend was received from BANGE in 2022 and 2021.

In 2023, 2022 and 2021, the Bank disposed club shares with carrying value of P0.9 million, P0.8 million and P10.6 million, respectively, and transferred to "Retained earnings" account the realized gain of P7.5 million, P0.3 million and P6.1 million in 2023, 2022 and 2021, respectively.

Dividend income from equity securities at FVOCI amounted to P5.6 million, P1.6 million, and P5.7 million in 2023, 2022 and 2021, respectively (see Note 31).

### Net Unrealized Losses on Financial Assets at FVOCI

The movements of net unrealized gains (losses) on financial assets at FVOCI follow:

	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Balance at beginning of year		<b>(P730,966,925)</b>	(P156,154,761)	P69,657,563
Net unrealized gains (losses) recognized as OCI		<b>324,174,117</b>	(574,495,027)	(293,920,562)
ECL on debt securities at FVOCI	17	<b>455,690</b>	(27,137)	(1,108,339)
Realized losses (gains) taken to profit or loss	28	<b>(6,964,361)</b>	-	68,883,753
Effect of tax	32	<b>(363,597)</b>	-	6,389,324
Net change in unrealized gains (losses) recorded in OCI		<b>317,301,849</b>	(574,522,164)	(219,755,824)
Realized gains taken to retained earnings		<b>(7,527,455)</b>	(290,000)	(6,056,500)
Balance at end of year		<b>(P421,192,531)</b>	(P730,966,925)	(P156,154,761)

### 11. Investment Securities at Amortized Cost

This account consists of:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
Government securities		<b>P50,311,649,891</b>	P49,450,521,816
Private debt securities	33	<b>2,165,662,758</b>	2,764,316,045
		<b>52,477,312,649</b>	52,214,837,861
Less allowance for credit losses	17	<b>6,209,355</b>	6,068,800
		<b>P52,471,103,294</b>	P52,208,769,061

No investment securities at amortized cost were sold in 2023 and 2022.

## 12. Loans and Receivables

This account consists of:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
Receivables from customers:			
Term loans		<b>P81,196,871,925</b>	P86,583,033,586
Agri-agra loans		<b>11,681,545,957</b>	2,537,887,089
Housing loans		<b>8,454,302,941</b>	8,222,608,912
Auto loans		<b>4,123,415,068</b>	3,652,024,507
Bills purchased, import bills and trust receipts	22	<b>1,050,698,899</b>	1,384,577,563
Direct advances		<b>577,211,848</b>	605,327,618
Others		<b>2,368,875,299</b>	2,597,626,608
		<b>109,452,921,937</b>	105,583,085,883
Less unearned interest income		<b>45,387,843</b>	43,154,930
		<b>109,407,534,094</b>	105,539,930,953
Accrued interest receivable:			
Loans and receivables		<b>946,846,228</b>	848,790,235
Trading and investment securities		<b>483,609,311</b>	422,998,451
Interbank loans receivable and SPURA		<b>8,257,598</b>	5,715,175
Due from BSP and other banks		<b>4,357,778</b>	2,193,333
Accounts receivable		<b>1,055,139,512</b>	1,057,747,032
Sales contract receivables		<b>388,560,627</b>	382,621,585
Unquoted debt securities		<b>291,578,212</b>	291,578,213
RCOCI		<b>93,452</b>	249,146
		<b>112,585,976,812</b>	108,551,824,123
Less allowance for credit losses	17	<b>3,019,800,493</b>	3,460,595,359
		<b>P109,566,176,319</b>	P105,091,228,764

Bills purchased, import bills and trust receipts include bills purchased with contra account in "Bills purchased - contra" under "Other Liabilities" amounting to P1.0 billion and P1.3 Billion as at December 31, 2023 and 2022, respectively (see Notes 22 and 33). Bills purchased - contra represents liabilities arising from the outright purchases of checks due for clearing as a means of immediate financing offered by the Bank to its clients.

Other receivables from customers pertain to consumer loans such as benefit loans, salary loans, and credit cards.

Accounts receivable mainly consist of amounts due from customers and other parties under open-account arrangements, advances for buyers of foreclosed properties, receivables from employees and other miscellaneous receivables.

Sales contract receivables arise mainly from the sale of foreclosed properties booked under "Investment properties" accounts.

On March 25, 2020, Republic Act (RA) No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1") was enacted. Bayanihan 1 provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest falling due within the enhanced community quarantine period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, RA No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2"), was enacted. Under Bayanihan 2, a one-time 60-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interest, penalties, fees and other charges, thereby extending the maturity of the said loans.

Based on the Bank's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets. The impact of loan modifications amounted to a loss of P29.6 million in 2020. In 2023, 2022 and 2021, accretion of loan modification that were recorded in "Interest income" in the statements of income amounted to P3.4 million, P5.1 million and P7.0 million, respectively.

#### BSP Regulatory Reporting

As at December 31, 2023 and 2022, the breakdown of receivables from customers as to collateral follows (amounts in thousands, except percentages):

	2023		2022	
	Amount	%	Amount	%
Loans secured by:				
Deed of pledge	<b>P7,983,973</b>	<b>7.3</b>	P7,905,090	7.5
Real estate	<b>6,564,727</b>	<b>6.0</b>	5,345,891	5.1
Deposit hold-out	<b>5,194,467</b>	<b>4.8</b>	5,283,140	5.0
Continuing surety agreement	<b>4,306,977</b>	<b>3.9</b>	4,754,637	4.5
Chattel	<b>2,280,780</b>	<b>2.1</b>	2,314,566	2.2
Deed of assignment	<b>1,362,971</b>	<b>1.2</b>	1,136,920	1.1
Corporate guaranty	<b>1,331,763</b>	<b>1.2</b>	1,564,374	1.5
Mortgage trust indenture	-	-	809,900	0.8
Certificate of participation	-	-	800,000	0.7
Others*	<b>31,992,124</b>	<b>29.2</b>	17,756,186	16.8
	<b>61,017,782</b>	<b>55.7</b>	47,670,704	45.2
Unsecured	<b>48,435,140</b>	<b>44.3</b>	57,912,382	54.8
	<b>P109,452,922</b>	<b>100.0</b>	P105,583,086	100.0

\*Others include post-dated checks and various collaterals on omnibus loan and security agreement



As at December 31, 2023 and 2022, information on the concentration of credit as to industry follows (amounts in thousands, except percentages):

	2023		2022	
	Amount	%	Amount	%
Electricity, gas, steam, and air-conditioning supply	<b>P39,122,670</b>	<b>35.8</b>	P30,518,493	28.9
Real estate activities	<b>18,848,608</b>	<b>17.2</b>	24,139,201	22.9
Construction	<b>11,705,416</b>	<b>10.7</b>	6,278,239	5.9
Manufacturing	<b>10,917,610</b>	<b>10.0</b>	13,275,801	12.6
Wholesale and retail trade, repair of motor vehicles and motorcycles	<b>5,957,919</b>	<b>5.4</b>	4,889,646	4.6
Information and communication	<b>4,973,415</b>	<b>4.6</b>	9,528,617	9.0
Financial and insurance activities	<b>2,554,721</b>	<b>2.3</b>	1,311,410	1.3
Agriculture, forestry and fishing	<b>1,898,948</b>	<b>1.7</b>	2,394,508	2.3
Mining and quarrying	<b>1,882,580</b>	<b>1.7</b>	1,895,670	1.8
Accommodation and food service activities	<b>1,549,064</b>	<b>1.4</b>	1,285,650	1.2
Water supply, sewerage, waste management and remediation activities	<b>1,380,895</b>	<b>1.3</b>	1,401,877	1.3
Transportation and storage	<b>1,328,555</b>	<b>1.2</b>	1,372,692	1.3
Administrative and support service activities	<b>541,078</b>	<b>0.5</b>	711,460	0.7
Others*	<b>6,791,443</b>	<b>6.2</b>	6,579,822	6.2
	<b>P109,452,922</b>	<b>100.0</b>	P105,583,086	100.0

\*Others include Professional Activities, Education, Personal Consumption and other various activities

BSP considers that concentration of credit risk exists when the total loan exposure to a particular industry or economic sector exceeds 30.0% of total loan portfolio or 10.0% of Tier 1 capital.

As at December 31, 2023, the table above includes one industry group (electricity, gas, steam and air-conditioning supply) above the 30.0% of the total loan portfolio. However, the Bank has internal sub-classifications for renewable and non-renewable energy under electricity and power industry with separate limits (for renewable energy- 25.0% of the total loan portfolio, non-renewable energy- 30.0%). Existing exposures as at December 31, 2023 for this industry are within the acceptable levels (for renewable energy- 14.9% of the total loan portfolio, non-renewable energy- 20.8%). As at December 31, 2022, the Bank does not have credit concentration in any particular industry that exceeds 30.0% of total loan portfolio.

As at December 31, 2023, 10.0% of the Tier 1 capital amounted to P2.7 billion and the table above includes the six industry groups (Electricity, gas, steam and air-conditioning supply, Real estate activities, Construction, Manufacturing, Wholesale and retail trade, repair of motor vehicles and motorcycles and Information and communications) exceeding this level as of that date.

The table also includes the six industry groups (Electricity, gas, steam and air-conditioning supply, Real estate activities, Manufacturing, Construction, Wholesale and retail trade, repair of motor vehicles and motorcycles and Information and communications) above the 10.0% of Tier 1 capital (P2.5 billion) as at December 31, 2022.

The BROCOM and CRECOM constantly monitor these credit risk concentrations to ensure these are within the risk appetite of the Bank. Limits are set to allow SET to highlight any possible issues and to actively direct loans to preferred industries when faced with emerging concentration and potential industry decline.

Under BSP Circular No. 941, *Amendments to the Regulations on Past Due and Non-Performing Loans*, loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

As at December 31, 2023 and 2022, the breakdown of receivables from customers as to status, is as follows (amounts in thousands):

	December 31, 2023		
	Performing	Non-performing	Total
Corporate	<b>P92,720,144</b>	<b>P782,498</b>	<b>P93,502,642</b>
Consumers	<b>12,359,497</b>	<b>911,470</b>	<b>13,270,967</b>
Credit card	<b>1,361,326</b>	<b>217,212</b>	<b>1,578,538</b>
Others	<b>1,004,755</b>	<b>50,632</b>	<b>1,055,387</b>
	<b>P107,445,722</b>	<b>P1,961,812</b>	<b>P109,407,534</b>

	December 31, 2022		
	Performing	Non-performing	Total
Corporate	P89,160,116	P644,853	P89,804,969
Consumers	11,338,496	1,221,937	12,560,433
Credit card	1,216,190	596,107	1,812,297
Others	1,306,849	55,383	1,362,232
	P103,021,651	P2,518,280	P105,539,931

As at December 31, 2023 and 2022, the NPLs of the Bank, as reported to BSP, are as follows (in thousands):

	2023	2022
Gross NPLs	<b>P1,961,812</b>	P2,518,280
Less deductions as required by BSP	<b>1,394,550</b>	1,793,731
Net NPLs	<b>P567,262</b>	P724,549

Gross and net NPL ratios of the Bank are 1.54% and 0.44%, respectively, as at December 31, 2023 and 2.10% and 0.60%, respectively, as at December 31, 2022.

As at December 31, 2023 and 2022, restructured loans amounted to P1.0 billion and P1.1 billion, respectively. Restructured receivables which do not meet the requirements to be treated as performing receivables shall also be considered as NPLs. As at December 31, 2023 and 2022, restructured receivables from customers considered as NPLs amounted P456.9 million and P340.9 million, respectively.

On March 14, 2020, the BSP issued BSP Memorandum No. M-2020-008 Regulatory Reliefs for BSP-supervised financial institutions Affected by the COVID-19, as amended by M-2020-0032 dated April 27, 2020 and M-2020-0022 dated April 8, 2020. The said memorandum provides for certain temporary regulatory relief measures for financial institutions supervised by the BSP, as follows:

- Staggered booking of allowance for credit losses over a maximum of five years for all types of credits extended to individuals and businesses directly affected by COVID-19 as of March 8, 2020, subject to prior approval of the BSP;
- Exclusion from the computation of past due and non-performing classification, the loans by borrowers in affected areas which should have been reclassified as past due as of March 8, 2020, including those loans becoming past due or non-performing six months thereafter, subject to the following: (a) such loans shall be reported to the BSP; (b) the exclusion shall be allowed from March 8, 2020 until December 31, 2021; and (c) BSP documentary requirements for restructuring of loans may be waived provided that the Bank will adopt appropriate and prudent operational control measures;
- Non-imposition of monetary penalties for delays incurred in the submission of all supervisory reports to BSP due to be submitted from March 8, 2020 up to six months thereafter;
- Non-imposition of penalties on legal reserve deficiencies computed under Section 255 of the MORB starting from reserve week following March 8, 2020 up to six months thereafter, subject to prior approval of the BSP;
- Increase in the Single Borrower's Limit from 25.0% to 30.0% until March 31, 2021;
- Allowance of (a) loans to Micro, Small and Medium Enterprises and (b) loans to critically-impacted large enterprises as alternative mode of compliance with reserve requirements until December 31, 2021; and
- Provision of financial assistance to officers affected by the present health emergency, for the grant of loans, advances or any other forms of credit accommodations, subject to the submission by the Bank of a request for BSP approval within 30 calendar days from the approval thereof of the BOD.

As of December 31, 2023 and 2022, there has been no avilment of the reliefs provided by BSP.

### Interest Income on Loans and Receivables

This account consists of:

	2023	2022	2021
Receivables from customers:			
Term loans	<b>P6,145,776,140</b>	P4,258,299,628	P3,135,826,861
Agri-agra loans	<b>817,533,328</b>	117,546,235	38,283,650
Housing loans	<b>566,980,066</b>	533,304,245	551,299,617
Auto loans	<b>297,279,192</b>	247,631,545	264,452,515
Direct advances	<b>18,960,417</b>	15,944,868	18,021,144
Bills purchased, import bills and trust receipts	<b>1,704,583</b>	5,908,431	1,008,184
Others	<b>371,451,465</b>	264,901,980	250,289,916
	<b>8,219,685,191</b>	5,443,536,932	4,259,181,887
Sales contract receivable	<b>24,987,312</b>	21,691,954	25,273,885
	<b>P8,244,672,503</b>	P5,465,228,886	P4,284,455,772

\*Others pertain to interest income from consumer loans such as benefit loans, salary loans, and credit cards.

As at December 31, 2023, 2022 and 2021, 60.3%, 55.7% and 48.0%, respectively, of the total receivables from customers were subject to periodic interest repricing.

Peso-denominated loans earn annual fixed interest rates ranging from 2.5% to 28.8% in 2023, from 1.6% to 54% in 2022, and from 1.0% to 54.0% in 2021. Dollar-denominated loans earn annual fixed interest rates ranging from 3.5% to 9.8% in 2023, 3.3% to 8.7% in 2022, and from 1.2% to 8.0% in 2021.

Sales contract receivables bear fixed interest rates ranging from 5.3% to 11.6% in 2023, 2022, and 2021.

### 13. Investment in an Associate

The movements in Bank's equity investment in BIC follow:

	Note	2023	2022	2021
Acquisition cost (24.26%-owned)		<b>P75,395,200</b>	P75,395,200	P75,395,200
Accumulated equity in net loss and OCI:				
Balance at beginning of year		<b>(29,946,787)</b>	(29,807,825)	(28,782,008)
Share in net loss		<b>(782,580)</b>	(133,185)	(1,039,285)
Share in other comprehensive income (loss)		<b>(3,206,283)</b>	(5,777)	13,468
Balance at end of year		<b>(33,935,650)</b>	(29,946,787)	(29,807,825)
Allowance for impairment loss	17	<b>(5,925,786)</b>	(5,925,786)	(5,925,786)
	33	<b>P35,533,764</b>	P39,522,627	P39,661,589

The following table shows the summarized financial information of BIC:

	2023**	2022*	2021*
Assets	<b>P159,026,783</b>	P162,417,769	P175,203,784
Liabilities	<b>(12,556,199)</b>	(12,566,028)	(12,041,307)
Net assets	<b>146,470,584</b>	149,851,741	163,162,477
Revenues	<b>1,128,538</b>	4,110,788	1,740,041
Net loss for the year	<b>(3,334,297)</b>	(117,445)	(2,791,998)
Other comprehensive loss	<b>(46,858)</b>	(13,193,291)	57,793
Total comprehensive loss	<b>(3,381,155)</b>	(13,310,736)	(2,734,205)

\* Based on 2021 and 2022 audited financial statements

\*\* Based on 2023 unaudited financial information

As at December 31, 2023 and 2022, the Bank's subscribed capital stock in BIC amounted to P75.8 million out of BIC's outstanding capital stock of P312.5 million.

#### 14. Property, Equipment and Right-of-Use Assets

The movements in property and equipment and right-of-use assets follow:

December 31, 2023						
Note	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-Use Assets (Note 30)	Total
<b>Cost</b>						
Balance at January 1	P41,569,630	P875,749,388	P1,628,976,165	P869,866,640	P1,035,535,118	P4,451,696,941
Additions	-	26,016,819	398,797,324	41,565,202	313,175,775	779,555,120
Disposals	-	-	(109,168,787)	-	(211,938,770)	(321,107,557)
<b>Balance at December 31</b>	<b>41,569,630</b>	<b>901,766,207</b>	<b>1,918,604,702</b>	<b>911,431,842</b>	<b>1,136,772,123</b>	<b>4,910,144,504</b>
<b>Less Accumulated Depreciation and Amortization</b>						
Balance at January 1	-	288,710,154	1,308,085,343	821,224,328	602,102,604	3,020,122,429
Depreciation and amortization	-	23,170,050	120,668,429	21,850,272	200,613,240	366,301,991
Disposals	-	-	(60,799,574)	-	(211,938,770)	(272,738,344)
<b>Balance at December 31</b>	<b>-</b>	<b>311,880,204</b>	<b>1,367,954,198</b>	<b>843,074,600</b>	<b>590,777,074</b>	<b>3,113,686,076</b>
Allowance for impairment losses	17	5,022,885	239,593	-	-	5,262,478
<b>Net Book Value at December 31</b>	<b>P36,546,745</b>	<b>P589,646,410</b>	<b>P550,650,504</b>	<b>P68,357,242</b>	<b>P545,995,049</b>	<b>P1,791,195,950</b>

December 31, 2022						
Note	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-Use Assets (Note 30)	Total
<b>Cost</b>						
Balance at January 1	P41,569,630	P872,187,818	P1,570,377,529	P853,087,118	P972,959,420	P4,310,181,515
Additions	-	3,561,570	162,015,036	16,779,522	159,277,079	341,633,207
Disposals	-	-	(103,416,400)	-	(96,701,381)	(200,117,781)
<b>Balance at December 31</b>	<b>41,569,630</b>	<b>875,749,388</b>	<b>1,628,976,165</b>	<b>869,866,640</b>	<b>1,035,535,118</b>	<b>4,451,696,941</b>
<b>Less Accumulated Depreciation and Amortization</b>						
Balance at January 1	-	265,538,777	1,261,865,760	799,505,168	504,717,541	2,831,627,246
Depreciation and amortization	-	23,171,377	96,886,118	21,719,160	194,086,444	335,863,099
Disposals	-	-	(50,666,535)	-	(96,701,381)	(147,367,916)
<b>Balance at December 31</b>	<b>-</b>	<b>288,710,154</b>	<b>1,308,085,343</b>	<b>821,224,328</b>	<b>602,102,604</b>	<b>3,020,122,429</b>
Allowance for impairment losses	17	5,022,885	1,133,017	-	-	6,155,902
<b>Net Book Value at December 31</b>	<b>P36,546,745</b>	<b>P585,906,217</b>	<b>P320,890,822</b>	<b>P48,642,312</b>	<b>P433,432,514</b>	<b>P1,425,418,610</b>



Note	December 31, 2021					Total
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-Use Assets (Note 30)	
Cost						
Balance at January 1	P41,569,630	P854,170,133	P1,540,355,955	P829,058,742	P940,405,219	P4,205,559,679
Additions	-	18,017,685	114,949,628	24,028,376	45,242,843	202,238,532
Disposals	-	-	(85,117,636)	-	(12,688,642)	(97,806,278)
Reclassification	16	-	189,582	-	-	189,582
Balance at December 31	41,569,630	872,187,818	1,570,377,529	853,087,118	972,959,420	4,310,181,515
Less Accumulated Depreciation and Amortization						
Balance at January 1	-	242,821,509	1,197,935,505	775,846,438	323,398,988	2,540,002,440
Depreciation and amortization	-	22,717,268	104,126,463	23,658,730	194,007,195	344,509,656
Disposals	-	-	(40,196,208)	-	(12,688,642)	(52,884,850)
Balance at December 31	-	265,538,777	1,261,865,760	799,505,168	504,717,541	2,831,627,246
Allowance for impairment losses	17	5,022,885	1,133,017	-	-	6,155,902
Net Book Value at December 31	P36,546,745	P605,516,024	P308,511,769	P53,581,950	P468,241,879	P1,472,398,367

In 2023, 2022 and 2021, the net gains on sale of property and equipment included under “Gains on foreclosure and sale of property and equipment and foreclosed assets - net” account in the statements of income amounted to P0.9 million, P0.1 million, and P0.3 million, respectively.

As at December 31, 2023 and 2022, the cost of fully depreciated property and equipment still in use amounted to P1.8 billion.

## 15. Investment Properties

The movements in investment properties follow:

Note	December 31, 2023		
	Land	Buildings	Total
Balance at January 1	P3,194,101,578	P1,232,705,893	P4,426,807,471
Additions	358,235,659	230,367,748	588,603,407
Disposals	(137,068,053)	(63,508,658)	(200,576,711)
Write-off	(10,535,811)	(1,697,532)	(12,233,343)
<b>Balance at December 31</b>	<b>3,404,733,373</b>	<b>1,397,867,451</b>	<b>4,802,600,824</b>
<b>Less Accumulated Depreciation</b>			
Balance at January 1	-	824,917,030	824,917,030
Depreciation	-	103,128,616	103,128,616
Disposal	-	(49,972,740)	(49,972,740)
Write-off	-	(1,556,456)	(1,556,456)
<b>Balance at December 31</b>	<b>-</b>	<b>876,516,450</b>	<b>876,516,450</b>
<b>Less Allowance for Impairment Losses</b>	17	245,057,307	4,900,569
		<b>P3,159,676,066</b>	<b>P516,450,432</b>
			<b>P3,676,126,498</b>

Note	December 31, 2022		
	Land	Buildings	Total
Balance at January 1	P3,223,880,496	P1,194,131,603	P4,418,012,099
Additions	84,976,590	84,393,604	169,370,194
Disposals	(114,755,508)	(45,819,314)	(160,574,822)
Balance at December 31	3,194,101,578	1,232,705,893	4,426,807,471
Less Accumulated Depreciation			
Balance at January 1	-	778,421,466	778,421,466
Depreciation	-	81,156,976	81,156,976
Disposal	-	(34,661,412)	(34,661,412)
Balance at December 31	-	824,917,030	824,917,030
Less Allowance for Impairment Losses	17	198,932,553	2,971,139
		<b>P2,995,169,025</b>	<b>P404,817,724</b>
			<b>P3,399,986,749</b>

	Note	December 31, 2021	
		Land	Buildings
Balance at January 1		P3,354,902,161	P1,177,252,394
Additions		6,038,866	58,065,161
Disposals		(137,060,531)	(41,185,952)
Balance at December 31		3,223,880,496	1,194,131,603
Less Accumulated Depreciation			
Balance at January 1		-	727,351,651
Depreciation		-	75,962,263
Disposal		-	(24,892,448)
Balance at December 31		-	778,421,466
Less Allowance for Impairment Losses	17	185,103,589	6,172,509
		P3,038,776,907	P409,537,628
			P3,448,314,535

As at December 31, 2023 and 2022, the aggregate market value of investment properties amounted to P10.5 billion and P10.0 billion , respectively. Information about the fair value measurement of investment properties is presented in Note 6.

Gain on foreclosure and sale of investment properties included under “Gains on foreclosure and sale of property and equipment and foreclosed assets - net” consists of the following:

	2023	2022	2021
Gain on foreclosure	<b>P284,652,924</b>	P63,491,307	P3,877,212
Gain on assets sold	<b>196,428,853</b>	262,092,188	258,763,846
	<b>P481,081,777</b>	P325,583,495	P262,641,058

In 2022 and 2021, rental income on investment properties (included in “Miscellaneous income” account in the statements of income) amounted P0.6 million, and P0.1 million, respectively (see Note 31). No rental income on investment properties was received in 2023.

Direct operating expenses on investment properties that generated rental income (included under “Rent and utilities” account, “Litigation and acquired assets-related expenses” in “Other expenses - miscellaneous” account and “Taxes and licenses” account in the statements of income) amounted to P0.01 million and P0.02 million in 2022 and 2021, respectively. No direct operating expenses on investment properties that generated rental income were incurred in 2023. Direct operating expenses on investment properties such as security and insurance expenses, included under “Rent and utilities” account, litigation expenses, included under “Litigation and acquired assets-related expenses” in “Other expenses - miscellaneous” account, and real estate taxes, included under “Taxes and licenses” account in the statements of income, that did not generate rental income in 2023, 2022, and 2021 amounted to P83.7 million, P91.6 million, and P74.0 million, respectively (see Note 31).

## 16. Other Assets

This account consists of:

	Note	2023	2022
Miscellaneous assets - TRB	34	<b>P4,348,092,231</b>	P4,431,521,641
Creditable withholding tax		<b>2,099,842,660</b>	1,773,453,565
Intangible assets*		<b>369,413,076</b>	386,524,308
Sinking fund	24	<b>290,118,112</b>	282,393,274
Documentary stamps		<b>135,513,421</b>	99,711,061
Prepaid expenses		<b>89,947,796</b>	48,103,886
Other properties acquired*		<b>73,493,952</b>	43,126,160
Retirement assets	29	-	73,147,902
Others		<b>301,848,371</b>	195,037,847
		<b>7,708,269,619</b>	7,333,019,644
Less allowance for impairment losses	17	<b>4,438,055,610</b>	4,611,829,118
		<b>P3,270,214,009</b>	P2,721,190,526

*\*net of accumulated amortization/depreciation, gross of allowance for impairment losses*

### Miscellaneous Assets - TRB

This account includes non-performing assets (NPAs) amounting to P4.3 billion and P4.4 billion, respectively, as at December 31, 2023 and 2022 which were assumed by the Bank in connection with the Purchase and Sale Agreement (PSA) entered into by the Bank with Traders Royal Bank (TRB) in 2002 (see Note 34). Pursuant to the requirements of PFRS, the allowance for impairment losses on the NPAs amounting to P4.3 billion and P4.4 billion, respectively, as at December 31, 2023 and 2022, were charged in full in the period incurred.

For its separate prudential reporting to BSP, the Bank was allowed under the MB Resolution No. 1751, dated November 8, 2001, as further amended by MB Resolution No. 489, dated April 3, 2003 and pursuant to MB Resolution No. 1950, dated November 21, 2013, to defer the full recognition of the impairment losses. The Bank annually recognizes provisions for impairment losses to gradually meet the foregoing provisioning requirement based on the net yield earned by the Bank from the Financial Assistance Agreement (FAA) with Philippine Deposit Insurance Corporation (PDIC) until November 29, 2013 when the collateralized government securities was sold and the obligation was fully settled. In 2022, the Bank recognized P1.3 billion provisions for prudential reporting to BSP to fully recognize the impairment losses on the NPAs. In 2021, provisions for impairment losses recognized for prudential reporting to BSP amounted to P160.0 million (see Note 34).

### Intangible Assets

Intangible assets consist of:

	Note	2023	2022
Software costs*		<b>P309,413,076</b>	P326,524,308
Branch licenses		<b>60,000,000</b>	60,000,000
		<b>369,413,076</b>	386,524,308
Less allowance for impairment losses	17	-	90,278,696
		<b>P369,413,076</b>	P296,245,612

*\*net of accumulated amortization, gross of allowance for impairment losses*

Movements in software costs follow:

	2023	2022	2021
<b>Cost</b>			
Balance at January 1	<b>P1,027,748,294</b>	P926,851,659	P877,878,810
Additions	<b>149,908,692</b>	100,896,635	48,972,849
Write-off	<b>(102,752,784)</b>	-	-
Balance at end of year	<b>1,074,904,202</b>	1,027,748,294	926,851,659
<b>Less Accumulated Amortization</b>			
Balance at January 1	<b>701,223,986</b>	628,155,881	574,560,745
Amortization for the year	<b>76,741,228</b>	73,068,105	53,595,136
Write-off	<b>(12,474,088)</b>	-	-
Balance at end of year	<b>765,491,126</b>	701,223,986	628,155,881
<b>Less Allowance for Impairment Losses</b>	-	90,278,696	90,278,696
<b>Net Book Value</b>	<b>P309,413,076</b>	P236,245,612	P208,417,082

Other Properties Acquired

Movements in the other properties acquired follow:

	Note	2023	2022	2021
<b>Cost</b>				
Balance at January 1		<b>P245,108,000</b>	P220,284,000	P225,430,172
Additions		<b>86,927,784</b>	87,394,500	41,210,000
Disposals		<b>(48,626,500)</b>	(62,570,500)	(44,651,000)
Reclassification	14	-	-	(1,705,172)
<b>Balance at end of year</b>		<b>283,409,284</b>	245,108,000	220,284,000
<b>Less Accumulated Depreciation</b>				
Balance at January 1		<b>201,981,840</b>	199,868,958	174,388,936
Depreciation for the year		<b>19,948,439</b>	14,643,389	42,060,966
Disposals		<b>(12,014,947)</b>	(12,530,507)	(15,065,354)
Reclassification	14	-	-	(1,515,590)
<b>Balance at end of year</b>		<b>209,915,332</b>	201,981,840	199,868,958
<b>Less Allowance for Impairment Losses</b>		-	96,485	-
<b>Net Book Value</b>		<b>P73,493,952</b>	P43,029,675	P20,415,042

In 2023, 2022 and 2021, gain on foreclosure amounted to P4.7 million, P3.5 million and P1.2 million, respectively. Gain on sale of other properties acquired under "Gains on foreclosure and sale of property and equipment and foreclosed assets - net" amounted to P8.7 million, P11.2 million, and P10.3 million in 2023, 2022 and 2021, respectively.

Others include security deposit, unused supplies and forms and petty cash fund.

## 17. Allowance for Credit and Impairment Losses

Movements in ECL allowances in 2023, 2022 and 2021 on financial assets, other than loans and receivables, are summarized as follows (amounts in thousands):

	December 31, 2023					Total
	Due from BSP	Due from Other Banks	Interbank Loans Receivable and SPURA (Note 8)	Financial Assets at FVOCI (Note 10)	Investment Securities at Amortized Cost (Note 11)	
ECL allowance, January 1, 2023	P3,197	P141	P2,481	P634	P6,069	P12,522
Provision for credit and impairment losses for the year	80	2	238	456	145	921
Foreign exchange differences	-	(1)	(4)	-	(5)	(10)
ECL allowance, December 31, 2023	P3,277	P142	P2,715	P1,090	P6,209	P13,433

	December 31, 2022					Total
	Due from BSP	Due from Other Banks	Interbank Loans Receivable and SPURA (Note 8)	Financial Assets at FVOCI (Note 10)	Investment Securities at Amortized Cost (Note 11)	
ECL allowance, January 1, 2022	P6,125	P141	P2,583	P662	P5,761	P15,272
Provision for (reversal of) credit and impairment losses for the year	(2,928)	(7)	(144)	(37)	220	(2,896)
Foreign exchange differences	-	7	42	9	88	146
ECL allowance, December 31, 2022	P3,197	P141	P2,481	P634	P6,069	P12,522

	December 31, 2021					Total
	Due from BSP	Due from Other Banks	Interbank Loans Receivable and SPURA (Note 8)	Financial Assets at FVOCI (Note 10)	Investment Securities at Amortized Cost (Note 11)	
ECL allowance, January 1, 2021	P5,340	P138	P2,978	P1,770	P1,231	P11,457
Provision for (reversal of) credit and impairment losses for the year	785	(3)	(431)	(1,138)	4,493	3,706
Foreign exchange differences	-	6	36	30	37	109
ECL allowance, December 31, 2021	P6,125	P141	P2,583	P662	P5,761	P15,272

All accounts above were carried at Stage 1 and there were no transfers into and out of Stage 1 in 2023, 2022 and 2021.

The ECL allowance on financial assets at FVOCI is included in the "Net unrealized losses on financial assets at FVOCI" account in the statements of financial position (see Note 10).

As at December 31, 2023 and 2022, ECL on off-balance sheet exposures amounted to P23.7 million and P33.8 million, respectively, (see Note 22). In 2023, 2022 and 2021, the Bank recognized provision for (reversal of) ECL on loan commitment and financial guarantees amounting to (P10.0 million), (P36.9 million), and P38.5 million, respectively.



In 2023 and 2022, the Bank recognized a provision (reversal) of allowance for credit losses on loans and receivables amounting to (P238.9 million) and P74.6 million, which is included under “Provision for (reversal of) credit and impairment losses” account in the statements of income, as a result of the recalibration of its existing ECL framework to incorporate the most recent data and developments in the macroeconomic environment of the Bank (see Notes 3 and 4). The amount of the effect in future periods is not disclosed because estimating the impact is impracticable.

The table below summarizes the movements in ECL allowances on loans and receivables in 2023, 2022 and 2021 (amounts in thousands).

December 31, 2023											
	Term Loans	Housing Loans	Auto Loans	Bills Purchased, Import Bills and Trust Receipts	Direct Advances	Agri Agri Loans	Others*	Total Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
<b>Stage 1</b>											
ECL Loans, January 1, 2023	P180,639	P18,421	P35,735	P2,958	P120	P5,126	P57,970	P300,969	P2,632	P6,360	P309,961
Provision for credit and impairment losses	41,589	11,126	(25,378)	4,267	16	66,261	(15,519)	82,362	266	777	83,405
Transfer from Stage 1	(31,876)	(22,190)	(6,572)	(5,023)	(29)	(54,499)	(2,743)	(122,932)	(108)	(2,040)	(125,080)
Transfer from Stage 2	214	306	161	-	-	-	15	696	9	12	717
Transfer from Stage 3	-	200	2	-	-	-	3	205	26	205	234
Foreign exchange differences	(95)	-	-	-	-	(39)	(19)	(153)	-	(1)	(154)
	190,471	7,863	3,948	2,202	107	16,849	39,707	261,147	2,825	5,111	269,083
<b>Stage 2</b>											
ECL Loans, January 1, 2023	82,939	9,121	26,246	-	286	6,904	13,361	138,857	39	20,702	159,598
Provision for credit and impairment losses	50,129	(658)	(20,901)	-	(286)	124,381	3,572	156,237	(26)	6,945	163,156
Transfer from Stage 1	-	11,620	3,158	-	29	49	968	15,824	49	827	16,400
Transfer from Stage 2	(214)	(4,525)	(4,489)	-	-	(131,258)	(461)	(140,947)	(12)	(4,610)	(145,569)
Transfer from Stage 3	-	1,724	108	-	-	-	24	1,856	2	44	1,902
Foreign exchange differences	-	-	-	-	-	-	(3)	(3)	-	(2)	(5)
	132,854	17,282	4,122	-	29	76	17,461	171,824	52	23,606	195,482
<b>Stage 3</b>											
ECL Loans, January 1, 2023	465,848	144,276	341,668	88,174	133,007	17,663	612,085	1,802,721	54,298	1,134,017	2,991,036
Provision for credit and impairment losses	(36,546)	20,645	(107,031)	-	-	(17,663)	38,990	(101,605)	(181)	(31,153)	(132,939)
Transfer from Stage 1	31,876	10,570	3,414	5,023	-	54,450	1,775	107,108	59	1,513	108,680
Transfer from Stage 2	-	4,219	4,328	-	-	131,258	446	140,251	3	4,598	144,852
Transfer from Stage 3	-	(1,924)	(110)	-	-	-	(27)	(2,061)	(28)	(47)	(2,136)
Movement due to foreclosure/settlement	(9,580)	(5,422)	(9,726)	-	-	-	-	(24,728)	-	(1,340)	(26,068)
Write-off	(43,427)	-	-	(3,376)	(11,765)	-	(466,477)	(525,045)	(1,400)	(1,400)	(526,445)
Foreign exchange differences	(491)	(24)	-	(351)	-	-	(166)	(1,032)	-	(713)	(1,745)
	407,680	172,340	232,543	89,470	121,242	185,708	186,626	1,395,609	54,151	1,105,475	2,555,235
<b>Total</b>											
ECL Loans, January 1, 2023	729,426	171,818	403,649	91,132	133,413	29,693	683,416	2,242,547	56,969	1,161,079	3,460,595
Provision for credit and impairment losses	55,172	31,113	(153,310)	4,267	(270)	172,979	27,043	136,994	59	(23,431)	113,622
Transfer from Stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 2	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 3	-	-	-	-	-	-	-	-	-	-	-
Movement due to foreclosure/settlement	(9,580)	(5,422)	(9,726)	-	-	-	-	(24,728)	-	(1,340)	(26,068)
Write-off	(43,427)	-	-	(3,376)	(11,765)	-	(466,477)	(525,045)	(1,400)	(1,400)	(526,445)
Foreign exchange differences	(586)	(24)	-	(351)	-	(39)	(188)	(1,188)	-	(716)	(1,904)
	P731,005	P197,485	P240,613	P91,672	P121,378	P202,633	P243,794	P1,828,580	P57,028	P1,134,192	P3,019,800

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOCI

December 31, 2022

	Term Loans	Housing Loans	Auto Loans	Import Bills and Trust Receipts	Direct Advances	Agri/Agra Loans	Others*	Total Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
<b>Stage 1</b>											
ECL Loans, January 1, 2022	P99,790	P16,284	P33,420	P288	P3,416	P1,789	P11,915	P166,902	P2,623	P2,601	P172,126
Provision for credit and impairment losses	129,550	19,453	25,643	10,326	(3,024)	9,156	50,053	241,157	(5)	7,680	248,832
Transfer from Stage 1	(51,207)	(19,948)	(26,590)	(7,656)	(286)	(5,967)	(4,064)	(115,718)	(147)	(4,107)	(119,972)
Transfer from Stage 2	1,775	2,100	2,685	-	-	-	20	6,580	71	153	6,804
Transfer from Stage 3	-	530	577	-	-	-	2	1,109	90	28	1,227
Foreign exchange differences	731	2	-	-	14	148	44	939	-	5	944
	180,639	18,421	35,735	2,958	120	5,126	57,970	300,969	2,632	6,360	309,961
<b>Stage 2</b>											
ECL Loans, January 1, 2022	38,924	22,554	48,820	-	-	4,671	3,928	118,897	160	27,491	146,548
Provision for credit and impairment losses	61,651	(1,163)	(23,883)	-	-	(3,734)	9,063	41,934	(35)	(2,516)	39,383
Transfer from Stage 1	51,207	5,830	16,608	-	286	5,967	764	80,662	31	1,456	82,149
Transfer from Stage 2	(69,829)	(18,530)	(17,918)	-	-	-	(473)	(106,750)	(125)	(5,936)	(112,811)
Transfer from Stage 3	-	430	2,619	-	-	-	64	3,113	8	165	3,286
Foreign exchange differences	986	-	-	-	-	-	15	1,001	-	42	1,043
	82,939	9,121	26,246	-	286	6,904	13,361	138,857	39	20,702	159,598
<b>Stage 3</b>											
ECL Loans, January 1, 2022	623,300	136,588	446,902	76,426	163,188	17,663	601,570	2,065,637	54,719	1,104,169	3,224,525
Provision for credit and impairment losses	10,624	(19,544)	(100,930)	(249)	(30,181)	-	22,215	(118,065)	(493)	29,822	(88,736)
Transfer from Stage 1	-	14,118	9,962	7,656	-	-	3,300	35,056	116	2,651	37,823
Transfer from Stage 2	68,054	16,430	15,233	-	-	-	453	100,170	54	5,783	106,007
Transfer from Stage 3	-	(960)	(3,196)	-	-	-	(66)	(4,222)	(98)	(193)	(4,513)
Movement due to foreclosure/settlement	-	(2,436)	(26,323)	-	-	-	-	(28,759)	-	(1,649)	(30,408)
Write-off	(239,881)	-	-	-	-	-	(17,356)	(257,237)	-	(15,294)	(272,531)
Foreign exchange differences	3,751	80	-	4,341	-	-	1,969	10,141	-	8,728	18,869
	465,848	144,276	341,668	88,174	133,007	17,663	612,085	1,802,721	54,298	1,134,017	2,991,036
<b>Total</b>											
ECL Loans, January 1, 2022	762,014	175,426	529,142	76,714	166,604	24,123	617,413	2,351,436	57,502	1,134,261	3,543,199
Provision for credit and impairment losses	201,825	(1,254)	(99,170)	10,077	(33,205)	5,422	81,331	165,026	(533)	34,986	199,479
Transfer from Stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 2	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 3	-	-	-	-	-	-	-	-	-	-	-
Movement due to foreclosure/settlement	-	(2,436)	(26,323)	-	-	-	-	(28,759)	-	(1,649)	(30,408)
Write-off	(239,881)	-	-	-	-	-	(17,356)	(257,237)	-	(15,294)	(272,531)
Foreign exchange differences	5,468	82	-	4,341	14	148	2,028	12,081	-	8,775	20,856
	P729,426	P171,818	P403,649	P91,132	P133,413	P29,693	P683,416	P2,242,547	P56,969	P1,161,079	P3,460,595

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOCI

December 31, 2021

	Term Loans	Housing Loans	Auto Loans	Bills Purchased, Import Bills and Trust Receipts	Direct Advances	Agri Agri Loans	Others*	Total Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
<b>Stage 1</b>											
ECL Loans, January 1, 2021	P629,890	P199,431	P79,230	P7,401	P380	P1,642	P19,744	P937,718	P2,872	P16,292	P956,882
Provision for credit and impairment losses	(457,085)	(151,063)	35,763	(7,113)	3,029	4,311	17,659	(554,499)	(120)	(8,078)	(562,697)
Transfer from Stage 1	(76,052)	(35,293)	(87,484)	-	-	(4,190)	(25,575)	(228,600)	(253)	(5,856)	(234,709)
Transfer from Stage 2	1,217	2,472	5,437	-	-	-	64	9,190	4	206	9,400
Transfer from Stage 3	-	736	474	-	-	-	2	1,212	120	27	1,359
Foreign exchange differences	1,820	7	-	-	7	26	21	1,881	-	10	1,891
	99,790	16,284	33,420	288	3,416	1,789	11,915	166,902	2,623	2,601	172,126
<b>Stage 2</b>											
ECL Loans, January 1, 2021	49,354	88,482	28,776	-	7,059	1,207	5,714	180,592	153	31,627	212,372
Provision for credit and impairment losses	(47,694)	(58,919)	72,494	-	(7,244)	(726)	(2,641)	(44,730)	(52)	3,309	(41,473)
Transfer from Stage 1	37,999	28,461	28,461	-	-	4,190	1,480	84,585	110	2,048	86,743
Transfer from Stage 2	(1,217)	(22,255)	(82,928)	-	-	-	(676)	(107,076)	(101)	(9,727)	(116,904)
Transfer from Stage 3	-	2,791	2,017	-	-	-	44	4,852	50	176	5,078
Foreign exchange differences	482	-	-	-	185	-	7	674	-	58	732
	38,924	22,554	48,820	-	-	4,671	3,928	118,897	160	27,491	146,548
<b>Stage 3</b>											
ECL Loans, January 1, 2021	593,711	305,220	252,160	73,710	163,188	17,663	559,082	1,964,734	54,709	1,043,361	3,062,804
Provision for credit and impairment losses	(10,209)	(207,100)	73,070	-	-	-	16,410	(127,829)	(60)	43,377	(84,512)
Transfer from Stage 1	38,053	22,844	59,023	-	-	-	24,095	144,015	143	3,808	147,966
Transfer from Stage 2	-	19,783	77,491	-	-	-	612	97,886	97	9,521	107,504
Transfer from Stage 3	-	(3,527)	(2,491)	-	-	-	(46)	(6,084)	(170)	(203)	(6,437)
Movement due to foreclosure/settlement	-	(632)	(12,351)	-	-	-	-	(12,983)	-	(1,080)	(14,063)
Write-off	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	1,745	-	-	2,716	-	-	1,417	5,878	-	5,385	11,263
	623,300	136,588	446,902	76,426	163,188	17,663	601,570	2,065,637	54,719	1,104,169	3,224,525
<b>Total</b>											
ECL Loans, January 1, 2021	1,272,955	593,133	360,166	81,111	170,627	20,512	584,540	3,083,044	57,734	1,091,280	4,232,058
Provision for credit and impairment losses	(514,988)	(417,082)	181,327	(7,113)	(4,215)	3,585	31,428	(727,058)	(232)	38,608	(688,682)
Transfer from Stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 2	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 3	-	-	-	-	-	-	-	-	-	-	-
Movement due to foreclosure/settlement	-	(632)	(12,351)	-	-	-	-	(12,983)	-	(1,080)	(14,063)
Write-off	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange differences	4,047	7	-	2,716	192	26	1,445	8,433	-	5,453	13,886
	P762,014	P175,426	P629,142	P76,714	P166,604	P24,123	P617,413	P2,351,436	P57,502	P1,134,261	P3,543,199

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOCI

The table below summarizes the movements in the gross carrying amounts of financial assets, other than loans and receivables, in 2023 and 2022 (amounts in thousands).

	December 31, 2023				
	Due from BSP	Due from Other Banks	Interbank Loans Receivable and SPURA (Note 8)	Financial Assets at FVOCI (Note 10)	Investment Securities at Amortized Cost (Note 11)
Gross carrying amount, January 1, 2023	P23,678,666	P1,044,396	P18,381,226	P5,805,051	P52,214,838
New assets purchased or originated	857,132,081	1,060	3,147,361,092	10,911,008	84,806,044
Assets derecognized or repaid	(854,932,081)	(36,818)	(3,143,921,917)	(5,963,068)	(84,500,328)
Other movements*	(1,603,470)	46,859	(1,705,905)	290,814	(43,241)
<b>Gross carrying amount, December 31, 2023</b>	<b>P24,275,196</b>	<b>P1,055,497</b>	<b>P20,114,496</b>	<b>P11,043,805</b>	<b>P52,477,313</b>

\*Includes movements in outstanding balances and foreign exchange differences

	December 31, 2022				
	Due from BSP	Due from Other Banks	Interbank Loans Receivable and SPURA (Note 8)	Financial Assets at FVOCI (Note 10)	Investment Securities at Amortized Cost (Note 11)
Gross carrying amount, January 1, 2022	P45,373,268	P1,039,597	P19,136,089	P5,055,117	P42,914,819
New assets purchased or originated	2,091,303,161	9,000	3,857,811,621	1,851,124	68,974,516
Assets derecognized or repaid	(2,113,643,161)	(17,460)	(3,859,072,152)	(578,775)	(59,895,050)
Other movements*	645,398	13,259	505,668	(522,415)	220,553
<b>Gross carrying amount, December 31, 2022</b>	<b>P23,678,666</b>	<b>P1,044,396</b>	<b>P18,381,226</b>	<b>P5,805,051</b>	<b>P52,214,838</b>

\*Includes movements in outstanding balances and foreign exchange differences



The table below summarizes the movements in the gross carrying amounts on loans and receivables in 2023 and 2022 (amounts in thousands).

December 31, 2023											
	Term Loans	Housing Loans	Auto Loans	Bills Purchased, Import Bills and Trust Receipts	Direct Advances	Agri Agira Loans	Others*	Total Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
<b>Stage 1</b>											
Gross carrying amount, January 1, 2023	P85,152,447	P7,294,257	P3,115,110	P1,296,404	P466,443	P2,378,143	P1,808,374	P101,511,178	P263,227	P1,447,176	P103,221,581
New assets purchased or originated	39,963,570	1,369,112	1,913,726	14,983	382,112	10,075,693	531,274	54,250,470	154,270	742,125	55,146,865
Assets derecognized or repaid	(38,249,631)	(207,780)	(294,754)	(89,151)	(368,013)	(703,054)	(202,065)	(40,114,448)	(21,574)	(528,704)	(40,664,726)
Transfer from Stage 1	(61,876)	(180,668)	(48,317)	(5,023)	(1,674)	(59,181)	(13,235)	(369,974)	(10,861)	(87,181)	(468,036)
Transfer from Stage 2	142,500	88,312	35,256	-	-	-	1,862	267,930	953	3,985	272,868
Transfer from Stage 3	-	55,462	1,399	-	-	-	561	57,422	2,588	60,831	60,831
Other movements***	(6,732,361)	(678,921)	(999,409)	(255,984)	(26,446)	(201,994)	(141,209)	(9,036,324)	(106,068)	62,492	(9,079,900)
	80,214,649	7,739,774	3,723,011	961,229	452,422	11,489,607	1,985,562	106,566,254	282,515	1,640,714	108,489,483
<b>Stage 2</b>											
Gross carrying amount, January 1, 2023	960,125	182,084	127,407	-	2,641	142,076	65,034	1,479,367	4,038	35,963	1,519,368
New assets purchased or originated	-	-	-	-	-	-	-	-	-	-	-
Assets derecognized or repaid	(257,858)	(13,444)	(24,725)	-	(2,641)	(2,865)	(4,586)	(306,119)	(1,971)	(20,706)	(328,796)
Transfer from Stage 1	-	116,055	35,704	-	1,674	4,731	8,807	166,971	4,884	25,258	197,113
Transfer from Stage 2	(142,500)	(114,102)	(45,545)	-	-	(131,258)	(2,727)	(436,132)	(1,228)	(9,353)	(446,713)
Transfer from Stage 3	-	16,910	1,164	-	-	-	160	18,234	165	437	18,836
Other movements***	(21,224)	(16,359)	(47,091)	-	-	(6,453)	22,126	(69,001)	(717)	(1,161)	(70,879)
	538,543	171,144	46,914	-	1,674	6,231	88,814	853,320	5,171	30,438	888,929
<b>Stage 3</b>											
Gross carrying amount, January 1, 2023	470,462	746,113	409,507	88,174	133,007	17,663	684,460	2,549,386	115,357	1,146,132	3,810,875
New assets purchased or originated	-	-	-	-	-	-	-	-	-	-	-
Assets derecognized or repaid	(41,455)	(202,381)	(65,757)	-	-	(17,663)	(4,724)	(331,980)	(13,939)	(91,894)	(437,813)
Transfer from Stage 1	61,876	64,613	12,613	5,023	-	54,450	4,428	203,003	5,987	61,923	270,923
Transfer from Stage 2	-	25,790	10,289	-	-	131,258	865	168,202	275	5,368	173,845
Transfer from Stage 3	-	(72,372)	(2,563)	-	-	-	(721)	(75,656)	(2,753)	(1,258)	(79,667)
Write-off	(43,427)	-	-	(3,376)	(11,765)	-	(466,477)	(525,045)	-	(1,400)	(526,445)
Other movements***	(3,776)	(18,454)	(13,386)	(351)	-	-	36,017	50	(4,062)	(141)	(4,153)
	443,680	543,309	350,703	89,470	121,242	185,708	253,848	1,987,960	100,875	1,118,730	3,207,565
<b>Total</b>											
Gross carrying amount, January 1, 2023	86,583,034	8,222,454	3,652,024	1,384,578	602,091	2,537,882	2,557,868	105,539,931	382,622	2,629,271	108,551,824
New assets purchased or originated	39,963,570	1,369,112	1,913,726	14,983	382,112	10,075,693	531,274	54,250,470	154,270	742,125	55,146,865
Assets derecognized or repaid	(38,548,944)	(423,605)	(385,236)	(89,151)	(370,654)	(723,582)	(211,375)	(40,752,547)	(37,484)	(641,304)	(41,431,335)
Transfer from Stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 2	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 3	-	-	-	-	-	-	-	-	-	-	-
Write-off	(43,427)	-	-	(3,376)	(11,765)	-	(466,477)	(525,045)	-	(1,400)	(526,445)
Other movements***	(6,757,361)	(713,734)	(1,059,886)	(256,335)	(26,446)	(208,447)	(83,066)	(9,105,275)	(110,847)	61,190	(9,154,932)
	P81,196,872	P8,454,227	P4,120,628	P1,050,699	P575,338	P11,681,546	P2,328,224	P109,407,534	P388,561	P2,789,882	P112,585,977

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOCI

\*\*\*Includes movements in outstanding balances and foreign exchange differences

December 31, 2022

	Term Loans	Housing Loans	Auto Loans	Import Bills and Trust Receipts	Direct Advances	Agri Agri Loans	Others*	Total Receivables from Customers	Sales Contract Receivables	Other Receivables**	Total
<b>Stage 1</b>											
Gross carrying amount, January 1, 2022	P57,073,351	P6,984,226	P2,715,136	P386,926	P372,833	P1,060,369	P1,617,776	P70,210,617	P262,286	P881,155	P71,354,058
New assets purchased or originated	59,565,438	1,055,254	1,561,940	55,882	440,427	2,511,679	495,969	65,686,589	111,117	858,580	66,656,266
Assets derecognized or repaid	(29,147,125)	(334,957)	(302,838)	(23,532)	(317,000)	(960,369)	(200,211)	(31,286,032)	(37,124)	(233,131)	(31,556,287)
Transfer from Stage 1	(709,377)	(218,605)	(95,866)	(7,656)	(2,641)	(128,187)	(15,008)	(1,177,340)	(14,709)	(116,537)	(1,308,586)
Transfer from Stage 2	800,000	348,743	83,342	-	-	-	1,893	1,233,978	7,053	12,578	1,253,609
Transfer from Stage 3	-	83,204	16,981	-	-	-	412	100,597	9,047	1,603	111,247
Other movements***	(2,429,840)	(623,608)	(863,585)	884,784	(27,176)	(105,349)	(92,457)	(3,257,231)	(74,443)	42,928	(3,288,746)
	85,152,447	7,294,257	3,115,110	1,296,404	466,443	2,378,143	1,808,374	101,511,178	263,227	1,447,176	103,221,581
<b>Stage 2</b>											
Gross carrying amount, January 1, 2022	1,333,746	576,085	245,887	-	-	162,944	47,968	2,366,630	16,048	55,843	2,438,521
New assets purchased or originated	-	(23,119)	(29,703)	-	-	(142,679)	(8,050)	(218,356)	(1,664)	(23,316)	(243,336)
Assets derecognized or repaid	709,377	117,357	81,360	-	2,641	128,187	8,870	1,047,792	3,051	30,459	1,081,302
Transfer from Stage 1	(888,053)	(451,978)	(104,322)	-	-	-	(2,638)	(1,426,991)	(12,421)	(19,678)	(1,459,090)
Transfer from Stage 2	-	8,865	12,573	-	-	-	639	22,077	798	911	23,786
Other movements***	(200,140)	(45,126)	(78,388)	-	-	(6,376)	18,245	(311,785)	(1,774)	(8,256)	(321,815)
	960,125	182,084	127,407	-	2,641	142,076	65,034	1,479,367	4,038	35,963	1,519,368
<b>Stage 3</b>											
Gross carrying amount, January 1, 2022	643,154	768,754	582,133	76,426	163,188	17,663	618,220	2,869,538	130,631	1,124,576	4,124,745
New assets purchased or originated	(26,831)	(112,509)	(133,647)	-	-	-	(8,818)	(281,805)	(15,430)	(61,187)	(358,422)
Assets derecognized or repaid	-	101,248	14,506	7,656	-	-	6,138	129,548	11,658	86,078	227,284
Transfer from Stage 1	68,053	103,235	20,980	-	-	-	745	193,013	5,368	7,100	205,481
Transfer from Stage 2	-	(92,069)	(29,554)	-	-	-	(1,051)	(122,674)	(9,845)	(2,514)	(135,033)
Write-off	(239,881)	-	-	-	-	-	(17,356)	(257,237)	-	(15,294)	(272,531)
Other movements***	25,967	(22,546)	(44,911)	4,092	(30,181)	-	86,582	19,003	(7,025)	7,373	19,351
	470,462	746,113	409,507	88,174	133,007	17,663	684,460	2,549,386	115,357	1,146,132	3,810,875
<b>Total</b>											
Gross carrying amount, January 1, 2022	59,050,251	8,329,065	3,543,156	463,352	536,021	1,240,976	2,283,964	75,446,785	408,965	2,061,574	77,917,324
New assets purchased or originated	59,565,438	1,055,254	1,561,940	55,882	440,427	2,511,679	495,969	65,686,589	111,117	858,580	66,656,266
Assets derecognized or repaid	(29,188,761)	(470,585)	(466,188)	(23,532)	(317,000)	(1,103,048)	(217,079)	(31,786,193)	(54,218)	(317,634)	(32,158,045)
Transfer from Stage 1	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 2	-	-	-	-	-	-	-	-	-	-	-
Transfer from Stage 3	-	-	-	-	-	-	-	-	-	-	-
Write-off	(239,881)	-	-	-	-	-	(17,356)	(257,237)	-	(15,294)	(272,531)
Other movements***	(2,604,013)	(691,280)	(986,884)	888,876	(57,357)	(111,725)	12,370	(3,550,013)	(83,242)	42,045	(3,591,210)
	P86,583,034	P8,222,454	P3,652,024	P1,384,578	P602,091	P2,537,882	P2,557,868	P105,539,931	P382,622	P2,629,271	P108,551,824

\*Comprised of benefit loans, salary loans and credit cards.

\*\*Comprised of accrued interest receivables, accounts receivables and RCOCI

\*\*\*Includes movements in outstanding balances and foreign exchange differences

Movements in allowance for impairment losses as at December 31, 2023, 2022 and 2021 for investment in associate and non-financial assets are summarized as follows (amounts in thousands):

December 31, 2023					
	Investment in Associate (Note 13)	Property and Equipment (Note 14)	Investment Properties (Note 15)	Other Assets (Note 16)	Total
Balance at beginning of year	P5,926	P6,156	P201,904	P4,611,829	P4,825,815
Provision for impairment losses for the year	-	(894)	58,731	(83,494)	(25,657)
Write-off	-	-	(10,677)	(90,279)	(100,956)
Balance at end of year	P5,926	P5,262	P249,958	P4,438,056	P4,699,202

December 31, 2022					
	Investment in Associate (Note 13)	Property and Equipment (Note 14)	Investment Properties (Note 15)	Other Assets (Note 16)	Total
Balance at beginning of year	P5,926	P6,156	P191,276	P4,615,905	P4,819,263
Provision for impairment losses for the year	-	-	10,628	(4,076)	6,552
Balance at end of year	P5,926	P6,156	P201,904	P4,611,829	P4,825,815

December 31, 2021					
	Investment in Associate (Note 13)	Property and Equipment (Note 14)	Investment Properties (Note 15)	Other Assets (Note 16)	Total
Balance at beginning of year	P5,926	P6,156	P179,816	P4,615,724	P4,807,622
Provision for impairment losses for the year	-	-	11,460	181	11,641
Balance at end of year	P5,926	P6,156	P191,276	P4,615,905	P4,819,263

## 18. Deposit Liabilities

### Long-term Negotiable Certificates of Time Deposit (LTNCTD)

On March 17, 2020, the Bank issued unsecured LTNCTD with 4.5% fixed interest rate at par value of P5.0 billion and maturing on September 17, 2025. The issuance of the LTNCTD was approved by the BOD on June 25, 2019 and by the BSP on October 31, 2019. The issuance was listed in the Philippine Dealing and Exchange Corporation.

### Reserve Requirement

On March 31, 2020, the BSP issued Circular No. 1082 reducing the reserve requirement to 12.0% effective on the reserve week starting on April 3, 2020. On June 23, 2023, the BSP reduced the reserve requirement to 9.5% effective on the reserve week starting on June 30, 2023, through the issuance of BSP Circular No. 1175.

As at December 31, 2023 and 2022, the Bank is in compliance with such reserve requirements. Due from BSP demand deposit account amounting to P17.1 billion and P18.7 billion as at December 31, 2023 and 2022, respectively, is available for meeting these reserve requirements as reported to BSP.

Due from BSP-Overnight Deposit Accounts earned annual interest rates ranging from 5.0% to 6.0% in 2023, from 1.5% to 5.0% in 2022 and interest rate of 1.5% in 2021. Due from BSP-Term Deposit Accounts earned annual interest rates ranging from 6.4% to 6.8%, from 1.7% to 6.4%, and from 1.7% to 2.0% in 2023, 2022, and 2021, respectively. Interest income on Due from BSP amounted to P364.2 million, P264.7 million, and P226.4 million in 2023, 2022, and 2021, respectively.

Interest expense on deposit liabilities follows:

	2023	2022	2021
Demand	<b>P67,813,429</b>	P58,010,393	P53,357,209
Savings	<b>2,174,301,309</b>	631,899,858	276,548,245
Time	<b>502,742,516</b>	118,116,108	89,031,236
LTNCTD	<b>226,323,900</b>	226,323,900	226,323,900
	<b>P2,971,181,154</b>	P1,034,350,259	P645,260,590

Peso-denominated deposits are subject to annual interest rates ranging from 0.1% to 6.5% in 2023, from 0.1% to 5.5% in 2022, and from 0.1% to 5.3% in 2021. Foreign currency-denominated deposits are subject to annual interest rates ranging from 0.1% to 5.5% in 2023, from 0.1% to 4.5% in 2022 and from 0.1% to 1.3% in 2021.

#### Insurance Expense

This account pertains to the PDIC insurance on deposits amounting to P345.1 million, P348.4 million, and P334.8 million in 2023, 2022, and 2021, respectively.

## **19. Bills Payable**

This account consists of SSURA and short-term borrowings from local and foreign banks. As at December 31, 2023 and 2022, there were no short-term borrowings from local and foreign banks and no financial assets pledged and transferred under SSURA transactions.

Interest expense consists of:

	2023	2022	2021
SSURA	<b>P24,610,494</b>	P -	P -
Foreign banks	<b>128,142</b>	-	-
Local banks	<b>104,836</b>	325,200	223,871
Other borrowings	<b>24,254,796</b>	46,716,357	16,467,494
	<b>P49,098,268</b>	P47,041,557	P16,691,365

SSURA were subject to annual interest rates ranging from 5.3% to 5.7% in 2023.

Peso-denominated short-term borrowings from local banks are subject to annual interest rates ranging from 1.9% to 2.5% and from 1.7% to 2.5% in 2022 and 2021, respectively. There were no peso-denominated short-term borrowings from local banks in 2023. Foreign currency denominated short-term borrowings from local banks are subject to annual interest rates ranging from 4.6% to 4.9% and from 0.2% to 0.5% in 2023 and 2022, respectively. There were no foreign currency denominated short-term borrowings from local banks in 2021.

Foreign currency denominated short-term borrowings from foreign banks are subject to annual interest rates ranging from 4.8% to 5.1% in 2023. There were no foreign currency denominated short-term borrowings from foreign banks in 2022 and 2021.

In 2023, 2022 and 2021, interest expense on other borrowings includes interest expense on tax settlement amounting to P24.2 million, P46.7 million and P16.3 million, respectively.

## 20. Bonds Payable

On July 29, 2022, the Bank issued P7.5 billion fixed rate bonds due on July 29, 2024. The bonds were priced at par with a coupon rate of 5.0263% payable on a quarterly basis commencing on October 29, 2022. The bonds were listed in Philippine Dealing and Exchange Corporation. Transaction costs on the issuance of bonds amounted to P72.4 million.

Interest expense on bonds payable amounted to P413.0 million and P173.8 million in 2023 and 2022, respectively. As at December 31, 2023 and 2022, unamortized bond transaction costs amounted to P21.7 million and P57.7 million, respectively.

## 21. Accrued Interest, Taxes and Other Expenses

This account consists of accruals for the following:

	Note	2023	2022
Interest payable:			
Deposit liabilities	18	<b>P292,928,209</b>	P156,046,469
Bonds payable	20	<b>52,570,178</b>	52,570,178
		<b>345,498,387</b>	208,616,647
Employee and other benefits		<b>222,122,042</b>	262,586,345
Insurance		<b>183,357,397</b>	172,000,614
Penalties		<b>171,456,762</b>	171,456,762
Taxes payable		<b>112,892,733</b>	107,084,855
Fees and commissions		<b>101,114,869</b>	60,261,523
Utilities expenses		<b>53,734,548</b>	32,496,501
Management and professional fees		<b>46,980,799</b>	25,378,186
Equipment-related expenses		<b>38,508,624</b>	22,162,515
Security		<b>23,599,389</b>	11,425,088
Building repairs and maintenance		<b>20,033,164</b>	20,775,993
Rent		<b>4,600,248</b>	4,768,149
Others		<b>63,290,363</b>	66,752,642
		<b>P1,387,189,325</b>	P1,165,765,820

Other accrued expenses include accruals for marketing and advertising, janitorial, messengerial, and various expenses attributable to the Bank's operations.



## 22. Other Liabilities

This account consists of:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
Accounts payable		<b>P1,431,420,389</b>	P1,195,861,619
Bills purchased - contra	12, 33	<b>951,269,458</b>	1,251,721,161
Lease liability	30	<b>593,364,435</b>	490,913,094
Due to preferred shareholders	24	<b>290,118,112</b>	282,393,274
Other credits-dormant		<b>233,264,121</b>	221,250,979
Due to Treasurer of the Philippines		<b>213,714,158</b>	141,524,444
Withholding tax payable		<b>169,251,673</b>	130,999,174
Retirement liability	29	<b>126,139,504</b>	-
Unclaimed balances		<b>35,780,120</b>	77,021,937
ECL on off-balance sheet exposures	17	<b>23,743,549</b>	33,785,184
Miscellaneous		<b>125,115,684</b>	124,858,500
		<b>P4,193,181,203</b>	P3,950,329,366

Accounts payable mainly pertains to advance loan payments from borrowers, inward and outward remittances received by the Bank pending payment or application to designated deposit accounts.

Other credits - dormant account includes long outstanding Managers' Checks that are yet to be encashed by the payees, which have been outstanding for more than one (1) year from the dates of checks.

ECL on off-balance sheet exposures relate to committed credit line, credit card lines, outstanding guarantees and unused commercial letter of credits (see Note 38).

Miscellaneous include deposits for keys of safety deposit boxes, SSS payable, other provisions and unclaimed salaries of resigned employees.

## 23. Maturity Profile of Assets and Liabilities

The following tables present the maturity profile of the assets and liabilities of the Bank based on the amounts to be recovered or settled within and/or after more than 12 months after the reporting period (amounts in thousands):

Note	2023			2022		
	Within 12 Months	Over 12 Months	Total	Within 12 Months	Over 12 Months	Total
<b>Financial Assets - gross</b>						
COCI	P3,500,645	P -	P3,500,645	P2,735,171	P -	P2,735,171
Due from BSP	24,275,196	-	24,275,196	23,678,666	-	23,678,666
Due from other banks	1,055,497	-	1,055,497	1,044,396	-	1,044,396
Interbank loans receivable and SPURA	20,114,496	-	20,114,496	18,381,226	-	18,381,226
Financial assets at FVPL:						
Private debt securities	-	190,505	190,505	-	344,809	344,809
Government securities held-for-trading	180,603	-	180,603	7,259	-	7,259
Derivative assets	-	27,685	27,685	1,056	27,877	28,933
Financial assets at FVOCI:						
Government securities	-	10,850,048	10,850,048	-	5,619,272	5,619,272
Equity securities	-	193,757	193,757	-	185,779	185,779
Investment securities at amortized cost - gross:						
Government securities	16,903,505	33,408,145	50,311,650	14,565,715	34,884,807	49,450,522
Private debt securities	78,770	2,086,893	2,165,663	569,353	2,194,963	2,764,316
Loans and receivables - gross:						
Receivable from customers:						
Term loans	30,997,471	50,199,401	81,196,872	35,186,203	51,396,830	86,583,033
Agri-agra loans	4,207,708	7,473,838	11,681,546	622,163	1,915,724	2,537,887
Housing loans	741,214	7,713,089	8,454,303	947,248	7,275,361	8,222,609
Auto loans	641,992	3,481,423	4,123,415	705,361	2,946,664	3,652,025
Bills purchased, import bills and trust receipts	1,050,699	-	1,050,699	1,384,578	-	1,384,578
Direct advances	477,724	99,488	577,212	506,857	98,471	605,328
Others	1,721,579	647,296	2,368,875	1,998,214	599,413	2,597,626
Accrued interest receivable	1,443,071	-	1,443,071	1,279,697	-	1,279,697
Accounts receivable	1,055,139	-	1,055,139	1,057,747	-	1,057,747
Sales contract receivables	123,040	265,521	388,561	121,467	261,155	382,622
Unquoted debt securities	291,578	-	291,578	291,578	-	291,578
RCCI	93	-	93	249	-	249
Investment in associate	-	75,395	75,395	-	75,395	75,395
	108,860,020	116,712,484	225,572,504	105,084,204	107,826,520	212,910,724
<b>Non-financial Assets - gross</b>						
Property and equipment	-	4,910,145	4,910,145	-	4,451,697	4,451,697
Investment properties	-	4,802,601	4,802,601	-	4,426,807	4,426,807
Deferred tax assets	-	475,333	475,333	-	612,090	612,090
Other assets	2,351,268	6,332,408	8,683,676	1,943,017	6,293,209	8,236,226
	2,351,268	16,520,487	18,871,755	1,943,017	15,783,803	17,726,820
	P111,211,288	P133,232,971	P244,444,259	P107,027,221	P123,610,323	P230,637,544
<b>Less:</b>						
Allowance for credit and impairment losses	-	-	P7,731,347	-	-	P8,298,298
Accumulated depreciation and amortization	-	-	4,965,609	-	-	4,748,245
Unearned interest	-	-	45,388	-	-	43,155
Accumulated equity in net loss	-	-	33,936	-	-	29,947
<b>Total</b>			P231,667,979			P217,517,899
Note	2023			2022		
	Within 12 Months	Over 12 Months	Total	Within 12 Months	Over 12 Months	Total
<b>Financial Liabilities</b>						
Deposit liabilities:						
Demand	P54,569,494	P -	P54,569,494	P51,792,970	P -	P51,792,970
Savings	109,667,913	-	109,667,913	101,651,553	-	101,651,553
Time	16,207,259	431,283	16,638,542	16,973,625	819,672	17,793,297
LTNCTD	-	5,029,420	5,029,420	-	5,029,420	5,029,420
Financial liabilities at FVPL	6,202	-	6,202	283	-	283
Bonds payable	7,478,265	-	7,478,265	-	7,442,251	7,442,251
Manager's checks	1,846,500	-	1,846,500	661,454	-	661,454
Accrued interest and other expenses*	1,047,574	-	1,047,574	791,326	-	791,326
Other liabilities**	3,174,414	699,632	3,874,046	3,189,842	595,704	3,785,546
	193,997,621	6,160,335	200,157,956	175,061,053	13,887,047	188,948,100
<b>Non-financial Liabilities</b>						
Accrued taxes and other expense payable	339,615	-	339,615	374,440	-	374,440
Other liabilities	192,995	126,140	319,135	164,784	-	164,784
	532,610	126,140	658,750	539,224	-	539,224
	P194,530,231	P6,286,475	P200,816,706	P175,600,277	P13,887,047	P189,487,324

\*amounts exclude accruals of employee and other benefits, taxes payable and rent

\*\*amounts exclude withholding tax payable, retirement liability and ECL of loan commitments and financial guarantees

Refer to Note 5 for the discussions on the Bank's policy on liquidity risk and funding management.

## 24. Capital

The Bank's capital stock consists of the following as at December 31:

	Shares			Amount		
	2023	2022	2021	2023	2022	2021
<b>Authorized Capital Stock</b>						
Common stock, P10 par value	1,702,511,470	1,702,511,470	1,702,511,470	P17,025,114,700	P17,025,114,700	P17,025,114,700
Preferred stock, P10 par value	455,000,000	455,000,000	455,000,000	4,550,000,000	4,550,000,000	4,550,000,000
	2,157,511,470	2,157,511,470	2,157,511,470	P21,575,114,700	P21,575,114,700	P21,575,114,700
<b>Issued and Outstanding</b>						
Common stock	1,403,013,920	1,403,013,920	1,122,411,120	P14,030,139,200	P14,030,139,200	P11,224,111,200
Preferred stock	416,666,670	416,666,670	416,666,670	4,166,666,700	4,166,666,700	4,166,666,700
	1,819,680,590	1,819,680,590	1,539,077,790	P18,196,805,900	P18,196,805,900	P15,390,777,900
<b>Paid-in Surplus</b>						
Common stock				P5,995,503,421	P5,995,503,421	P5,542,922,930
Preferred stock				1,233,771,939	1,233,771,939	1,233,771,939
				P7,229,275,360	P7,229,275,360	P6,776,694,869

The reconciliation of the number of shares outstanding at the beginning and at the end of the years follow:

	Common Shares			Preferred Shares		
	2023	2022	2021	2023	2022	2021
Balance as at January 1	1,403,013,920	1,122,411,120	112,241,112	416,666,670	416,666,670	-
Issuance during the year	-	280,602,800	-	-	-	41,666,667
Adjustment for 10-to-1 stock split	-	-	1,010,170,008	-	-	375,000,003
Balance as at December 31	1,403,013,920	1,403,013,920	1,122,411,120	416,666,670	416,666,670	416,666,670

Preferred shares are non-voting, except as provided by law, perpetual or non-redeemable, cumulative, convertible to common shares at the option of the holders after 5 years from issue date, subject to requirements under laws, rules and regulations, have preference over common shares in case of liquidation, dissolution, or winding up of the affairs of the Bank and subject to the other terms and conditions as may be fixed by the BOD, required under regulations, and to the extent permitted by applicable law.

The Bank has outstanding liability for the unpaid portion of the redemption price of preferred shares amounting to P290.1 million and P282.4 million as at December 31, 2023 and 2022, respectively, which is recorded as "Due to preferred shareholders" account under "Other liabilities" in Note 22 to the financial statements. As at December 31, 2023 and 2022, the related sinking fund which is recorded under "Other assets" account amounting to P290.1 million and P282.4 million, respectively, has been set up to fund the eventual settlement of this liability (see Note 16).

On April 8, 2010, the SEC approved the Bank's application for the increase in authorized capital stock from P6.0 billion, divided into 52.5 million common shares and 7.5 million preferred shares both with the par value of P100 each, to P22.0 billion divided into 212.5 million common shares and 7.5 million preferred shares both with the par value of P100 each. The related amendment to the Articles of Incorporation of the Bank relative to its proposed increase in authorized capital stock from P6.0 billion to P22.0 billion was approved by BSP and the SEC on March 26, 2010 and April 8, 2010, respectively.

During its meeting on January 18, 2011, the BOD of the Bank passed a resolution approving the following:

- the sale of fully paid shares of Valiant Ventures & Development Holdings, Inc. (Valiant) in the Bank to SMPI and SMCRP amounting to 2,800,000 shares and 1,972,735 shares, respectively; and
- the assignment of subscription rights of Valiant to SMPI amounting to 523,726 shares (Tranche 1) and 4,713,539 shares (Tranche 2).

In connection to this, the Bank secured the approval of the MB of BSP for such sale of shares and assignment of subscription of the shares of Valiant. This is mandated in BSP's MORB since the total shareholdings of Valiant entitles it to a board seat. The Board also approved that the sale of shares and assignment of subscription rights be recorded in the stock and transfer book of the Bank only after the approval of the MB has been obtained.

On March 30, 2011, the MB of BSP approved the sale of shares of Valiant. In 2011, the Bank's subscribed common stock totaling 59,741,113 shares have been fully paid in accordance with the subscription agreement.

On April 30, 2019, the BOD and the Stockholders approved to amend the Articles of Incorporation to deny pre-emptive rights. The said amendment was approved by the BSP on August 16, 2019 and by the SEC on September 5, 2019.

On January 30, 2020, the BOD and the Stockholders approved the amendment of the Articles of Incorporation to (a) reflect that the Bank's terms of existence shall be perpetual (b) retire 4,248,853 redeemed preferred shares thereby decreasing the Bank's authorized capital stock to P21,575,114,700 (c) reclassify 3,251,147 existing unissued preferred shares into new unissued preferred shares and (d) reclassify 42,248,853 existing unissued common shares into new unissued preferred shares. The amendments resulted in total new preferred shares of 45,500,000 with par value of P100 and decrease in common shares to 170,251,147 with par value of P100. These were approved by the BSP on May 21, 2020 and by the SEC on June 9, 2020.

On January 26, 2021, the BOD approved the issuance of 41,666,667 preferred shares to San Miguel Corporation at P132.0 per share. These shares will be issued out of the unissued Series 1 Preferred Shares of the Bank. On March 8, 2021, the Bank received from BSP a "No Objection" to the provisions in the indicative terms and conditions of these Preferred Shares, provided that the Bank shall continuously comply with the regulation for the inclusion of preferred shares as part of Additional Tier 1 capital under Appendix 59, Risk-based Capital Adequacy Framework for the Philippines Banking System, of the Manual Regulations for Banks. On June 29, 2021, the BOD approved the change of investor for preferred shares from San Miguel Corporation to SMC Equivest Corporation, a wholly owned subsidiary of San Miguel Corporation and an existing stockholder of the Bank. On August 5, 2021, the Bank issued 41,666,667 Series 1 Preferred Shares to SMC Equivest Corporation at P132.0 per share. Transaction costs on the issuance of preferred shares amounting to P99.6 million were charged against "Paid-in surplus".

On May 25, 2021 and July 8, 2021, the BOD and the Stockholders, respectively, approved the amendment of the Bank's Articles of Incorporation to the par value of common and preferred shares from One Hundred Pesos (P100.0) to Ten Pesos (P10.0). The amendment resulted in increase in common shares from 170,251,147 to 1,702,511,470 and increase in preferred shares from 45,500,000 to 455,000,000. This amendment was approved by the BSP on October 4, 2021 and by the SEC on November 2, 2021.

On October 28, 2021 and November 9, 2021, the BOD and Stockholders, respectively, approved the primary public offer and sale of up to 280,700,000 common shares from unissued capital stock. On February 15 and February 16, 2022, the SEC and the PSE, respectively, approved the application for the Initial Public Offer of the Bank. On March 31, 2022, the Bank listed its common shares with the PSE. The Bank offered and issued new common shares to the public up to 280,602,800 at P12.0 per share. Transaction costs on the issuance of common shares amounting to P108.6 million were charged against "Paid-in surplus".

On October 28, 2021 and November 9, 2021, the BOD and the Stockholders also approved the amendment to the Articles of Incorporation to align sections around the sale, assignment, and disposal of shares with the lock up requirements of the Philippine Stock Exchange. The By-laws were also amended to update sections on stockholders, the Board of Directors, certificates of stock and the transfer of shares of stock. On December 31, 2021, the BSP approved the request of the Bank to amend its Articles of Incorporation and By-laws. The amendment on the Bank's Articles of Incorporation and By-laws was approved by the SEC on January 28, 2022.

On February 22, 2022 and April 29, 2022, the BOD and the Stockholders, respectively, approved the amendments to the Articles of Incorporation to change its purpose from a Commercial Bank to a Universal Bank pursuant to BSP MB Resolution No. 1798 dated December 23, 2021. The By-laws were also amended to comply with Sections 28 and 52 of the Revised Corporation Code. The amendment on the Bank's Articles of Incorporation and By-laws was approved by the BSP on June 29, 2022 and by the SEC on August 9, 2022.

Subject to the approval of the relevant government regulatory agencies, the Stockholders and BOD approved on April 25, 2023 and February 28, 2023, respectively, the amendment of the Articles of Incorporation to increase the Bank's authorized capital stock from P21,575,114,700 (divided into 1,702,511,470 common shares and 455,000,000 preferred shares) to P28,198,773,840 (divided into 2,364,877,384 common shares and 455,000,000 preferred shares).

On February 28, 2023, the BOD approved the amendment to the By-laws to (a) change the schedule of the annual stockholders' meeting from April to May, and (b) comply with Section 132 of the MORB, Section 29 and 34 of the Revised Corporation Code and Section 3 of the SEC Memorandum Circular No. 20 series of 2020. Subsequently, the Stockholders of the Bank approved the same on April 25, 2023.

#### Equity Restructuring

On March 29, 2021, the BOD approved the Bank to undergo equity restructuring to wipe out the deficit amounting to P51,156,715 as at December 31, 2020 through the use of the Bank's Paid-in surplus.

On July 12, 2021, the Bank received from BSP a "No Objection" response to its application for equity restructuring with the SEC, subject to the (i) Bank's compliance with the Commission's other requirements; and (ii) condition that the Bank shall provide BSP a certified true copy of SEC's approval of the equity restructuring within five (5) days from receipt thereof.

On October 14, 2021, the SEC approved the equity restructuring to wipe-out the deficit as at December 31, 2020 amounting to P51,156,715 against the Paid-in surplus of P5.6 billion subject to the conditions that the remaining Paid-in surplus of P5.5 billion cannot be applied for future losses that may be incurred by the Bank without prior approval of the SEC.

#### Capital Management

The Bank's capital base, comprised of capital stock, paid-in surplus and surplus reserves, is actively being managed to cover risks inherent in the Bank's operations. In 2009, SMPI and SMCRP infused additional capital amounting to P3.3 billion in the form of paid-up common stock. On February 18, 2010 and March 1, 2010, major stockholders infused P271.9 million and P2.1 billion, respectively, into the Bank in the form of advances for future stock subscriptions, which shall be treated as part of the Bank's paid-up capital upon the SEC's approval thereon and on the increase in the Bank's authorized capital stock.



On August 5, 2021, SMC Equivest Corporation infused additional capital amounting P5.5 billion in the form of paid-up preferred stock. This is in support of the application of the Bank for an upgrade of its commercial banking license to a universal banking license. On March 31, 2022, the Bank listed its common shares with the PSE and raised P3.4 billion in additional capital as part of the requirements for the upgrade.

Under Section 121 of the MORB, *Minimum Required Capital*, the minimum capitalization requirement applicable for the Bank (universal banks with more than 100 branches) amounted to P20.0 billion. The Bank achieved this level with the August 2021 infusion of additional capital mentioned above. On December 23, 2021, the BSP approved the upgrade of the Bank's banking license from commercial bank to universal bank (UB) subject to certain regulatory requirements. On October 24, 2022, the Bank received from the BSP the Certificate of Authority to Operate as a Universal Bank dated October 4, 2022. As at December 31, 2023 and 2022, the reported unimpaired capital of the Bank amounted to P29.7 billion and P26.9 billion, respectively.

The guidelines on Bank's ICAAP under Section 130 and Appendices 94, 95 and 96 of the MORB supplements the BSP's risk-based capital adequacy framework. In compliance with this new circular, the Bank has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Bank. The level and structure of capital are assessed and determined in light of the Bank's business environment, plans, performance, risks and budget; as well as regulatory edicts. The deadline for submission of ICAAP documents is March 31 of each year.

#### 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) as reported to the BSP, which is determined on the basis of Regulatory Accounting Principles which differ from PFRSs in some respects.

The BSP sets and monitors compliance to minimum capital requirements for the Bank. In implementing current capital requirements, BSP issued Circular 538, *Revised Risk-Based Capital Adequacy Framework for Universal and Commercial Banks and their Subsidiary Banks and Quasi-Banks*, which implemented the Revised Risk-Based Capital Adequacy Framework under Basel II effective July 1, 2007. It requires the Bank to maintain a prescribed risk-based capital adequacy ratio (expressed as a percentage of qualifying capital to risk-weighted assets) of not less than 10.0%.

Under Section 125 and Appendix 59 of the MORB, the regulatory qualifying capital of the Bank consists of Tier 1 (core) and Tier 2 (supplementary) capital. Tier 1 capital comprised common stock, additional paid-in capital and surplus. Tier 2 composed upper tier 2 and lower tier 2. Upper tier 2 consists of preferred stock, revaluation increment reserve, general loan loss provision and deposit for common stock subscription. Lower tier 2 consists of the unsecured subordinated debt.

The following are the minimum capital requirements for UBs and KBs and their subsidiary banks and quasi-banks (QBs):

- 6.0% Common Equity Tier 1 (CET1)/Risk-Weighted Assets (RWAs)
- 7.5% Tier 1 Capital/RWAs, and
- 10.0% Total Qualifying Capital (Tier1 plus Tier2)/RWAs

The Qualifying Capital must consist of the sum of the following elements, net of required deductions: Tier 1-‘going concern’ [CET1 plus Additional Tier 1] and Tier 2 - ‘gone concern.’ A bank/quasi-bank must ensure that any component of capital included in qualifying capital complies with all the eligibility criteria for the particular category of capital in which it is included. The Circular further describes the elements/criteria that a domestic bank should meet for each capital category. Regulatory adjustments and calculation guidelines for each capital category are also discussed.

In conformity with the Basel III standards, a Capital Conservation Buffer (CCB) of 2.5% of RWAs, comprised of CET1 capital, has been required of U/KBs and their subsidiary banks and quasi-banks. This buffer is meant to promote the conservation of capital and build-up of adequate cushion that can be drawn down by banks to absorb losses during financial and economic stress.

The CET1 capital requirement includes as an additional capital buffer, the Countercyclical capital buffer (CcyB) of zero percent (0%) subject to upward adjustment to a rate determined by the MB when systemic conditions warrant but not to exceed two and a half percent (2.5%). Any increases in the CcyB rate shall be effective 12 months after announcement while decreases shall be effective immediately.

The countercyclical buffer requirement will extend the size of the capital conservation buffer. A bank shall not be subject to any restriction on distribution if the following conditions are met:

- Has positive retained earnings as of the preceding quarter and has complied with the requirements on the declaration of dividends as provided in the MORB;
- Has CET1 of more than the total required (minimum CET1 ratio of 6.0% plus CCB of 2.5% plus CcyB at the rate determined by the MB) before distribution; and
- Has complied with the minimum capital ratios (CET1 ratio of 6.0%, Tier 1 ratio of 7.5% and 10.0% CAR) after the distribution.

Otherwise, the policy framework of the capital conservation buffer on the restriction on distributions shall apply, except for drawdowns. Thresholds on the restriction on distribution shall consider the CcyB requirement as an extension of the capital conservation buffer.

As at December 31, 2023 and 2022, based on the CAR reports submitted to BSP, the Bank’s CAR of 19.88% and 17.97%, respectively, exceeded the minimum 10.0% requirement as computed and monitored using the rules and ratios established by the Basel Committee on Banking Supervision (“BIS rules/ratios”), based on the Basel III framework. The increase in the CAR ratio was primarily due to the increase in undivided profits and decrease in the credit risk weighted amount of contingent account (domestic standby letters of credit).

The breakdown of the Bank's risk-weighted assets as at December 31, 2023 and 2022 as reported to BSP follows (amounts in thousands):

	2023	2022
Credit risk-weighted assets	<b>P131,091,150</b>	P132,556,255
Operational risk-weighted assets	<b>12,140,350</b>	10,450,670
Market-risk weighted assets	<b>313,854</b>	120,664
	<b>P143,545,354</b>	P143,127,589

The Bank is also required to maintain a minimum Tier 1 capital ratio of 7.5% in 2023 and 2022 (in millions) as reported to BSP which was compiled as per below:

	2023	2022
Tier 1 capital	<b>P27,396</b>	P24,646
Tier 2 capital	<b>1,139</b>	1,076
Total qualifying capital	<b>P28,535</b>	P25,722
CET1 capital	<b>P21,996</b>	P19,245
Risk-weighted assets	<b>P143,545</b>	P143,128
CET1 ratio	<b>15.32%</b>	13.45%
Tier 1 capital ratio	<b>19.09%</b>	17.22%
Total capital ratio	<b>19.88%</b>	17.97%

Certain adjustments are made to PFRSs results and reserves to calculate CAR which included the Bank's accounting of the following transactions that require different accounting treatments under PFRSs:

- a) non-performing assets and operating losses of TRB capitalized as miscellaneous assets and subject to staggered allowance provisioning;
- b) accounting for investment properties.

The recognition of the Bank for prudential reporting is based on the accounting treatment approved by BSP (see Notes 15 and 16).

Under Section 129 of the MORB Basel III, leverage ratio is designed to act as supplementary measure to the risk-based capital requirements. It is defined as the capital measure (numerator) divided by the exposure measure (denominator). The leverage ratio shall not be less than 5.0% computed on both solo (head office plus branches) and consolidated bases (parent bank plus subsidiary financial allied undertakings but excluding insurance companies).

The Bank exceeded the minimum leverage ratio of 5.0% as at December 31, 2023 and 2022 which was complied as per below breakdown (amounts in thousands):

	2023	2022
Capital measure	<b>P27,396,326</b>	P24,645,529
Exposure measure	<b>246,764,987</b>	235,849,588
Leverage ratio	<b>11.10%</b>	10.45%

The LCR framework under Section 145 of the MORB promotes short-term resilience of liquidity risk profile of a bank. The LCR is the ratio of HQLAs to total net cash outflows. Under normal situation, the value of the ratio should be no lower than 100.0% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against the potential onset of liquidity stress. The compliance with the LCR minimum requirement commenced on January 01, 2018 and the prescribed minimum shall be set initially at 90% for 2018 and raised to the minimum level of 100% on January 01, 2019.

Based on the LCR reports submitted to the BSP as at December 31, 2023 and 2022, the Bank's LCR were 213.9% and 182.7%, respectively, which were above the prescribed minimum requirement set at 100.0%.

While the NSFR promotes long-term resilience of banks against liquidity risk and maintains stable funding profile in relation to the composition of its assets and off-balance sheet activities. The implementation of the minimum NSFR was phased-in, banks undergone observation period from July 1, 2018 up to December 31, 2018 while actual implementation commenced on January 01, 2019. The NSFR is the ratio of Bank's available stable funding to its required stable funding and shall maintain at least 100.0% at all times.

As at December 31, 2023 and 2022, the reported NSFR of 164% and 154%, respectively, exceeded the required minimum of 100%.

This applies to UB/KBs as well as their subsidiary banks and quasi-banks with the framework anchored on the international standards issued by the Basel Committee on Banking Supervision known as the Basel 3 reforms.

## 25. Surplus Reserve

	2023	2022	2021
Reserve for general provision - special reserve	<b>P877,491,849</b>	P775,206,634	P556,655,007
Reserve for trust business	<b>157,512,612</b>	148,200,862	139,151,260
Reserve for self-insurance	<b>60,000,000</b>	60,000,000	60,000,000
	<b>P1,095,004,461</b>	P983,407,496	P755,806,267

### Reserve for General Provision - Special Reserve

The BSP, through Circular No. 1011, *Guidelines on the Adoption of the PFRS 9*, requires appropriation of the Bank's retained earnings in case the computed allowance for credit losses on loans based on PFRS 9 is less than the BSP required 1.0% general provision on outstanding Stage 1 on-balance sheet loans, except for accounts considered as risk-free under existing regulations. Additional appropriation for reserve for general provision amounted to P102.3 million, P218.6 million, and P347.8 million in 2023, 2022 and 2021, respectively.

### Reserve for Trust Business

In compliance with BSP regulations, 10.0% of the Bank's profit from trust business is appropriated to surplus reserve. This yearly appropriation is required until the surplus reserve for trust business equals 20.0% of the Bank's authorized capital stock. Additional appropriation for reserve for trust business amounted to P9.3 million, P9.0 million, and P12.4 million in 2023, 2022 and 2021, respectively.

### Reserve for Self-insurance

Reserve for self-insurance represents the amount set aside to cover losses due to fire, defalcation and other unlawful acts of the Bank's personnel or third parties. No additional appropriation for Reserve for self-insurance was made in 2023, 2022, and 2021.

## **26. Interest Income on Debt Securities**

This account consists of:

	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Investment securities at amortized cost:				
Government securities	11	<b>P1,716,340,695</b>	P1,370,841,465	P908,591,924
Private debt securities		<b>85,656,947</b>	100,869,054	154,337,125
Financial assets at FVOCI:				
Government securities	10	<b>445,722,527</b>	204,988,977	168,875,905
Private debt securities		-	5,085,038	19,758,785
		<b>2,247,720,169</b>	1,681,784,534	1,251,563,739
Financial assets at FVPL:				
Government securities held for trading	9	<b>21,561,207</b>	4,603,469	14,420,446
		<b>P2,269,281,376</b>	P1,686,388,003	P1,265,984,185

Foreign currency-denominated investment securities at amortized cost bear EIRs ranging from 0.8% to 5.3% in 2023, from 0.8% to 3.7% in 2022 and from 0.8% to 3.4% in 2021. Peso-denominated investment securities at amortized cost bear EIRs ranging from 2.3% to 8.1% in 2023 and from 1.4% to 8.1% in 2022 and 2021.

Foreign currency-denominated financial assets at FVOCI bear EIRs ranging from 2.6% to 4.5%, from 0.9% to 2.8%, and from 0.02% to 2.9%, respectively, in 2023, 2022, and 2021. Peso-denominated financial assets at FVOCI bear EIRs ranging from 3.6% to 6.9% in 2023, from 3.6% to 6.7% in 2022, and from 2.1% to 6.6% in 2021.

Foreign currency-denominated financial assets at FVPL bear annual interest rates ranging from 1.6% to 8.6% in 2023, from 0.2% to 8.6% in 2022, and from 0.9% to 8.6% in 2021. Peso-denominated financial assets at FVPL bear annual interest rates ranging from 2.6% to 9.3%, from 0.6% to 8.1%, and from 0.7% to 8.1% in 2023, 2022, and 2021, respectively.



## 27. Service Charges, Fees and Commissions

### *Service Charges, Fees and Commissions - Income*

This account consists of:

	2023	2022	2021
Credit card fees	<b>P179,629,720</b>	P147,516,114	P115,655,338
Trust income	<b>174,904,628</b>	152,971,718	139,219,456
Service charges	<b>157,871,633</b>	148,551,460	131,070,951
Underwriter and arranger's fees	<b>148,709,683</b>	95,900,297	-
Letters of credit fees	<b>77,530,188</b>	122,780,721	36,248,747
Fees and commissions	<b>55,744,047</b>	48,792,533	26,587,398
Remittance fees	<b>37,065,138</b>	41,087,314	52,169,552
Penalty charges	<b>34,546,673</b>	31,346,781	8,098,809
Commitment fees	<b>10,144,513</b>	55,783,132	11,511,432
Telegraphic transfer fees	<b>3,375,067</b>	2,715,963	2,480,761
Others	<b>6,858,195</b>	10,185,844	8,085,308
	<b>P886,379,485</b>	P857,631,877	P531,127,752

Service charges include charges on loans, ATM fees and deposit taking-related activities.

Underwriter and arranger's fees are earned by the Bank as compensation for underwriting a public offering, placing an issue in the market or arranging a private placement of debt.

Others include commission on acceptance fee, insurance, auto and housing loans processing fee and sale of demand drafts.

### *Service Fees and Commissions - Expenses*

This account consists of:

	2023	2022	2021
Transaction and service fees	<b>P273,919,598</b>	P187,294,357	P141,375,266
Mastercard fees	<b>77,654,916</b>	59,034,910	48,134,742
Fees and commissions	<b>58,759,010</b>	43,533,852	36,997,921
Others	<b>7,590,497</b>	3,466,436	3,198,544
	<b>P417,924,021</b>	P293,329,555	P229,706,473

Others include processing fees, handling fees and various other charges.

## 28. Trading and Investment Securities Gains (Losses) - net

This account consists of realized and unrealized gains (losses) from the following securities:

	Note	2023	2022	2021
Financial assets and liabilities at FVPL:				
Debt securities:				
Unrealized	9	<b>P22,810,265</b>	P3,032,696	(P4,189,634)
Realized		<b>(19,188,811)</b>	(32,249,257)	(5,635,758)
Equity securities:				
Realized		<b>12,535</b>	-	-
Financial assets at FVOCI	10	<b>6,964,361</b>	-	(68,883,753)
		<b>P10,598,350</b>	(P29,216,561)	(P78,709,145)

## 29. Employee Benefits

### Compensation and Fringe Benefits

The details of the following accounts in 2023, 2022 and 2021 follow:

	2023	2022	2021
Salaries and allowances	<b>P1,326,204,346</b>	P1,097,273,510	P988,536,430
Bonuses	<b>460,950,000</b>	349,320,000	375,320,000
Employee benefits	<b>337,516,981</b>	293,658,369	285,629,019
Retirement benefits	<b>91,753,151</b>	123,585,814	144,948,491
Overtime	<b>41,971,618</b>	40,973,832	26,535,151
	<b>P2,258,396,096</b>	P1,904,811,525	P1,820,969,091

### Retirement Plan

The Bank has a funded noncontributory defined benefit retirement plan covering its regular and permanent employees. Contributions and costs are determined in accordance with the actuarial studies made for the plan. Annual cost is determined using projected unit credit method.

The Bank's retirement benefits are based on the employee's years of service and a percentage of his gross monthly salary. An employee shall be retired and shall be entitled to full retirement benefits upon his attainment of 60 years of age.

An employee, upon reaching the age of 50 years and with the completion of no less than 10 years of service as a regular employee and with 30 days prior notice to the Bank, may retire at his option and shall be entitled to the retirement benefits.

An employee who has at least 10 years of service as a regular employee, but who has not reached the age of 50 years, may retire at his option and shall be entitled to the retirement benefits but such retirement benefit shall be subject to the pertinent requirements of the BIR.

The Bank's retirement plan is registered with the BIR as a tax-qualified plan under RA No. 4917, as amended, and complies with the minimum retirement benefit specified under RA No. 7641, the "New Retirement Law."

The date of the last actuarial valuation is December 31, 2023. Valuations are performed on an annual basis.

As at December 31, 2023, 2022 and 2021, the principal actuarial assumptions used in determining retirement benefits liability for the Bank's retirement plan are shown below:

	2023	2022	2021
Average working life	13.0	13.0	13.0
Discount rate	6.1%	7.6%	5.0%
Future salary increases	6.6%	6.6%	6.6%

The mortality rates used in the valuation were based on the 1985 Unisex Annuity Table (UAT). The 1985 UAT was derived from the experience of the Government Service Insurance System from 01 January 1977 to 31 December 1981, a period of five years. The 1985 UAT has been adjusted to reflect improvements in mortality experience since its original construction. The disability rates used in the valuation were based on 100% of the adjusted 1952 Disability Table, reflecting improvement in Philippine disability experience.

The following table shows reconciliation from the opening balances to the closing balances for net retirement benefit liability (assets) and its components (in thousands).

	Defined Benefits Obligation			Fair Value of Plan Assets			Net Retirement Benefit Liability (Asset)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Balance at January 1	P1,027,606	P1,244,156	P1,329,366	(P1,100,754)	(P1,085,608)	(P936,823)	(P73,148)	P158,548	P392,543
<b>Included in Profit or Loss</b>									
Current service cost	94,990	115,658	129,639	-	-	-	94,990	115,658	129,639
Interest expense (income)	77,119	62,208	51,845	(80,356)	(54,280)	(36,536)	(3,237)	7,928	15,309
	172,109	177,866	181,484	(80,356)	(54,280)	(36,536)	91,753	123,586	144,948
<b>Included in OCI</b>									
Remeasurement loss (gain):									
Actuarial loss (gain) arising from:									
Financial assumptions	167,475	(299,036)	(166,458)	-	-	-	167,475	(299,036)	(166,458)
Experience adjustment	81,345	18,033	(6,013)	-	-	-	81,345	18,033	(6,013)
Return on plan assets excluding interest income	-	-	-	39,176	96,178	(14,069)	39,176	96,178	(14,069)
	248,820	(281,003)	(172,471)	39,176	96,178	(14,069)	287,996	(184,825)	(186,540)
<b>Others</b>									
Contributions paid by the employer	-	-	-	(180,461)	(170,457)	(192,403)	(180,461)	(170,457)	(192,403)
Benefits paid	(105,401)	(113,413)	(94,223)	105,401	113,413	94,223	-	-	-
	(105,401)	(113,413)	(94,223)	(75,060)	(57,044)	(98,180)	(180,461)	(170,457)	(192,403)
<b>Balance at December 31</b>	<b>P1,343,134</b>	<b>P1,027,606</b>	<b>P1,244,156</b>	<b>(P1,216,994)</b>	<b>(P1,100,754)</b>	<b>(P1,085,608)</b>	<b>P126,140</b>	<b>(P73,148)</b>	<b>P158,548</b>

The movements of the remeasurement losses on retirement liability of the Bank follow:

	2023	2022	2021
Balance at beginning of year	P77,723,200	P262,547,387	P449,088,000
Remeasurement losses (gains) on:			
Defined benefits obligation	248,820,103	(281,002,208)	(172,472,150)
Plan assets	39,175,594	96,178,021	(14,068,463)
Net change in remeasurement losses (gains) recorded in OCI	287,995,697	(184,824,187)	(186,540,613)
Balance at end of year	P365,718,897	P77,723,200	P262,547,387

The actual return (loss) on plan assets amounted to P41.2 million and (P41.9) million in 2023 and 2022, respectively.

The Bank expects to contribute P211.4 million to its defined benefits retirement plan in 2024.

The major categories of the fair value of plan assets as at December 31, 2023 and 2022 follow:

	2023	2022
Investment securities:		
Government and other debt securities	<b>P526,163,095</b>	P614,885,776
Quoted equity securities	<b>339,884,175</b>	270,829,395
Unquoted equity securities	<b>2,600</b>	2,600
Deposits with the bank	<b>131,963,457</b>	30,747,112
Loans receivables	<b>206,022,617</b>	170,241,796
Other receivables	<b>12,958,486</b>	14,047,453
<b>Total Plan Assets</b>	<b>P1,216,994,430</b>	P1,100,754,132

#### *Sensitivity Analysis*

Reasonably possible changes to one of the relevant actuarial assumptions, with all other assumptions constant, would have affected the net retirement liability of the Bank by the amounts shown below:

	December 31, 2023			
	Discount Rate		Salary Increase Rate	
	+1.00%	-1.00%	+1.00%	-1.00%
Present value of the defined benefit obligation	<b>P1,225,926,087</b>	<b>P1,479,462,857</b>	<b>P1,468,882,977</b>	<b>P1,232,640,544</b>
Fair value of plan assets	<b>(1,216,994,429)</b>	<b>(1,216,994,429)</b>	<b>(1,216,994,429)</b>	<b>(1,216,994,429)</b>
Net retirement liability (assets)	<b>P8,931,658</b>	<b>P262,468,428</b>	<b>P251,888,548</b>	<b>P15,646,115</b>

	December 31, 2022			
	Discount Rate		Salary Increase Rate	
	+1.00%	-1.00%	+1.00%	-1.00%
Present value of the defined benefit obligation	P940,049,711	P1,128,828,588	P1,122,198,314	P944,152,299
Fair value of plan assets	(1,100,754,132)	(1,100,754,132)	(1,100,754,132)	(1,100,754,132)
Net retirement liability (assets)	(P160,704,421)	P28,074,456	P21,444,182	(P156,601,833)

The maturity analyses of the undiscounted benefit payments as at December 31, 2023 and 2022 are as follows:

	2023	2022
1 - 5 years	<b>P541,608,869</b>	P443,062,358
6 - 10 years	<b>1,101,752,171</b>	922,629,278
11 - 15 years	<b>1,086,406,759</b>	1,068,594,031
16 years and up	<b>5,407,534,068</b>	4,581,346,511
	<b>P8,137,301,867</b>	P7,015,632,178

The defined benefit plans expose the Bank to actuarial risks, such as longevity risk, interest risk, and market (investment risk).

The overall investment policy and strategy of the retirement plan is based on the Bank's suitability assessment, as provided by its Trust Services Group, in compliance with BSP requirements.

The weighted average duration of the defined benefit obligations is 9 years as at December 31, 2023 and 2022. The expected average remaining working lives as at December 31, 2023 and 2022 is 13 years.

### 30. Rent and Utilities

The table below shows the breakdown of rent and utilities in 2023, 2022, and 2021.

	2023	2022	2021
Repairs and maintenance	<b>P199,706,881</b>	P187,630,410	P170,656,204
Security services	<b>197,680,447</b>	220,318,339	180,368,900
Power, light, water	<b>112,852,064</b>	105,967,062	71,469,631
Rent expense	<b>81,928,780</b>	68,792,512	59,358,776
Janitorial services	<b>42,226,915</b>	38,559,704	35,909,859
Insurance	<b>13,302,902</b>	10,281,940	14,520,536
<b>Total</b>	<b>P647,697,989</b>	P631,549,967	P532,283,906

Insurance refers to the insurance for the Bank's property and equipment.

#### Bank as Lessee

The Bank leases the premises occupied by most of its branches. The lease contracts are for periods ranging from 1 to 15 years and are renewable upon mutual agreement between the Bank and the lessors. Various lease contracts include escalation clauses, most of which bear an annual rent increase ranging from 2.8% to 18.5%.

The Bank also leases parking space, ATM location, signage and storage with contract term of 1 year. These leases are short-term and/or leases of low value items. The Bank has elected not to recognize right-of-use assets and lease liabilities for these leases. Rent expenses related to these contracts are charged against current operations (included under "Rent and utilities" account in the statements of income).

Information about leases for which the Bank is a lessee is presented below:

#### *Right-of-Use Assets*

Right-of-use assets relate to leased branch and office premises. Details of right-of-use assets are presented within property and equipment (see Note 14).

#### *Lease Liabilities*

See Note 5 for maturity analysis of lease liabilities as at December 31, 2023 and 2022.

The table below shows the amounts recognized in the statements of income in 2023, 2022 and 2021 related to leases under PFRS 16 (amounts in millions).

	2023	2022	2021
Interest on lease liabilities	<b>P32.8</b>	P28.2	P35.0
Expenses relating to short-term leases	<b>70.0</b>	59.1	59.4
Expenses relating to lease of low-value assets, excluding short-term leases of low-value assets	<b>12.0</b>	9.7	8.9

Total cash outflow for leases recognized in 2023, 2022 and 2021 amounted to P320.1 million, P303.2 million, and P295.0 million, respectively.

#### Bank as Lessor

The Bank leases out its commercial properties for office space. The Bank has classified these leases as operating leases because they do not transfer substantially all the risks and rewards incidental to the ownership of the assets.



Rental income recognized by the Bank on its commercial properties (shown under “Miscellaneous” in the statements of income) for the years ended December 31, 2023, 2022, and 2021 were P1.6 million, P1.8 million, and P0.5 million, respectively, and includes rental income on investment properties (Note 15). The Bank also recognized income from the use of safety deposit boxes amounting to P3.0 million for years ended December 31, 2023, 2022, and 2021 (see Note 31).

As at December 31, 2023 and 2022, the Bank has no future rental receivables under non-cancellable operating lease.

### 31. Miscellaneous Income and Expenses

#### *Miscellaneous Income*

This account consists of:

	<i>Note</i>	<b>2023</b>	2022	2021
Passed-on GRT		<b>P50,377,835</b>	P40,574,554	P26,542,569
Dividend income	10	<b>5,604,161</b>	1,612,352	5,709,161
Rent income	30	<b>4,602,172</b>	4,834,797	3,439,978
Others		<b>84,692,214</b>	68,157,678	14,873,615
		<b>P145,276,382</b>	P115,179,381	P50,565,323

Others include gain due to rent concessions, recovery from charged-off assets and excess chattel fees. Recovery from charged-off assets amounted to P71.1 million, P56.1 million, and P0.2 million, respectively, in 2023, 2022 and 2021.

#### *Miscellaneous Expenses*

This account consists of:

	<b>2023</b>	2022	2021
Marketing	<b>P103,566,171</b>	P57,421,253	P50,196,110
Supervision and examination fee	<b>83,011,437</b>	67,926,910	57,535,251
Communications	<b>79,890,227</b>	77,156,091	80,744,268
Forms and supplies	<b>51,808,966</b>	45,915,052	37,796,870
Transportation and travel	<b>42,598,156</b>	26,500,086	16,446,128
Messengerial services	<b>39,440,243</b>	36,985,834	53,659,322
Litigation and acquired assets-related expenses	<b>27,984,321</b>	16,391,828	10,166,679
Membership dues	<b>27,594,750</b>	20,809,127	16,439,851
Fines and penalties	<b>3,372,381</b>	71,713,640	97,759,614
Others	<b>60,526,331</b>	125,759,860	81,067,483
	<b>P519,792,983</b>	P546,579,681	P501,811,576

Others include management fee on deposits, charges on correspondent banks, royalty fees, other provisions and postage.

In 2021, universal banking license fee amounting to P24.5 million was accrued by the Bank under “Others”.

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## 32. Income and Other Taxes

Income and other taxes are comprised of RBU and FCDU taxes which are discussed as follows:

### *Regular Banking Unit*

Under Philippine tax laws, the Bank is subject to percentage and other taxes (presented under “Taxes and licenses” account in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp taxes.

Income tax expense include corporate income tax, as discussed below, and final taxes paid at the rate of 20.0%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises Act* (CREATE Law), was signed into law and took effect on April 11, 2021. The following are certain provisions of the National Internal Revenue Code of 1997 that were amended and relevant to the Bank:

- Regular corporate income tax rate is decreased from 30% to 25% starting July 1, 2020;
- Minimum corporate income tax rate is decreased from 2% to 1% starting July 1, 2020 until June 30, 2023;
- The allowable deduction for interest expense shall be reduced by 20% of interest income subjected to final tax, instead of the previous 33%; and
- The imposition of 10% tax on improperly accumulated retained earnings is repealed.

The MCIT and NOLCO may be applied against the Bank’s income tax liability and taxable income, respectively, over a 3-year period from the year of incurrence.

In addition, Revenue Regulations (RR) No. 10-2002 provides for the ceiling on the amount of entertainment, amusement and representation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Bank is limited to the actual EAR paid or incurred but not to exceed 1.0% of net revenue.

In 2011, the BIR issued RR 4-2011, *Proper allocation of costs and expenses amongst income earning of banks and other financial institutions for income tax reporting purposes*, which requires banks to allocate and claim as deduction only those costs and expenses attributable to RBU to arrive at the taxable income of the RBU subject to regular income tax. Any cost or expense related with or incurred for the operations FCDU are not allowed as deduction from the RBU’s taxable income. In computing for the amount allowable as deduction from RBU operations, all costs and expenses should be allocated between the RBU and FCDU by specific identification and by allocation. In a Decision dated December 1, 2021, the Supreme Court declared RR 4-2011 void for having issue ultra vires. It ruled that RR 4-2011 unduly contravened and expanded the provisions of the Tax Code. The Supreme Court Decision became final and executory on June 7, 2022, and was recorded in the Book of Entries of Judgement.

#### *Foreign Currency Deposit Unit*

RA No. 9294, the existing applicable tax regulation governing the taxation of FCDU, provides, among others, the following:

- Offshore income or the income derived by FCDUs from foreign currency transactions with nonresidents, Offshore Banking Units (OBUs) in the Philippines, local commercial banks including branches of foreign banks that may be authorized by BSP to transact business with FCDUs and other depository banks under the foreign currency deposit system shall be exempt from all taxes, except net income from such transactions as may be specified by the Secretary of Finance, upon recommendation by the MB to be subject to the regular income tax payable by banks.
- Gross onshore income or interest income from foreign currency loans granted by FCDUs to residents through offshore units in the Philippines or other depository banks under the expanded system shall be subject to final tax at a rate of 10.0%; and
- Interest income derived by resident individual or corporation on deposits with FCDUs and OBUs are subject to 15.0% final tax.

Income tax expense consists of:

	2023	2022	2021
Current:			
Final	<b>P728,807,543</b>	P523,060,497	P399,293,480
RCIT	<b>93,876,511</b>	73,242,737	1,778,182
Tax benefit	<b>(25,186,431)</b>	(61,363,313)	-
MCIT	-	-	38,840,735
Adjustment for CREATE	-	-	(34,487,630)
	<b>797,497,623</b>	534,939,921	405,424,767
Deferred	<b>136,393,568</b>	131,415,328	218,263,891
	<b>P933,891,191</b>	P666,355,249	P623,688,658

The amount of tax benefit relates to MCIT of prior periods that was used to reduce current tax payable.

The amount of deferred income tax relates to the origination and reversal of temporary differences. In 2021, this amount includes the impact of CREATE Law, resulting to the remeasurement of items previously measured based on previous tax rate, amounting to P160.3 million.

The reconciliation of the income tax expense computed at the statutory tax rate to the effective income tax shown in the statements of income follows:

	2023	2022	2021
Income before income tax expense	<b>P3,736,110,366</b>	P2,466,423,849	P1,830,307,823
Income tax at statutory rate	<b>P934,027,592</b>	P616,605,962	P457,576,956
Additions to (reductions in) income taxes resulting from the tax effects of:			
Nondeductible expenses	<b>192,649,750</b>	114,721,794	128,709,952
Tax paid income	<b>(157,558,235)</b>	(56,603,094)	(28,047,183)
Nontaxable income	<b>(62,716,480)</b>	(6,127,328)	21,934,422
Changes in unrecognized deferred tax assets	<b>59,498,560</b>	26,098,741	59,508,039
FCDU income	<b>(25,552,958)</b>	(23,316,140)	(25,301,259)
Others	<b>(6,457,038)</b>	(5,024,686)	9,307,731
Effective income tax	<b>P933,891,191</b>	P666,355,249	P623,688,658

The components of net deferred tax assets and deferred tax liabilities in the statements of financial position follow:

	Beginning Balance (December 31, 2022 Tax Effect)	Amount (Charged) Credited to Profit or Loss	Amount Recognized in OCI	Ending Balance (December 31, 2023 Tax Effect)
Deferred tax assets:				
Allowance for credit and impairment losses	P649,802,754	(P55,040,734)	P -	P594,762,020
Accumulated depreciation on foreclosed properties	206,229,257	12,899,855	-	219,129,112
Accrued employee benefits and other expenses	146,226,619	18,228,960	-	164,455,579
Unrealized loss on foreclosed properties	63,726,642	(2,940,405)	-	60,786,237
Net lease liability	14,370,454	(2,528,107)	-	11,842,347
Accrued rent expense	1,467,162	(430,310)	-	1,036,852
MCIT	25,186,431	(25,186,431)	-	-
	<b>1,107,009,319</b>	<b>(54,997,172)</b>	-	<b>1,052,012,147</b>
Deferred tax liability:				
Unrealized gain on foreclosed properties	(381,520,446)	(54,624,180)	-	(436,144,626)
Unrealized foreign exchange gain	(52,974,799)	(9,061,976)	-	(62,036,775)
Retirement benefits	(37,717,776)	(22,177,072)	-	(59,894,848)
Gain on investment properties sold under installments	(22,706,210)	4,466,832	-	(18,239,378)
Unrealized gain on financial assets at FVOCI	-	-	(363,597)	(363,597)
	<b>(494,919,231)</b>	<b>(81,396,396)</b>	<b>(363,597)</b>	<b>(576,679,224)</b>
<b>Net Deferred Tax Assets (Liabilities)</b>	<b>P612,090,088</b>	<b>(P136,393,568)</b>	<b>(P363,597)</b>	<b>P475,332,923</b>
	Beginning Balance (December 31, 2021 Tax Effect)	Amount (Charged) Credited to Profit or Loss	Amount Recognized in OCI	Ending Balance (December 31, 2022 Tax Effect)
Deferred tax assets:				
Allowance for credit and impairment losses	P717,937,427	(P68,134,673)	P -	P649,802,754
Accumulated depreciation on foreclosed properties	194,605,367	11,623,890	-	206,229,257
Accrued employee benefits and other expenses	118,820,779	27,405,840	-	146,226,619
MCIT	86,549,744	(61,363,313)	-	25,186,431
Unrealized loss on foreclosed properties	68,825,400	(5,098,758)	-	63,726,642
Net lease liability	17,539,091	(3,168,637)	-	14,370,454
Accrued rent expense	2,068,868	(601,706)	-	1,467,162
	<b>1,206,346,676</b>	<b>(99,337,357)</b>	-	<b>1,107,009,319</b>
Deferred tax liability:				
Unrealized gain on foreclosed properties	(371,185,504)	(10,334,942)	-	(381,520,446)
Unrealized foreign exchange gain	(40,050,140)	(12,924,659)	-	(52,974,799)
Retirement benefits	(25,999,968)	(11,717,808)	-	(37,717,776)
Gain on investment properties sold under installments	(25,605,648)	2,899,438	-	(22,706,210)
	<b>(462,841,260)</b>	<b>(32,077,971)</b>	-	<b>(494,919,231)</b>
<b>Net Deferred Tax Assets (Liabilities)</b>	<b>P743,505,416</b>	<b>(P131,415,328)</b>	<b>P -</b>	<b>P612,090,088</b>

Management believes that certain future deductible items may not be realized in the near foreseeable future as future taxable income may not be sufficient for the related tax benefits to be realized. Accordingly, the Bank did not set up deferred tax assets on the following temporary differences:

	2023		2022		2021	
	Deductible Temporary Differences	Deferred Tax Asset	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Allowance for credit and impairment losses	P2,826,627,838	P706,656,960	P3,169,422,869	P792,355,717	P3,073,627,758	P768,406,940
Unrealized loss on financial assets at FVPL	4,023,806	1,005,952	4,539,344	1,134,836	3,421,893	855,473
Others	168,557,986	42,139,497	216,589,515	54,147,379	209,107,113	52,276,778
Deferred tax items not recognized in profit or loss	2,999,209,630	749,802,409	3,390,551,728	847,637,932	3,286,156,764	821,539,191
Remeasurement losses on retirement liability	365,718,897	91,429,724	77,723,200	19,430,800	262,547,387	65,636,847
Deferred tax items not recognized in OCI	365,718,897	91,429,724	77,723,200	19,430,800	262,547,387	65,636,847
	P3,364,928,527	P841,232,133	P3,468,274,928	P867,068,732	P3,548,704,151	P887,176,038

As at December 31, 2023 and 2022, the Bank has no carryforward NOLCO.

Details of the Bank's RBU excess MCIT over RCIT as at December 31, 2023 follow:

Inception Year	Amount	Applied	Balance	Expiry Year
2021	P25,186,431	(P25,186,431)	P -	2024

### 33. Related Party Transactions

The Bank has various transactions with its related parties and with certain directors, officers, stockholders and related interests (DOSRI). These transactions usually arise from normal banking activities such as lending, borrowing, deposit arrangements and trading of securities, among others. Under existing policies of the Bank, transactions with related parties are made substantially on the same terms as with other individuals and businesses of comparable risks.

Under current banking regulations, total outstanding loans, other credit accommodations and guarantees to each of the Bank's DOSRI shall be limited to an amount equivalent to their respective unencumbered deposits and book value of their paid-in capital contribution in the Bank provided, however, that unsecured loans, other credit accommodations and guarantees to each of the Bank's DOSRI shall not exceed 30.0% of their respective total loans, other accommodations and guarantees. Loans, other credit accommodations, and guarantees granted by the Bank to its DOSRI for the purpose of project finance, shall be exempted from the 30.0% unsecured individual ceiling during the project gestation phase provided that the Bank shall ensure that standard prudential controls in project finance loans designed to safeguard creditors' interests are in place, which may include pledge of the borrower's shares, assignment of the borrower's assets, assignment of all revenues and cash waterfall accounts, and assignment of project documents.



Except with the prior approval of the MB, the total outstanding loans, other credit accommodations and guarantees to DOSRI shall not exceed 15% of the total loan portfolio of the bank or 100.0% of net worth whichever is lower provided that in no case shall the total unsecured loans, other credit accommodations and guarantees to said DOSRI exceed 30.0% of the aggregate ceiling or the outstanding loans, other credit accommodations and guarantees, whichever is lower. For the purpose of determining compliance with the ceiling on unsecured loans, other credit accommodations and guarantees, banks shall be allowed to average their ceiling on unsecured loans, other credit accommodations and guarantees every week.

The total outstanding loans, other credit accommodations and guarantees to each of the bank's subsidiaries and affiliates shall not exceed 10.0% of the net worth of the lending bank provided that the unsecured loans, other credit accommodations and guarantees to each of said subsidiaries and affiliates shall not exceed 5.0% of such net worth provided that the total outstanding loans, other credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.0% of the net worth of the lending bank provided that these subsidiaries and affiliates are not related interest of any of the director, officer, and/or stockholder of the lending bank.

The following table shows information on related party loans (amounts in thousands, except percentages):

	2023		2022	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI)	DOSRI Loans	Related Party Loans (inclusive of DOSRI)
Total outstanding loans	P166	P39,011,760	P258	P29,909,689
Percent of DOSRI/Related Party loans to total loans	0.00%	35.66%	0.00%	28.34%
Percent of unsecured DOSRI/Related Party loans to total DOSRI/Related Party loans	0.00%	21.14%	0.00%	39.98%
Percent of past due DOSRI/Related Party loans to total DOSRI/Related Party loans	0.00%	0.00%	0.00%	0.01%
Percent of non-performing DOSRI/Related Party loans to total DOSRI/Related Party loans	0.00%	0.35%	0.00%	0.03%

The details of significant related party transactions of the Bank follow (amounts in thousands):

Category	Note	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Associate	13			
<b>2023</b>				
Investment in an associate		P -	P35,534	24.26% equity interests in BIC which is a stockholder of the Bank
Share in net loss of an associate		783	-	Share in net loss of BIC
<b>2022</b>				
Investment in an associate		-	39,523	24.26% equity interests in BIC which is a stockholder of the Bank
Share in net loss of an associate		133	-	Share in net loss of BIC
<b>2021</b>				
Investment in an associate		-	39,662	24.26% equity interests in BIC which is a stockholder of the Bank
Share in net loss of an associate		1,039	-	Share in net loss of BIC

Unless otherwise stated, RPTs disclosed are unsecured.

Category	Note	Amount/Volume		Outstanding Balance		Nature, Terms and Conditions
		2023	2022	2023	2022	
<b>Other Related Parties</b>						
Financial assets at FVOCI:						
Private debt securities	10	P -	P -	P -	P -	Matured bond with interest rate of 6.6%.
Maturities		-	300,000	-	-	
Investment securities at amortized cost	11	-	-	345,110	381,680	Long-term bonds with interest rates ranging from 6.5% to 8.1% with maturity years ranging from 2024 to 2025.
Maturities		36,570	-	-	-	Matured bond had interest rates ranging from 4.0% to 5.5%
Loans and receivables - net:	12			38,819,027	29,820,614	
Receivables from customers:		-	-	-	-	Term, housing, auto, salary and personal loans with interest rates ranging from 4.8% to 19.1% and with maturity of less than 1 year to 20 years; Collateral includes real estate mortgage, unregistered chattel mortgage, hold-out on deposit, assignment of contract and concession agreement, continuing surety agreement, mortgage trust indenture and pledge agreement on shares;
Availments		111,576,878	49,176,944	-	-	Accrued interest receivables on loans and long-term bonds;
Settlements		100,198,842	40,503,492	-	-	Interest income on loans and long-term bonds; Consists of current, savings and time deposits which earn interest at the respective bank deposit rates
Accrued interest receivables:		-	-	300,454	177,332	Interest expense and accrued interest payable on deposits;
Interest income		2,875,183	1,560,266	-	-	Accrued other expenses include professional fees, per diem of Directors and accruals for rent and utilities; On demand, unsecured and non-interest bearing; Other liabilities consists of accounts payable to Bank's officers; On demand, unsecured and non-interest bearing.
Deposit liabilities:	18	-	-	59,314,694	52,293,651	Loan, underwriting, and investment-related fees and commission income, gain from the cash sale transactions of foreclosed properties and passed-on GRT
Deposits		6,166,071,245	5,689,342,609	-	-	Bank guarantees in favor of related party, outstanding letters of credit, and committed credit line
Withdrawals		5,048,087,644	4,888,848,456	-	-	
Accrued interest payable	21	967,838	260,241	127,398	39,391	
Accrued other expenses and other liabilities	21, 22	319,206	186,621	47,823	6,699	
Fees and other income	27, 31	219,010	292,932	-	-	
Commitments and contingent liabilities	38	-	-	24,544,851	21,644,130	

Unless otherwise stated, RPTs disclosed are unsecured and balances are net of allowance

As at December 31, 2023 and 2022, outstanding bills purchased of related parties with contra account in “Other liabilities” amounted to P772.8 million and P1.1 billion, respectively (see Notes 12 and 22).

Other related parties are companies linked directly or indirectly to the Bank through one or more intermediaries or are members of the same group, is controlled by, is under the same significant influence, or is under common control with the Bank.

The related party transactions shall be settled in cash.

As at December 31, 2023 and 2022, the allowance for credit losses on outstanding transactions with other related parties amounted to P210.5 million and P89.7 million, respectively. Provision for credit losses recorded in 2023 and 2022 on such related party transactions totaled to P120.8 million and P4.5 million, respectively. Reversal of credit losses recorded in 2021 on such related party transactions totaled to P276.4 million. Such outstanding transactions include investment securities at amortized cost, receivables from customers, and accrued interest receivable under the “Loans and receivables - net” account in the statements of financial position and commitment and contingent liabilities.

#### Transactions with Retirement Plan

The Bank’s retirement plan is managed and administered by the Bank’s Trust Services Group which is covered by an Investment Management Account (IMA) Agreement (agency relationship). The fair values of the plan assets are disclosed in Note 29.

Related unaudited financial information on assets/liabilities as at December 31, 2023 and 2022 and income/expense of the funds for the period ended December 31, 2023, 2022 and 2021 follow:

	2023	2022
Investment securities:		
Government and other debt securities	<b>P526,163,095</b>	P614,885,776
Quoted equity securities	<b>339,884,175</b>	270,829,395
Unquoted equity securities	<b>2,600</b>	2,600
Loans and other receivables	<b>218,981,103</b>	184,289,249
Deposits with the bank	<b>133,299,081</b>	35,626,380
<b>Total Plan Assets</b>	<b>P1,218,330,054</b>	P1,105,633,400
Due to broker	<b>P1,062,471</b>	P4,639,308
Trust fee payable	<b>257,209</b>	224,016
Other liabilities	<b>15,944</b>	15,944
<b>Total Plan Liabilities</b>	<b>1,335,624</b>	4,879,268
<b>Net Plan Assets</b>	<b>P1,216,994,430</b>	P1,100,754,132

<b>Plan Income</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Interest income	<b>P46,133,203</b>	P35,630,193	P27,713,620
Trading and investment losses - net	<b>(26,652,785)</b>	(30,901,624)	(30,241,813)
Dividend income and others	<b>28,632,767</b>	8,901,291	9,477,411
	<b>P48,113,185</b>	P13,629,860	P6,949,218
<b>Plan Expense</b>			
Trust fees	<b>P3,257,172</b>	P2,775,610	P2,461,431
Other expenses	<b>1,980,287</b>	2,134,774	1,758,759
Provision for credit losses	<b>1,219,179</b>	2,258,204	11,821,715
	<b>P6,456,638</b>	P7,168,588	P16,041,905

As at December 31, 2023 and 2022, the retirement plan assets of the Bank include 730,670 shares of the Bank classified under financial assets at FVPL. The shares of the Bank were listed in the PSE on March 31, 2022. As at December 31, 2023 and 2022, the fair market value of the shares amounted to P5.3 million and P5.8 million, respectively. Limitations and restrictions are covered by the IMA Agreement and anything outside the IMA Agreement must be explicitly authorized by the Board of Trustees (BOT).

Interest income on deposit with the Bank amounted to P40,334, P4,257, and P4,014 in 2023, 2022 and 2021, respectively. Investments are subject to the limitations of the agreement and all other actions pertaining to the fund are to be executed only upon explicit authority by the BOT of the Fund.

The Bank's contribution to its defined benefits retirement plan amounted to P180.5 million and P170.5 million in 2023 and 2022, respectively. Benefits paid out of the Bank's plan assets amounted to P105.4 million and P113.4 million in 2023 and 2022, respectively (see Note 29).

#### Compensation of Key Management Personnel of the Bank

The remuneration of directors and other members of key management under "Compensation and fringe benefits" account in the statements of income for the years ended December 31, 2023, 2022 and 2021 follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	<b>P711,101,785</b>	P555,082,001	P544,595,527
Post-employment benefits	<b>30,278,540</b>	37,075,744	44,934,032
	<b>P741,380,325</b>	P592,157,745	P589,529,559

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### 34. Acquisition of Selected Assets and Assumption of Certain Liabilities of TRB

A summary of the significant transactions related to the PSA entered into by the Bank with TRB on November 9, 2001 follows:

- a. TRB sold and transferred, in favor of the Bank, identified recorded assets owned by TRB both real and personal, or in which TRB has title or interest, and which are included and deemed part of the assets listed and referred to in TRB's Consolidated Statement of Condition (CSOC) as at August 31, 2001. The said assets are inclusive of the banking goodwill of TRB, bank premises, licenses to operate its head office and branches, leasehold rights and patents used in connection with its business or products. In consideration of the sale of identified recorded assets, the Bank assumed identified recorded TRB liabilities including contingent liabilities as listed and referred to in its CSOC as at August 31, 2001. The liabilities assumed do not include the liability for the payment of compensation, retirement pay, separation benefits and any labor benefits whatsoever arising from, incidental to, or connected with employment in, or rendition of employee services to TRB, whether permanent, regular, temporary, casual or contractual and items in litigation, both actual and prospective, against TRB.
- b. The Bank is allowed to avail of certain BSP incentives including but not limited to the following: (a) full waiver of the liquidated damages on the emergency loan of TRB and penalties related to reserve deficiencies and all other outstanding penalties at the time of acquisition may be paid over a period of 1 year, (b) relocation of branches shall be allowed within 1 year from the date of BSP approval of the PSA. Relocation shall be allowed in accordance with BSP Circular No. 293. The 90-day notice requirement on branch relocation has been waived, and (c) availment of rediscounting facility window subject to present BSP regulations.
- c. The Bank paid the outstanding emergency advances owed by TRB to BSP originally amounting to P2.4 billion through dacion en pago with mandatory buy-back agreement of certain assets of the Bank and TRB at a price set at 80.0% of the appraised value of those assets (see discussions on Settlement of Liabilities of TRB).
- d. The Bank arranged with PDIC a liquidity facility for the first year following the effectivity date in the amount not to exceed 10.0% of the assumed deposit liabilities of TRB to service unanticipated withdrawals by TRB depositors, subject to terms and conditions as may be imposed by PDIC.

#### Settlement of Liabilities of TRB

Part of the liabilities of TRB assumed by the Bank includes P2.4 billion emergency advances from BSP. As settlement for the emergency advances, a dacion en pago with mandatory buy-back agreement involving certain bank premises and ROPA (with a dacion price equivalent to 80.0% of the average appraised value of the dacion properties) was executed. The dacion en pago with mandatory buy-back agreement contained the following significant terms and conditions:

- a. The Bank may repurchase the bank premises and ROPA within 10 years from the execution of the agreement.



- b. The buy-back price for the ROPA is the dacion price plus, if applicable, real estate taxes paid by BSP. The buy-back price for the bank premises used in operations shall be the dacion price plus 6.0% simple interest per annum plus 50.0% of rental rates based on prevailing rates in the locality as mutually agreed by the parties with a 4.3% yearly increment.
- c. Any gain on sale of the dacion properties within the 10-year holding period, in excess or over the buy-back price, net of any taxes paid related to the sale, shall be shared 70-30 between the Bank and BSP, respectively.

As approved by BSP, properties of the Bank and TRB with net book value amounting to P2.3 billion fully settled the liabilities to BSP assumed by the Bank from TRB amounting to P2.4 billion at the time of dacion; the difference amounting to P102.0 million was credited to other deferred credits (ODC) account. Expenses incurred related to the dacion of properties were offset against ODC.

The Bank fully settled its emergency loan with BSP in June 2012 through cash settlement and permanent transfer of dacioned properties.

#### FAA

The summary of significant transactions related to the FAA entered into by the Bank with the PDIC, for acting as a “White Knight” by agreeing to the terms and conditions of the PSA with TRB, follows:

- a. The PDIC granted the Bank a loan amounting to P1.8 billion representing the amount of insured deposits of TRB as at June 30, 2001, which should have been paid by PDIC under a closure scenario. The proceeds of the loan were used to purchase a 20-year government securities with a coupon rate of 15.0% per annum to be pledged as collateral for the loan. Yield on the 20-year government securities (net of 20.0% withholding tax and the 3.0% interest to be paid on the loan from PDIC) shall be used to offset on a staggered basis, for prudential reporting purposes, against TRB’s unbooked valuation reserves on NPAs with a total face value of P4.5 billion, which was approved by BSP to be booked as “Miscellaneous assets”.

On November 29, 2013, the Bank fully settled its loan from PDIC amounting to P1.8 billion.

- b. The Bank infused additional fresh capital amounting to P200.0 million in 2001 and commits to infuse additional capital in the event a shortfall in order to comply with BSP’s pertinent regulations on minimum capital requirement.
- c. The Bank agrees to comply with certain regulatory requirements, to provide information as required by the PDIC, to pursue realization of performance targets based on the financial plan, to secure PDIC’s written consent for the appointment of an external auditor, and to entitle PDIC to appoint a consultant.
- d. The Bank shall not, among others, without the prior written consent of PDIC, grant new DOSRI loans, make any single major or significant total capital expenditures within 5 years as defined in the FAA, establish new banking offices or branches, dispose all or substantial portion of its assets except in the ordinary course of business, declare or pay cash dividends, effect any profit sharing or distribution of bonuses to directors and officers of the Bank not in accordance with the financial plan and other transactions or activities not in accordance with the financial plan.

On September 22, 2009, the Bank and PDIC signed a Supplemental Agreement to the 2002 FAA with the following additional terms:

- a. To the extent and in the context relevant to the terms of the FAA, PDIC hereby agrees to a limited adjustment of TRB's unbooked valuation reserves/deferred charges/accumulated operating losses, so as to include operating losses accumulated from the period October 2001 to July 2002 in the amount of P596.0 million which shall bring TRB's total unbooked valuation reserves, deferred charges and accumulated operating losses to P4.5 billion;
- b. Extension of the FAA for such limited period as shall exactly be sufficient to fully set off on staggered basis the MA-TRB against the net yield of the new series 20-year government securities to be purchased to replace the maturing government securities in March 2022 and likewise to be pledged to PDIC; and
- c. Income resulting from the difference between the auction price and book value of the assets as collateral to BSP, if any, as well as future collections derived by the Bank from NPLs covered by the unbooked valuation reserves shall be deducted from the above amount of P4.5 billion. Such set-off shall be formally and officially reported by BSP to PDIC.

The foregoing Supplemental Agreement did not constitute a significant modification of the terms of the PDIC's below-market loan to the Bank. Had the modification been significant, it would have resulted to the derecognition of the old liability and the recognition of the new liability at its fair value.

In addition, as part of the PSA, there were transactions allowed and approved by BSP, which required different treatment under PFRSs. These transactions and their effects are described below:

#### Assumption of NPAs of TRB

In addition to the provisions of FAA and subsequent to the approval by BSP and PDIC to recognize NPAs of P144.2 million as miscellaneous assets, the Bank negotiated with BSP and PDIC to include as miscellaneous assets the additional operating losses of TRB amounting to P595.6 million incurred during the transition period of the Bank's assumption of TRB's assets and liabilities.

As at December 31, 2002, a portion of the additional operating losses of TRB amounting to P227.2 million was approved by BSP and PDIC to be included as additional miscellaneous assets. On April 28, 2003, BSP approved the deferral of operating losses amounting to P596.4 million (instead of P595.6 million which was previously negotiated by the Bank and P227.2 million which was previously approved by BSP) thereby increasing the TRB-related bookings to miscellaneous assets to P4.4 billion (see Note 16). NPL included under miscellaneous assets comprised TRB's loans amounting to P3.1 billion as at August 31, 2001 which is excluded in the determination of financial ratios, provisioning and computation of CAR based on the agreed term sheet. Also, BSP considered these miscellaneous assets as non-risk assets and are not subject to classification.

Pursuant to the requirements of PFRS, the allowance for impairment losses on the NPAs amounting to P4.3 billion as at December 31, 2023 and P4.4 billion as at December 31, 2022 and 2021 were charged in full in the period incurred (see Note 16).

For its separate prudential reporting to BSP, the Bank recognized P1.3 billion provisions to fully recognize the impairment losses on the NPAs in 2022. In 2021, provisions for impairment losses recognized for prudential reporting to BSP amounted to P160.0 million (see Note 16).

### 35. Notes to Statements of Cash Flows

The following is a summary of noncash activities of the Bank:

	2023	2022	2021
Noncash investing activities:			
Additions to investment properties and other properties acquired in settlement of loans	<b>P654,419,110</b>	P251,831,964	P89,736,152
Additions to ROU assets	<b>313,175,775</b>	159,277,079	45,242,843
Increase in sales contract receivables from sale of investment properties	<b>108,020,017</b>	88,212,765	92,323,023

The following table shows the reconciliation analysis of liabilities arising from financing activities for period ended December 31, 2023, 2022 and 2021:

	2023	2022	2021
Beginning balance	<b>P7,933,164,363</b>	P538,398,243	P682,015,739
Additions to lease liabilities	<b>307,649,056</b>	155,593,019	44,853,267
Interest accretion	<b>68,831,053</b>	42,795,198	35,033,242
Cash flows during the year:			
Proceeds	<b>3,147,150,433</b>	15,004,528,892	4,810,000,000
Settlements	<b>(3,385,165,406)</b>	(7,808,150,989)	(5,033,504,005)
	<b>(238,014,973)</b>	7,196,377,903	(223,504,005)
Ending balance	<b>P8,071,629,499</b>	P7,933,164,363	P538,398,243

As allowed by PAS 7, short-term borrowings from other banks amounting to P3.1 billion, P7.6 billion, and P4.8 billion in 2023, 2022 and 2021, respectively, are presented in the statements of cash flows on a net basis. In 2022, cash proceeds include issuance of bonds payable amounting to P7.5 billion.

### 36. Financial Performance Indicators

Basic earnings per share amounts were computed as follows:

	2023	2022	2021
a. Net income	<b>P2,802,219,175</b>	P1,800,068,600	P1,206,619,165
b. Dividends on preferred shares*	<b>187,916,668</b>	148,958,335	57,291,667
c. Net income to equity holders of the Bank	<b>2,614,302,507</b>	1,651,110,265	1,149,327,498
d. Weighted average number of outstanding common shares	<b>1,403,013,920</b>	1,334,592,963	1,122,411,120
e. Basic earnings per share (c/d)	<b>P1.86</b>	P1.24	P1.02

\* potential dividends on preferred shares as these were not assumed to be converted.

Diluted earnings per share attributable to equity holders of the Bank were computed as follows:

	2023	2022	2021
a. Net income to equity holders of the Bank	<b>P2,802,219,175</b>	P1,800,068,600	P1,206,619,165
b. Weighted average number of outstanding common shares and dilutive preferred shares:			
Outstanding common shares*	<b>1,403,013,920</b>	1,334,592,963	1,122,411,120
Potential common shares from assumed conversion of preferred shares	<b>416,666,670</b>	416,666,670	173,611,113
c. Total weighted average common shares	<b>1,819,680,590</b>	1,751,259,633	1,296,022,233
d. Diluted earnings per share (a/c)	<b>P1.54</b>	P1.03	P0.93

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

	2023	2022	2021
Return on average equity	<b>9.52%</b>	7.01%	6.01%
Return on average assets	<b>1.25%</b>	0.86%	0.65%
Net interest margin on average earning assets	<b>4.28%</b>	3.73%	3.42%

### 37. Events after the Reporting Date

Subject to the approval of the Stockholders and the relevant government regulatory agencies, the BOD approved on February 27, 2024 the amendments to the By-laws to (a) specify the date of the annual stockholders' meeting and (b) align with relevant rules and regulations, such as Section 132 of the MORB and Section 34 of the Revised Corporation Code. The BOD likewise approved to endorse to the Stockholders for approval the authority to delegate to the BOD the power to amend or repeal the current by-laws or enact a new one.

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### 38. Supplementary Information Required under BSP Circular No. 1074

The following supplementary information is required by Appendix 55 - Disclosure Requirements to the Audited Financial Statements to Section 174 of the MORB of the BSP, issued through BSP Circular No. 1074, *Amendment to Regulations on Financial Audit of Banks*.

#### (a) Notes to the Financial Statements

- a. *Capital Position* - please refer to Note 24.
- b. *Leverage Ratio and Total Exposure Measure* - please refer to Note 24.
- c. *Liquidity Position* (Liquidity Coverage Ratio and Net Stable Funding Ratio) - please refer to Note 24.
- d. *Provisioning Methodology and Key Assumptions Used in Determining Allowance for Credit Losses* - please refer to Notes 3 and 5.
- e. *Accounting Policies* - please refer to Note 3.

#### (b) Supplemental Information

- *Financial Performance Indicators* - please refer to Note 36.
- *Description of Capital Instruments Issued* - please refer to Note 24.
- *Significant Credit Exposures* - please refer to Note 5.
- *Breakdown of Total Loans* as to:
  - i. *Security* - please refer to Note 12
  - ii. *Status* - please refer to Note 12
- *Information on Related Party Loans* - please refer to Note 33.
- *Commitments and Contingencies*

In the normal course of operations, the Bank makes various commitments, such as guarantees, commitments to extend credit, etc., which are not reflected in the accompanying financial statements. The Bank does not anticipate any material losses as a result of these transactions.



The following is a summary of the Bank's commitments and contingencies at their peso equivalent contractual amounts arising from off-books accounts as at December 31, 2023 and 2022:

	2023	2022
Contingent assets:		
Fixed income securities purchased	<b>P6,409,295,659</b>	P5,074,247
Future/spot exchange bought	<b>2,683,155,542</b>	1,146,547,214
Outward bills for collection	<b>5,575,925</b>	255,590
	<b>P9,098,027,126</b>	P1,151,877,051
Commitments and contingent liabilities:		
Trust department accounts	<b>P70,208,670,193</b>	P70,873,001,493
Committed credit line	<b>16,152,161,850</b>	7,470,632,437
Unused commercial letters of credit	<b>8,181,592,869</b>	15,638,084,869
Outstanding guarantees	<b>4,305,962,435</b>	3,438,552,342
Credit card lines	<b>3,600,976,933</b>	3,601,177,914
Future/spot exchange sold	<b>3,181,038,760</b>	1,954,996,944
Late deposits/payments received	<b>67,179,756</b>	137,803,664
Fixed income securities sold	<b>6,450,988</b>	5,074,247
Inward Bills For Collection-Domestic	<b>3,525,034</b>	-
Items held for safekeeping/securities held as collateral	<b>45,347</b>	44,835
	<b>P105,707,604,165</b>	P103,119,368,745

The Bank has several loan-related suits, claims and regulatory examinations that remain unsettled or ongoing. It is not practicable to estimate the potential financial impact of these contingencies. However, in the opinion of management, in consultation with its legal counsels, the suits and claims, if decided adversely, will not involve sums having a material effect on the Bank's financial statements.

#### Other Commitments

The assets pledged by the Bank are strictly for the purpose of providing collateral for the counterparty. To the extent that the counterparty is permitted to sell and/or re-pledge the assets, they are classified in the statements of financial position as pledged collateral. The pledged assets will be returned to the Bank when the underlying transaction is terminated but, in the event of the Bank's default, the counterparty is entitled to apply the collateral in order to settle the liability.

No asset is being pledged by the Bank to secure outstanding liabilities as at December 31, 2023 and 2022.

#### Trust Assets

Securities and other properties (other than deposits) held by the Bank in fiduciary or agency capacities for its customers are not included in the accompanying statements of financial position since these are not assets of the Bank. Total assets held by the Bank's Trust Services Group amounted to P70.2 billion (unaudited) and P70.9 billion (audited) as at December 31, 2023 and 2022, respectively.

In compliance with the requirements of current banking regulations relative to the Bank's trust functions, government securities with face value of P770.0 million and P743.0 million as at December 31, 2023 and 2022, respectively, which have been included under "Investment securities at amortized cost" (see Note 11), are deposited with BSP.

Other relevant disclosures required by BSP Circular No. 1074 are in Notes 12, 24, 33 and 36.

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**39. Supplementary Information Required under Revenue Regulations (RR) No. 15-2010**

The BIR has issued RR No. 15-2010 which requires certain tax information to be disclosed in a note to the separate financial statements. The Bank presented the required supplementary tax information as a separate schedule attached to its annual income tax return.

# Senior Officers

**MICHELANGELO R. AGUILAR**  
President & CEO  
Office of the President

## EXECUTIVE VICE PRESIDENTS

**MANUEL A. CASTAÑEDA III**  
Group Head  
Corporate Banking Group

**ANTONIO S. LAQUINDANUM**  
Chief Financial Officer /  
Group Head  
Finance and  
Controllershship Group

**FELIPE MARTIN F. TIMBOL**  
Group Head  
Treasury Management  
Group

## SENIOR VICE PRESIDENTS

**MARY ASSUMPTA GAIL C. BAUTISTA**  
Group Head  
Transaction Banking Group

**GAMALIELH ARIEL O. BENAVIDES**  
Chief Trust Officer  
Trust Services Group

**JOEL T. CARRANTO**  
Group Head  
Branch Banking Group

**MA. KATRINA A. FELIX**  
Group Head  
Credit Card Group

**LOUELLA P. IRA**  
Division Head and Assistant  
Corporate Secretary  
Legal Services Division

**MARIA LETICIA D. MADRIDEJOS**  
Division Head/ Special  
Assistant to the President  
CBG-SMC concurrent Office of  
the President/CEO

**REGINALD C. NERY**  
Chief Audit Executive  
Internal Audit Division

**PAUL JOHN T. REYES**  
Division Head & Chief Dealer  
TMG-Foreign Exchange  
Trading Division

**MARIE SUZANNE A. SISON-SEVILLA**  
Chief Information Officer/  
Group Head  
Digital Services Group

**JAY S. VELASCO**  
Group Head  
Operations Group

**GREGORIO M. YARANON JR.**  
Chief Compliance Officer  
Compliance Division

**JOSE MARI M. ZERNA**  
Group Head  
Consumer Group

## FIRST VICE PRESIDENTS

**HERBERT GLEN D. ARABELO**  
Trust Sales & Marketing  
Division Head  
Trust Services Group

**MICHAEL DENNIS F. ASIDDAO**  
Division Head  
DSG-IOPD

**AMALIA Q. BELARMINO**  
Investment & Portfolio  
Division Head  
TSG-IPMD

**ORLANDO M. BIBARES**  
Division Head  
OG-Loan Operations  
Division

**DANIELYN P. CASAU**  
Division Head  
CBG-Commercial Banking

**ANTONIO BASILIO C. DE GUZMAN**  
Division Head  
TMG-Structures &  
Investments Division

**MARIA ANA P. DELA PAZ**  
Group Head  
Credit Group

**MONETTE G. DE LEON**  
Division Head  
TMG-LALM concurrent FID

**ANNALYN D. DELOS SANTOS**  
Division Head  
BBG-Metro Manila Division II

**MARIE KRISTIN G. MAYO**  
Division Head  
Human Resource  
Management &  
Development Division

**ARTURO GERARD T. MEDRANO III**  
Division Head  
FCG-Acquired Assets  
Division

**DINO JOSEPH A. RAMIREZ**  
Division Head  
TMG-Fixed Income Trading  
Division

**ERNEE A. REGALA**  
Division Head  
TMG-TMSD

**CECILIA A. RENTOY**  
Division Head  
BBG-Branch Operations  
Division

**JEREMY H. REYES**  
Chief Risk Officer  
Risk Management Division

**LEOCENTE G. REYES**  
Division Head  
TBG-Cash Management  
Division

**MA. CONSUELO M. TAN**  
Division Head  
BBG-VisMin Division

**SHYDEE B. TIAMBENG**  
Division Head  
DSG-POD

**LUIS MARTIN E. VILLALON**  
Group Head  
Investment Banking Group

## VICE PRESIDENTS

**ROMMELWIN M. ARDIDON**  
Department Head  
RMD-IT Risk Management  
Department

**ERASMUS R. BAGUNAS**  
Division Head  
FCG-General Accounting  
and Financial Systems  
Control Division

**DENNIS EDMUND E. BALAGTAS**  
Private Client Segment Head  
TSG-TSMD-PCSD

**ESPERANZA B. CABREROS**  
Division Head  
OG-Treasury Operations  
Division

**ANDREW D. CAJUCOM**  
Division Head  
CCG-Credit Card Sales and  
Marketing Department

**JANET D. CASYAO**  
Branch Operations Quality  
Center Head  
BBG-BOD-Branch  
Operations Quality Center

**TOMAS L. CLOA**  
Area Head  
BBG-VMD-WVA

**PETER M. CO**  
Area Head  
BBG-MMD II-Makati Area

**LEAH ANTOINETTE C. CRUZ**  
Department Head  
HRMDD-LDELRD

**REGINALD M. DAYRIT**  
**Trade Sales Division Head**  
TBG-Trade Division

**JACQUELINE A. DOMINGO**  
**Branch Operations Control Center Head**  
BBG-BOD-Branch Operations Control Center

**JOSEPH ALFRED R. ESTIVA**  
**Department Head**  
TMG-FITD-Domestic Fixed Income Department

**NOEL R. GODOY**  
**Division Head**  
CoG-Consumer Credit Division

**CENEN R. GRAJO**  
**Division Head**  
OG-Electronic Banking & Card Support Division concurrent Centralized Operations Support Division

**JOSE C. HIPOLITO JR.**  
**Department Head**  
CD-AMLMD

**MARLENE P. IGNACIO**  
**Division Head**  
CBG-Large Corporates

**MANOLO B. KIMPO JR.**  
**Department Head**  
TMG-LALM-Domestic Fund Management Department

**JOCELYN ISABEL S. LEGASPI**  
**Department Head**  
LSD-Operations Department

**RYAN NORMAN A. LIM**  
**Department Head**  
RMD-CRMD

**JOEL O. LONGALONG**  
**Department Head**  
IAD-IT Audit Department

**LAWRENCE L. LUSUNG**  
**Division Head**  
BBG-LD

**MANUEL RONALD G. MANGUBAT**  
**Division Head**  
CBG-Vismin

**PAUL V. MANLONGAT**  
**Area Head**  
BBG-LD-South Luzon Area

**RUBY P. MARIANO**  
**Division Head**  
BBG-MMD I

**MANUEL ANGELO C. MONZON**  
**Department Head**  
CBG-Commercial Banking-Metro Manila

**MARIA SARAH V. PREPEÑA**  
**Division Head**  
CoG-Organic Channels

**CAMILLA GENEVIEVE A. RIMANDO**  
**Division Head**  
TBG-Digital Channels Department

**CARMEN DEE P. SALLAN**  
**Department Head**  
LSD-Documentation Department

**RIZALDY D. TOLENTINO**  
**Department Head**  
CBG-Commercial Banking-North & South Luzon

**MARIA CHELO MARTINA F. TRAPAGA**  
**Division Head**  
TBG-Remittance Department

**BALDWIN V. VILLENA**  
**Department Head**  
HRMDD-Compensation & Benefits Administration Department

**AIVETH D. YUSECO**  
**Department Head**  
TBG-CMD-CMSD

## ASSISTANT VICE PRESIDENTS

**EDILBERTO D. ABAD**  
**Area Operations Officer**  
BBG-BOD-BOCC-Makati Area & Metro Manila East Area

**RAUL M. ACUSAR**  
**Branch Head**  
BBG-VMD-MiA-Maramag Branch

**MA. CLARIZA M. ANG**  
**Area Head**  
BBG-MMD I-MPA

**ULYSSES C. AQUINO**  
**Department Head**  
DSG-IOpD-DCMD

**JOIE ZENDEL A. BACAR**  
**Branch Head**  
BBG-MMD II-Main Office Area

**LIBERTY A. BALGEMINO**  
**Branch Head**  
BBG-MMD II-Main Office Area

**DOMINADOR ANTHONY P. BANAAG JR.**  
**Branch Systems Support Head**  
BBG-BOD-BOQC-Branch Systems Support

**CATHERINE N. BELAMIDE**  
**Area Head**  
BBG-MMD II-Metro Manila East Area

**PERCELIN T. BILLATE**  
**Application Delivery & Maintenance Head**  
DSG-ADM

**ALEXANDER R. BRILLON**  
**Product Development and Research Department Head**  
TMG-SID-PDRD

**AUGUSTO MANUEL M. BRIONES**  
**Department Head**  
TMG-TMSD-Wholesale Department I

**EVELYN G. BRUCALES**  
**Department Head**  
CD-Compliance Management & Monitoring Department

**EILEEN M. CARANDANG**  
**Department Head**  
OG-EBCSD-EBOSD

**RAFAEL LITO D. CARBONELL**  
**Branch Strategic Support Center Head**  
BBG-BOD- Branch Strategic Support Center

**JANUARIO G. CARINGAL**  
**Chief Security Officer**  
Security Department

**LOLITA B. CARLOS**  
**Area Head**  
BBG-MMD II-Main Office Area

**RONALD C. CASTILLO**  
**Area Head**  
BBG-MMD I-Quezon City Area

**JOSEPH RICHARD G. CATUBAG**  
**Enterprise Architect**  
DSG-Enterprise Architecture

**NICOLE FRANCINE ARIADNE C. CHUA**  
**Department Head**  
TMG-FITD-US Treasury Trading Department

**ELMER P. CIERVO**  
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TSG-TrOD

**MARITESS C. CLAVERIA**  
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FCG-PTRD

**MARIELISA B. CRUZ**  
**Branch Process & Compliance Head**  
BBG-BOD-BOQC-Branch Process & Compliance Section

**ALLAN T. CUISIA**  
**Division Head**  
OG-IOD

**FREDERICK P. DE JOYA**

**Department Head**

RMD-MALRMD

**MARIAN G. DE LOS REYES**

**Department Head**

CBG-ReD

**RENATO B. DEL ROSARIO JR.**

**Department Head**

RMD-ORMD

**MILLIEL D. DELA ROSA**

**Department Head**

CoG-CCD-Housing Loans  
Credit Evaluation Department

**JOHN MICHAEL M. ENAD**

**Department Head**

TMG-SID-PMD

**ANA LENINA P. ESTAVILLO**

**Division Head**

TBG-TMSD-FX Sales

**CHERYL A. FORONDA**

**Branch Head**

BBG-MMD II-MMEA-Pasig  
Branch

**ROBBY CARLO J. GAERLAN**

**Division Head**

FCG-Corporate  
Planning Division

**LENA R. GALANG**

**Division Head**

CG-Credit Evaluation  
Division

**JEAN N. GANNABAN**

**Department Head**

IAD-Metro Manila Branch  
Audit Department

**CECILIA RUBY D. GLORIA**

**Branch Head**

BBG-LD-SLA-San Pedro  
Branch

**FRANCISCO RAYMUND**

**P. GONZALES**

**Division Head**

Corporate Communications  
& Consumer Protection  
Division

**MARISSA M. HARDER**

**Branch Head**

BBG-MMD I-MPA-Taft PGH  
Branch

**AUGUSTUS CAESAR B.**

**LOPEZ**

**Department Head**

CoG-CCD-Auto Loans Credit  
Evaluation Department

**BRIAN OWEN T. MACALINAO**

**Department Head**

CCG-CBSAD

**RHEINARD BENEDICT G.**

**MAGCAMIT**

**Department Head**

CCG-EFRMD

**OLIVIA S. MALIWANAG**

**Relationship Manager**

CBG-Corporate Banking I  
Division (SMC)

**MARIE GRACE R. MANLAPAZ**

**Branch Head**

BBG-MMD II-MA-Ayala Branch

**ESTER S. MARAAT**

**Quality Assurance Officer**

BBG-BOD-BOQC-VisMin  
Division

**MARIE ANTONIETTE E.**

**MARIN**

**Branch Head**

BBG-MMD II-MMEA-Marikina  
Branch

**RODERICK M. MARTINEZ**

**Department Head**

DSG-IOPD-SSSD

**MICHAEL KARLO C.**

**MONTECILLO**

**Division Head**

OG-General Services  
Division

**GRACE D. OSABEL**

**Department Head**

CBG-Commercial Banking-  
Program Lending

**LEICESTER S. PAPA**

**Area Head**

BBG-MMD-I-Metro Manila  
North Area

**ALYN R. PUGAL**

**Area Operations Officer**

BBG-BOD-BOCC-CLA &  
NLA

**AARON HARVEY F. RECTITUD**

**Division Head**

DSG-Business Insights  
Division

**NOAH P. RODRIGUEZ**

**Department Head**

CoG-CCRD

**ALFREDO T. SAN JUAN JR.**

**Department Head**

CoG-CLD-Auto Loans  
Department

**DON M. SAN JUAN**

**Quality Assurance Officer**

BBG-BOD-BOQC-Luzon  
Division

**RIO GENEROSO F. SANTIAGO**

**Branch Head**

BBG-MMD I-QCA-Cubao  
Branch

**JOSEPH ENRICO V. SANTOS**

**Online Banking Product**

**Manager**

TBG-DCD

**BERNARD LOUIE M. SISON**

**Branch Business**

**Development Head**

BBG-Branch Business  
Development Department

**CELEDON ERPUPT T. SUICO**

**Area Operations Officer**

BBG-BOD-BOCC-EVA & MIN

**IVAN REY B. TAGPIS**

**Division Head**

CG-CIAD

**AMERJAPHIL V. TAN**

**Ecosystem Market Segment**  
**Head**

TSG-TSMD-Ecosystem Market  
Segment

**JUAN CARLOS H. TAN**

**Branch Head**

BBG-MMD I-MPA-United  
Nations Ave Branch

**JUAN MIGUEL B. TORRES**

**Department Head**

TMG-FETD-FLTD

**MARY RUSSELL D. VELASCO**

**Branch Head**

BBG-MMD II-MMEA-  
Eastwood Petron Branch

**CAROLINA R. VICENTE**

**Project Manager**

DSG-POD

**WILSON C. VINOYA**

**Department Head**

LSD-Litigation Department

**MA. ALMA P. VITUG**

**Area Head**

BBG-LD-Central Luzon  
Area

**CHERRY ANNE G. YAP**

**Area Head**

BBG-LD-North Luzon Area

**FRITZIE T. YU**

**Branch Head**

BBG-VMD-EVA-Cebu Main  
Branch

**MARIO C. ZAVALLA JR.**

**Division Head**

CCG-CCOD



# Branch Directory



ATM AVAILABLE

## Metro Manila

### MAKATI AREA

#### AYALA



G/F STI Holdings Building,  
6764 Ayala Ave.,  
Makati City  
8-891-3814 / 7-219-0255 /  
8-810-0651 (Fax)

#### BEL-AIR PETRON



Bel-Air Petron Square,  
363 Sen. Gil Puyat Avenue,  
Brgy. Bel-Air, Makati City  
8-898-2309 / 8-219-0279 /  
8-896-7085

#### DELA COSTA - ALFARO



G/F Don Chua Lamko  
Building, Dela Costa  
cor. Leviste St.,  
Salcedo Village, Makati City  
8-840-2789 / 8-840-2719

#### DELA ROSA



G/F King's Court Building  
II, 2129 Dela Rosa cor. Chino  
Roces Avenue, Makati City  
8-831-7156 / 7-624-9497

#### JUPITER



64/66 Jupiter St.,  
Brgy. Bel-Air, Makati City  
5-310-5944 / 8-828-4397 /  
5-310-5952

#### MAGALLANES



G/F Tritan Plaza Building,  
Paseo de Magallanes,  
Makati City  
8-851-1424 / 7-219-0153

#### PASAY ROAD



G/F Cedar  
Executive Building,  
1006 A. Arnaiz Ave.  
(Pasay Road),  
San Lorenzo Village,  
Makati City  
8-840-5612 / 8-840-5640

### PASONG TAMO EXTENSION



2295 Opvi Center,  
Pasong Tamo Extension,  
Makati City  
8-892-9700 / 7-219-0271 /  
8-817-9300 (Fax)

### ROCKWELL

Level P1 The Powerplant  
Mall, Rockwell Center,  
Makati City  
8-898-1523 / 7-219-0114 /  
8-898-1522 (Fax)

### SALCEDO



G/F, Aguirre Building,  
108 Tordesillas cor.  
H.V. Dela Costa Sts.,  
Salcedo Village,  
Bel-Air, Makati  
8-813-2220 /  
8-813-2734 (Fax)

### MAKATI AVENUE - ZUELLIG



Unit 102, G/F Zuellig  
Building, Makati Avenue  
cor. Paseo de Roxas and  
Sta. Potenciana Street,  
Makati City  
8-961-7628 / 7-219-0127 /  
8-961-8364 (Fax)

### METRO MANILA NORTH AREA

#### BALIUAG



Victoria Building,  
Ano cor. Gil Carlos Sts.,  
Poblacion, Baliuag,  
Bulacan  
(044) 766-7701 (Fax) /  
(044) 766-2811

#### BALIUAG DRT HIGHWAY



Unit 6-11, 3006 Augustine  
Square Commercial  
Complex,  
Doña Remedios Trinidad  
(DRT) Highway,  
Baliuag, Bulacan  
(044) 798-1799

#### BANAWÉ



128-B WAS Building,  
Banawe St., Quezon City  
8-711-9428 / 8-711-9456

#### CALOOCAN



100 8th Avenue cor.  
A. Del Mundo St., Brgy. 58,  
West Grace Park,  
Caloocan City  
8-287-2344 /  
8-287-4709 (Fax)

#### GRACE PARK



G/F HGL Bldg., 554 EDSA  
cor. Biglang Awa St.,  
Caloocan  
8-361-1832 / 8-219-0126 /  
8-361-0931 (Fax)

#### MALABON



29 Gov. Pascual Acacia Ave.,  
Malabon City  
8-446-7385 /  
8-288-7571 (Fax)

### MALABON - GEN. LUNA



55 Gen. Luna St.,  
San Agustin, Malabon City  
8-441-0977 / 8-332-5392 /  
8-281-5612 (Fax)

### MALOLOS



Paseo del Congreso,  
Malolos, Bulacan  
(044) 791-0342 /  
(044) 791-2452 (Fax)

### SAN JOSE DEL MONTE



Block 2 Lot 12,  
Quirino Highway cor.  
Diamond Crest Village,  
Brgy. San Manuel,  
San Jose Del Monte,  
Bulacan  
(044) 802-8866

### STA. MARIA



Jover Building, Narra St.,  
Brgy. Sta. Clara, Sta. Maria,  
Bulacan  
(044) 796-3797 /  
(044) 796-3813

### VALENZUELA



Units 12-13, Puregold Price  
Club, Brgy. Dalandanan,  
McArthur Highway,  
Valenzuela  
8-332-2260 / 3-975-2401

## METRO MANILA SOUTH AREA

### ALABANG

Unit 6, El Molito II Building,  
Madrigal Ave., Alabang,  
Muntinlupa City  
8-850-8718 / 8-219-0121 /  
8-850-1574

### BF HOMES

33 President's Ave.,  
Brgy. B.F. Homes,  
Parañaque City  
7-219-0149 /  
8-403-8941 (Fax)

### BICUTAN

G/F FilHome  
Builders Building,  
68 Doña Soledad Ave.,  
Parañaque City  
8-219-0129 / 8-776-4146 /  
8-823-2321

### DASMARIÑAS - CAVITE

Veluz-Frances Plaza  
Building, cor. Guevarra St.  
Brgy. Zone 1, Aguinaldo  
Highway, Dasmariñas,  
Cavite  
Manila Line:  
(02) 8-529-8129 (Fax)  
Cavite Line: (046) 416-2335

### LAS PIÑAS

Elena Bldg., Real St.,  
Alabang-Zapote Road,  
Pamplona, Las Piñas City  
8-556-1507 / 8-556-1501 /  
8-556-1500

### IMUS

Lot 3, Block 1, Anabu 1,  
Aguinaldo Highway,  
Imus, Cavite  
(046) 438-8451 (Fax)

### NAIA TERMINAL 3

Stall 14, Arrival Lobby,  
NAIA Terminal 3 Complex,  
Pasay City  
8-833-7295

### NINYO AQUINO AVENUE

Units W & Y, No. 707  
Columbia Airfreight  
Complex, Ninoy Aquino  
Ave., Brgy. Sto Niño,  
Parañaque City  
8-851-2680 / 8-219-0185 /  
8-854-4071 (Fax)

### RESORTS WORLD

Unit R3, G/F Horizon  
Center, 100 Andrews Ave.,  
Newport City, Pasay City  
8-219-0197 / 8-551-3521 /  
8-551-3520 /  
(0917) 835-1960

### SUCAT

Fortuna II Building,  
8338 Dr. A. Santos Ave.,  
Sucat, Parañaque City  
8-826-8415 / 8-820-7747  
(Fax) / (0917) 835-1265

## MANILA PROPER AREA

### ADUANA

G/F FEMII (Main) Building,  
A. Soriano St., Aduana,  
Intramuros, Manila  
8-527-2893 / 7-219-0180 /  
8-527-2947 (Fax)

### ERMITA

1312 A. Mabini St.,  
Ermita, Manila  
8-525-7330 / 8-254-7545

### DASMARIÑAS - BINONDO

STP Building, Dasmariñas  
St. cor. Marquina St.,  
Binondo, Manila  
8-247-1472 / 7-219-0251

### JUAN LUNA

465 Juan Luna St.,  
Binondo, Manila  
8-241-0407

### PORT AREA

G/F Mary Bachrach cor.  
25th and AC Delgado Sts.,  
Port Area, Manila  
8-527-7986

### QUIAPO

609 Sales St.,  
Quiapo, Manila  
8-733-9326

### SOLER

1004 Reina Regente  
cor. Soler Streets,  
Binondo, Manila  
8-244-7003 / 7-219-0120 /  
8-244-7001 (Fax)

### STO. CRISTO

Units 471-483,  
Kim Siu Ching Foundation  
Building, Sto. Cristo cor.  
Jaboneros Sts.,  
Binondo, Manila  
8-241-4151 /  
8-242-0242 (Fax)

### TAFT AVENUE

G/F Endriga Building,  
2270 Taft Ave.,  
Malate, Manila  
8-523-2297 /  
8-521-9124 (Fax)

### TAFT - PGH

G/F Mirasol Building,  
854 Apacible St. cor.  
Taft Ave., Ermita, Manila  
8-536-4959

### TUTUBAN

LSCM 19 to 20,  
Tutuban Centermall,  
C.M. Recto Ave., Manila  
8-353-0086

### UN AVENUE

429 Victoria Building,  
United Nations Ave.,  
Ermita, Manila  
8-524-9935

## MAIN OFFICE BRANCH AREA

### MAIN OFFICE - SAN MIGUEL

Unit A, G/F San Miguel  
Properties Center,  
No. 7 St. Francis Street,  
Mandaluyong City  
8-635-5517 / 7-219-0213 /  
8-633-2430 /  
8-633-9296 (Fax)

## METRO MANILA EAST AREA

### BONIFACIO GLOBAL CITY

G/F Kensington Place,  
Burgos Circle, Fort  
Bonifacio, Taguig City  
8-856-1707 / 7-219-0107 /  
8-856-1696 (Fax)

### BONIFACIO HIGH STREET

G/F Active Fun Building,  
9th Ave. cor. 28th St.,  
Fort Bonifacio, Taguig City  
8-779-8023 / 8-779-8024 /  
7-957-9320

### CAINTA

40 Felix Ave., San Isidro,  
Cainta, Rizal  
8-682-8524 / 7-219-0214 /  
8-682-6243 (Fax)

### CONCEPCION

52 A.M. PACLEB Building,  
Bayan-Bayanan Ave.,  
Concepcion 1,  
Marikina City  
8-941-0714 / 7-219-0125 /  
8-942-0429 (Fax)

### EASTWOOD - PETRON

188 E. Rodriguez Jr. Ave.  
(C-5), Bagumbayan,  
Quezon City  
8-654-0084 / 7-216-9879 /  
8-655-1204 (Fax)

### GREENHILLS

G/F Eisenhower Tower,  
No. 7 Eisenhower St.,  
Greenhills, San Juan  
8-723-5380 (Telefax) /  
7-219-0207 /  
8-727-4936 to 39

### MARCOS HIGHWAY

Unit 10, Thaddeus Arcade,  
Pitpititan cor. Gil Fernando  
Ave., San Roque,  
Marikina City  
8-647-7172 / 7-219-2723 /  
8-647-7165 (Fax)

### MARIKINA



258 J.P. Rizal St., Sta. Elena,  
Marikina City  
8-646-1808 / 7-219-3453 /  
8-646-1802 (Fax)

### PASIG



G/F Renaissance  
1000 Tower, Meralco Ave.,  
Pasig City  
8-635-0392 / 7-217-1674 /  
8-635-3661 / 8-631-3769  
(Fax)

### PASIG BOULEVARD



152 Pasig Blvd.,  
Brgy. Bagong Ilog,  
Pasig City  
8-650-6560 / 7-217-3403 /  
8-650-6561 (Fax)

### PASIG C5



#100 E. Rodriguez Jr. Ave.,  
C5 Road, Brgy. Ugong,  
Pasig City  
8-722-2896 /  
(0917) 835-0678

### WACK-WACK PETRON



553 Shaw Blvd.,  
Brgy. Wack-Wack,  
Mandaluyong City  
7-738-1984 / 7-217-2180 /  
7-738-1985 (Fax)

## QUEZON CITY CENTRAL AREA

### BROADCAST CITY



Broadcast City Compound,  
Capitol Hills, Quezon City  
8-932-4628 / 7-219-0188 /  
8-932-4969

### COMMONWEALTH



Verde Oro Building,  
535 Commonwealth Ave.,  
Old Balara, Quezon City  
8-952-7990 / 7-216-7636 /  
8-952-7989

### CUBAO



Unit 1, G/F Harvester  
Corporate Center,  
P. Tuazon cor. 7th and 8th  
Ave., Brgy. Socorro, Cubao,  
Quezon City  
8-911-2486 / 7-219-0202 /  
8-911-2485

### E. RODRIGUEZ



E. Rodriguez Sr. Ave. cor.  
84 Hemady St., Brgy.  
Mariana, New Manila,  
Quezon City  
8-722-2379 / 8-722-2197 /  
8-705-1943

### DEL MONTE



Bank of Commerce  
Building, Del Monte Ave.  
cor. D. Tuazon St.,  
Quezon City  
7-219-3786 / 8-743-2541

### DILIMAN



Commonwealth Ave. cor.  
Masaya St., Diliman,  
Quezon City  
8-927-6074 / 7-219-7093 /  
8-920-2324

### FAIRVIEW PETRON



Petron Fairview,  
Commonwealth Ave.,  
Fairview, Quezon City  
8-376-1023 / 8-376-1025

### KATIPUNAN- PETRON



Petron Katipunan  
Complex,  
Katipunan Ave. cor.  
Mangyan Road, La Vista,  
Quezon City  
8-921-4020 / 7-219-0174 /  
8-921-4042

### QUEZON AVENUE



Sto. Domingo Church  
Compound, 8 Biak na Bato  
St., cor. Quezon Ave.,  
Quezon City  
8-712-2534 / 8-732-8360

### VISAYAS AVENUE



15 Visayas Ave. Ext.,  
Brgy. Culiati, Quezon City  
8-426-4732 / 7-219-0155 /  
8-426-4854

### WEST AVENUE



68 - A Carbal Building,  
West Avenue, Quezon City  
8-374-5544 / 7-219-0168 /  
8-374-5548

### WEST TRIANGLE



1451 Quezon Ave. cor.  
Examiner St., Quezon City  
8-925-1209 / 7-219-0160 /  
8-927-4063

## Luzon

### NORTH LUZON AREA

#### BAGUIO



G/F YMCA Baguio Bldg.,  
Post Office Loop (Upper  
Session Road), Baguio  
(074) 619-0073 /  
(074) 619-0072 (Fax)

#### CANDON



National Highway,  
Brgy. San Jose, Candon,  
Ilocos Sur  
(077) 674-0623 /  
(077) 644-0288 (Fax)

#### CARMEN



McArthur Highway,  
Carmen Rosales,  
Pangasinan  
(075) 582-7365 /  
(075) 582-7370 (Fax)

#### CAUAYAN CITY, ISABELA



G/F Majesty Commercial  
Building, National  
Highway, Brgy. Fermin,  
Cauayan, Isabela  
(078) 652-2339 (Telefax)

#### DAGUPAN



Eastgate Plaza Building,  
A.B. Fernandez East,  
Dagupan, Pangasinan  
(075) 522-8691 /  
(075) 522-8963 (Fax)

#### LAOAG



N. Corpuz Building,  
J.P. Rizal cor., Gen. Hizon  
Sts., Laoag City  
(077) 677-2572 /  
(077) 617-1363 /  
(077) 617-1603 (Fax)

### LA UNION



Northway Plaza, National  
Highway, Brgy. Sevilla,  
San Fernando City,  
La Union  
(072) 700-1618 /  
(072) 242-5683 (Fax)

### SANTIAGO CITY, ISABELA



G/F Oryza Building,  
Maharlika Highway, Villasis,  
Santiago City,  
(078) 305-5360

### TUGUEGARAO



27 Bonifacio cor.  
Washington Sts.,  
Tuguegarao, Cagayan  
(078) 844-8041 /  
(078) 844-8044 (Fax)

### URDANETA



The Pentagon Building,  
McArthur Highway,  
Nancayasan,  
Urdaneta City, Pangasinan  
(075) 656-1017 /  
(075) 656-1018 (Fax)

### VIGAN



Plaza Maestro Commercial  
Complex, Jacinto cor.  
Florentino St., Vigan City,  
Ilocos Sur  
(077) 722-2119 /  
(077) 632-0802 (Fax)

## CENTRAL LUZON AREA

### ANGELES



McArthur Highway cor.  
B. Aquino St., Lourdes Sur  
East, Angeles City,  
(045) 626-2010 (Fax) /  
(045) 323-4130 (Fax)

### ANGELES NEPOMART



G/F Entec Building, Teresa  
Ave., NepoMart Complex,  
Brgy. Cutcut, Angeles City  
(045) 497-0551

### BALANGA



Paterno St., Poblacion,  
Balanga City, Bataan  
(047) 237-7622 /  
(047) 237-2366 (Fax)

## BALIBAGO



McArthur Highway cor.  
Victor St., Balibago,  
Angeles City  
(045) 892-0875 /  
(045) 331-3389 /  
(045) 625-5586 (Fax)

## CABANATUAN



V.P Building,  
Maharlika Highway  
Brgy. H. Concepcion,  
Cabanatuan, Nueva Ecija  
(044) 940-1254 /  
(044) 940-1263 (Fax)

## CLARK



Unit 05A, G/F Clark Center  
14 Jose Abad Santos  
Avenue Clark Freeport  
Zone (045) 499-8647 /  
(045) 308-0516

## IBA



TRB Building,  
Ramon Magsaysay Ave.,  
Iba, Zambales  
(047) 602-1866 /  
(047) 811-1025 (Fax)

## SAN FERNANDO, PAMPANGA



Insular Life Building,  
McArthur Highway,  
San Fernando, Pampanga  
(045) 961-1624 /  
(045) 961-1680 (Fax)

## STA. CRUZ



National Road cor. Misola  
St., Poblacion South,  
Sta. Cruz, Zambales  
(047) 831-1113 (Telefax)

## SUBIC FREEPORT



Unit A, The Venue  
Annex Building,  
101 Rizal Highway,  
Subic Freeport Zone (047)  
252-1851 /  
(047) 252-1863 (Fax)

## TARLAC



Units 110 to 112  
Rising Sun Building,  
Block 4, Brgy. San Nicolas,  
McArthur Highway,  
Tarlac City  
(045) 982-5401 /  
(045) 982-5365 (Fax)

## MABALACAT



McArthur Highway,  
San Francisco,  
Mabalacat City  
(045) 649-4407 /  
(045) 308-0516

## SINDALAN



Jumbo Jenra McArthur  
Highway, Brgy. Sindalan,  
San Fernando City,  
(045) 403-9338 /  
(045) 409-8108

## SOUTH LUZON AREA

### BATANGAS - CAEDO



Caedo Commercial  
Complex, Calicanto,  
Batangas City  
(043) 723-6773 /  
(043) 723-1410 (Fax)

### BATANGAS P. BURGOS



27 P. Burgos St.,  
Batangas City  
(043) 723-0275 /  
(043) 723-0909 (Fax)

### CALAMBA



Units 6 and 7, New Parian  
Business Center cor. Lawa  
Road, National Highway,  
Parian, Calamba City  
(049) 502-7922 /  
(049) 502-8508 (Fax)

### CALAPAN



Leona Yap Ong Building,  
J.P. Rizal St., Calapan City,  
Oriental Mindoro  
(043) 288-4496 /  
(043) 288-4031 (Fax)

### LEGAZPI CITY



G/F Diabetes One-Stop  
Center, LANDCO Business  
Park, Legazpi City  
(052) 742-0691 /  
(052) 480-6054

### LIPA



No. 7 Bank of Commerce  
Building, C.M. Recto Ave.,  
Brgy. 9, Lipa City  
(043) 756-4214 /  
(043) 756-2558 (Fax)

## LUCENA



Quezon Ave. cor. Lakandula  
St., Brgy. IX, Lucena City  
(042) 710-9691 /  
(042) 710-9692 (Fax)

## NAGA



Romar-I Building,  
Elias Angeles St., Naga City  
Manila Line:  
(02) 206-4080 /  
(054) 811-8931

## PUERTO PRINCESA



WD Building, J. Rizal Ave.,  
Brgy. Manggahan,  
Puerto Princesa City,  
Palawan  
(0918) 962-3259

## SAN PEDRO



Pacita Commercial  
Complex, San Pedro,  
Laguna  
(02) 8-808-2026 /  
(02) 8-808-2002

## STA. ROSA



Shop I-A, G/F Paseo 3,  
Paseo de Sta. Rosa,  
Sta. Rosa, Laguna  
(0917) 835-1948

## TANAUAN



G 04, The City Walk,  
No. 2 Pres. Laurel Highway,  
Brgy. Darasa,  
Tanauan City, Batangas  
(043) 784-6990 /  
(043) 784-6994 (Fax)

# Visayas

## EASTERN VISAYAS AREA

### CEBU F. CABAUG



Units 5 and 6, GPH Central,  
F. Cabahug cor.  
Pres. Roxas Sts.,  
Brgy. Kasambagan,  
Mabolo, Cebu City  
(032) 316-9913 /  
(032) 342-7144 (Telefax)

## CEBU - BANILAD



First Jomica Realty &  
Development Building,  
No. 888 A. S. Fortuna St.,  
Brgy. Banilad,  
Mandaue City, Cebu  
(032) 231-6704 /  
(032) 316-9921 /  
(032) 231-6706 (Fax)

## CEBU - MAIN



Cebu Woman's Club  
Building, B. Rodriguez St.  
cor. Osmeña Blvd.,  
Brgy. Sambag-II, Cebu City  
(032) 253-1951 /  
(032) 316-9912 /  
(032) 255-4223 (Fax)

## CEBU STO. NIÑO - MAGALLANES



G/F Unit 2, Martina Sugbo  
Building, P. Burgos cor.  
Magallanes Sts.,  
Brgy. Sto Niño, Cebu City  
(032) 254-1825 /  
(032) 316-9925 /  
(032) 253-3999

## CEBU TALISAY



G/F PCJ Building,  
National Highway, Bulacao,  
Talisay City, Cebu  
(032) 231-6027 /  
(032) 462-2065

## LAPU-LAPU



Units 3 to 5 AJS Building,  
Pusok, Lapu-Lapu City  
(032) 341-3854 /  
(032) 316-9927

## MANDAUE



Entienza Building,  
National Highway,  
Mandaue City, Cebu  
(032) 346-6901 /  
(032) 346-6902 (Fax)

## MANDAUE NRA



G/F City Time Square  
Phase II, Mantawe Ave.,  
Brgy. Tipolo,  
North Reclamation Area,  
Mandaue City  
(032) 268-4693 /  
(032) 316-9926 /  
(032) 564-3249 (Fax)

## ORMOC



G/F H. Serafica Building,  
Real St., Ormoc City  
(053) 561-8523 /  
(053) 255-4366 (Fax)

## TACLOBAN



Doors 12-13, RUL Building,  
Justice Romualdez St.,  
Brgy. 15, Tacloban City  
(053) 832-2866 /  
(0917) 328-1721

## TAGBILARAN



G/F Karan's Building,  
B. Inting St., 2nd District,  
Brgy. Poblacion II,  
Tagbilaran, Bohol  
(Gulshan Centre)  
(038) 411-5400 /  
(038) 411-3773 (Fax)

## WESTERN VISAYAS AREA

### BACOLOD ARANETA



G/F Yusay Arcade, Araneta  
St., Brgy. 15, Bacolod City,  
Negros Occidental  
(034) 433-4667 /  
(034) 433-2267 (Fax)

### BACOLOD - CAPITOL



GR 04 and GR05,  
888 Chinatown Premier  
Mall, Cottage Road cor.  
Gatuslao St., Brgy. 8,  
Bacolod City,  
Negros Occidental  
(034) 432-3287

### BACOLOD LACSON



Corner 12th & Lacson Sts.,  
Brgy. 4, Bacolod City,  
Negros Occidental  
(034) 433-4238 /  
(034) 433-1139 (Fax)

## DUMAGUETE



G/F Rusiana Building  
North Road, Capitol Area  
(National Highway),  
Brgy. Daro,  
Dumaguete City  
(035) 225-7668 /  
(035) 422-6896 (Fax)

## ESTANCIA



Clement St.,  
Poblacion Zone II,  
Estancia, Iloilo  
(033) 397-0222 /  
(033) 397-0220 (Fax)

## ILOILO - ATRIA



F&B 2, UPMC Qualimed  
Building, Atria Park  
District, Brgy. San Rafael,  
Manduriao, Iloilo City  
(033) 501-6013 /  
(033) 517-0684

## ILOILO - IZNART



G/F TCT Building, Iznart St.,  
Brgy. Danao, Iloilo City  
(033) 335-0710 /  
(033) 335-0712

## ILOILO - J.M. BASA



G/F TTW Building, cor. J.M.  
Basa-Mapa Sts.,  
Brgy. Ortiz, Iloilo City  
(033) 337-8721 /  
(033) 335-1020 (Fax)

## KABANKALAN



Guanzon St., Brgy. 2,  
Kabankalan City,  
Negros Occidental  
(034) 471-2853 /  
(034) 471-2253 (Fax)

## KALIBO



1280 Garcia Building,  
C. Laserna St., Brgy.  
Poblacion, Kalibo, Aklan  
(036) 262-5294 /  
(036) 268-9032 (Fax)

## ROXAS CITY



G/F Gaisano Arcade,  
Arnaldo Blvd., Brgy.  
Baybay, Roxas City, Capiz  
(036) 621-0845 /  
(036) 621-1760 (Fax)

# Mindanao

## MINDANAO AREA

## BUTUAN



G/F Cesia Building,  
South Montilla Blvd.,  
Butuan City,  
Agusan del Norte  
(085) 815-9633 /  
(085) 342-6248 (Fax)

## CAGAYAN DE ORO - CARMEN



Eric Tan Building,  
Vamenta Blvd., Carmen,  
Cagayan de Oro City  
(088) 231-4167 (Fax)

## CAGAYAN DE ORO - LAPASAN



Suites 6 and 7,  
Gateway Tower 1, Limketkai  
Center,  
Cagayan de Oro City  
(088) 856-3991 /  
(088) 856-3977 (Fax)

## CAGAYAN DE ORO - VELEZ



Don A. Velez-Akut Sts.,  
Cagayan de Oro City  
(088) 856-4371 (Fax)

## DAVAO - CITY HALL



Valgoson's Realty Building,  
City Hall Drive, Davao City  
(082) 226-4074 /  
(082) 221-2590 (Fax)

## DAVAO - LANANG



Consuelo Building,  
KM. 7, Brgy. San Antonio,  
Agdao District, Lanang,  
Davao City  
(082) 234-1042 /  
(082) 226-2859 (Fax)

## DAVAO - RIZAL



CAP Development  
Center Building,  
Rizal St., Davao City  
(082) 226-2223 /  
(082) 222-0904 (Fax)

## GENERAL SANTOS



G/F Sunshine Hardware  
Building, Santiago Blvd.,  
Brgy. East,  
General Santos City  
(083) 552-9375 /  
(083) 552-5236 (Fax)

## ILIGAN CITY



G/F Barnuevo Building,  
M. Badelles cor. De Leon  
Sts., Brgy. Poblacion,  
Iligan City, Lanao del Norte  
(063) 224-6488

## MARAMAG



TRB Building, Sayre  
Highway, North Poblacion,  
Maramag, Bukidnon  
(0917) 516-0606 /  
(02) 8-982-6000 local 7089 /  
(02) 7-214-8800 local 7089

## PAGADIAN CITY



F.S. Pajares Ave.,  
Pagadian City,  
Zamboanga del Sur  
(062) 925-3399 (Fax)

## TAGUM CITY



Units 104 to 105, PLJ  
Building, Apokon Road,  
Magugpo, Tagum City,  
Davao del Norte  
(084) 216-5364 (Fax)

## ZAMBOANGA - VETERANS



Cor. Camachile Road,  
Veterans Ave.  
Zamboanga City  
(062) 991-2980 (Fax)



# ANNEX A - RELATED PARTY TRANSACTIONS



Category:

Annex B  
Category A-1

Deadline:

20 calendar days after  
the reference quarter

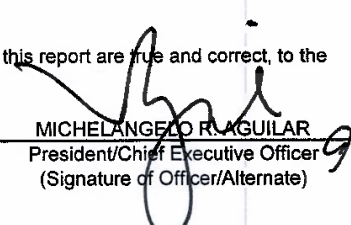
BANK OF COMMERCE	120
Name of Bank	Code
SMPC No. 7 Saint Francis Street, Ortigas Center, Mandaluyong City	
Address	

## Report on Material Related Party Transactions

As of	March 31, 2023
	(Quarter-End)

REPUBLIC OF THE PHILIPPINES)  
MANDALUYONG CITY ) S.S.

I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

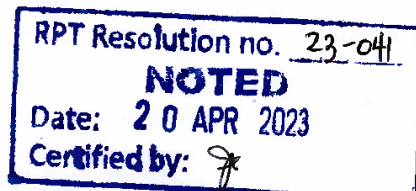
  
MICHELANGELO R. AGUILAR  
President/Chief Executive Officer  
(Signature of Officer/Alternate)

SUBSCRIBED AND SWORN TO BEFORE ME this APR 20 2023 day of  
20 \_\_\_\_\_, affiant exhibiting to me his Passport No. P8692960A issued on September 10, 2018.

Notary Public  
Until December 31, 20 \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Place \_\_\_\_\_

Doc. No. 505  
Page No. 102  
Book No. 18  
Series of 2023

  
JOYSHA D. MAGMANLAC  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0483-22  
UNTIL DECEMBER 31, 2023  
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5109324/01-03-2023/MANDALUYONG CITY  
IBP LIFETIME NO. 09035  
ROLL OF ATTORNEYS NO. 58611





Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering Into the Transaction
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	January 16, 2023	TIME LOAN	PHP 67,300,000.00	30 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	January 27, 2023	TIME LOAN	PHP 955,941,858.00	31 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	February 9, 2023	TIME LOAN	PHP 535,490,000.00	151 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	February 13, 2023	TIME LOAN	PHP 139,990,000.00	91 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	February 15, 2023	TIME LOAN	PHP 67,300,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	February 27, 2023	TIME LOAN	PHP 955,941,858.00	329 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	March 8, 2023	TIME LOAN	PHP 85,500,100.00	359 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	March 15, 2023	TIME LOAN	PHP 216,778,000.00	359 Days	Regular business transaction with resulting profit
ANDOK'S LITSON CORPORATION	Economic Interdependence	February 16, 2023	Domestic Standby LC	PHP 120,000,000.00	60 Days	Regular business transaction with resulting profit
BALDO CONSTRUCTION AND DEVELOPMENT CORPORATION	Economic Interdependence	March 7, 2023	TIME LOAN	PHP 86,500,000.00	280 Days	Regular business transaction with resulting profit
BALIWAG LECHON MANOK INC.	Economic Interdependence	February 6, 2023	Domestic Standby LC	PHP 100,000,000.00	365 Days	Regular business transaction with resulting profit
BRICK TREE PROPERTIES INC.	Affiliate	March 28, 2023	SALE OF ROPA	PHP 7,582,000.00	-	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	January 27, 2023	TIME LOAN	PHP 77,000,000.00	31 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	January 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	January 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	February 9, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	February 9, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	12 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	March 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 178,400,000.00	76 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	February 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 1,448,776,000.00	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 12, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 12, 2023	BILLS PURCHASE AVAILMENT	PHP 150,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 6, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 25, 2023	BILLS PURCHASE AVAILMENT	PHP 250,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 25, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 18, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 18, 2023	BILLS PURCHASE AVAILMENT	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 27, 2023	BILLS PURCHASE AVAILMENT	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 16, 2023	BILLS PURCHASE AVAILMENT	PHP 180,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 16, 2023	BILLS PURCHASE AVAILMENT	PHP 60,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 8, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 9, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 9, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 16, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 16, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 16, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 23, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 31, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 28, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 417,626,351.98	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 27, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 683,594,288.77	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 24, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 325,937,676.43	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 24, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 526,014,299.62	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 23, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 620,497,862.80	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 209,231,407.62	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 21, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 620,443,578.79	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 16, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 310,285,035.22	62 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 15, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,833,385.17	62 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 14, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 619,960,276.74	62 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 13, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 622,423,673.06	60 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	March 6, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 386,906,637.33	36 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 21, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 417,626,351.98	35 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 683,594,288.77	35 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 526,014,299.62	35 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 325,937,676.43	35 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 15, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 209,231,407.62	35 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 14, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 620,497,862.80	37 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 13, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 620,443,578.79	36 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,833,385.17	41 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 622,423,673.06	39 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 619,960,276.74	40 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	February 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 310,285,035.22	42 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 30, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 386,906,637.33	35 Days	Regular business transaction with resulting profit



## Material-Related Party Transactions

BANK OF COMMERCE 120  
Name of Bank Bank Code

March 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering Into the Transaction
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 20, 2023	DIRECTIONAL LOAN (FUND)	PHP 417,626,351.98	32 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 16, 2023	DIRECTIONAL LOAN (FUND)	PHP 526,014,299.62	32 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 16, 2023	DIRECTIONAL LOAN (FUND)	PHP 325,937,676.43	32 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 16, 2023	DIRECTIONAL LOAN (FUND)	PHP 683,594,288.77	32 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 10, 2023	DIRECTIONAL LOAN (FUND)	PHP 620,447,662.80	35 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	January 9, 2023	DIRECTIONAL LOAN (FUND)	PHP 620,443,578.79	35 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 27, 2023	BILLS PURCHASE AVAILABLE	PHP 338,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 16, 2023	BILLS PURCHASE AVAILABLE	PHP 64,777,438.66	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 16, 2023	BILLS PURCHASE AVAILABLE	PHP 60,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 9, 2023	BILLS PURCHASE AVAILABLE	PHP 35,886,577.79	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 19, 2023	BILLS PURCHASE AVAILABLE	PHP 33,663,625.30	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 11, 2023	BILLS PURCHASE AVAILABLE	PHP 37,285,281.19	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 11, 2023	BILLS PURCHASE AVAILABLE	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	January 3, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 27, 2023	BILLS PURCHASE AVAILABLE	PHP 42,318,919.11	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 27, 2023	BILLS PURCHASE AVAILABLE	PHP 53,473,991.61	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 17, 2023	BILLS PURCHASE AVAILABLE	PHP 81,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 13, 2023	BILLS PURCHASE AVAILABLE	PHP 77,840,335.36	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 10, 2023	BILLS PURCHASE AVAILABLE	PHP 157,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 9, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 3, 2023	BILLS PURCHASE AVAILABLE	PHP 155,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 6, 2023	BILLS PURCHASE AVAILABLE	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	March 1, 2023	BILLS PURCHASE AVAILABLE	PHP 125,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	March 6, 2023	BILLS PURCHASE AVAILABLE	PHP 68,994,334.27	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	March 17, 2023	BILLS PURCHASE AVAILABLE	PHP 89,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	February 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 102,500,000.00	91 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Presence of Corresponding Person	March 8, 2023	DIRECTIONAL LOAN (FUND)	PHP 260,000,000.00	36 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	February 21, 2023	DIRECTIONAL LOAN (FUND)	PHP 288,701,515.38	15 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	January 31, 2023	DIRECTIONAL LOAN (FUND)	PHP 467,392,397.38	35 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	January 31, 2023	DIRECTIONAL LOAN (FUND)	PHP 306,292,115.55	36 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	January 20, 2023	DIRECTIONAL LOAN (FUND)	PHP 481,613,231.34	32 Days	Regular business transaction with resulting profit
IT MANAGED SERVICES INC.	Affiliate	March 28, 2023	OUTSOURCE TECHNICAL SUPPORT	PHP 6,600,000.00	365 Days	Regular business transaction with resulting profit
MASINLOC POWER PARTNERS CO., LTD.	Affiliate	January 23, 2023	TERM LOAN	PHP 4,917,850,000.00	84 Months	Regular business transaction with resulting profit
MASINLOC POWER PARTNERS CO., LTD.	Affiliate	January 13, 2023	TERM LOAN	USD 25,624,875.00	10 Days	Regular business transaction with resulting profit
MASINLOC POWER PARTNERS CO., LTD.	Affiliate	January 13, 2023	TERM LOAN	USD 23,396,625.00	10 Days	Regular business transaction with resulting profit
MASINLOC POWER PARTNERS CO., LTD.	Affiliate	January 13, 2023	TERM LOAN	USD 2,967,250.00	10 Days	Regular business transaction with resulting profit
MASINLOC POWER PARTNERS CO., LTD.	Affiliate	January 13, 2023	TERM LOAN	USD 27,853,125.00	10 Days	Regular business transaction with resulting profit
MASINLOC POWER PARTNERS CO., LTD.	Affiliate	January 13, 2023	TERM LOAN	USD 9,284,375.00	10 Days	Regular business transaction with resulting profit
MUROZONO, VICTORIA	Economic Interdependence	March 29, 2023	TERM LOAN	PHP 89,200,653.12	72 Months	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 26, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 23, 2023	BILLS PURCHASE AVAILABLE	PHP 57,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 19, 2023	BILLS PURCHASE AVAILABLE	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 12, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 11, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 12, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 11, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 12, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 12, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 11, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 11, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 5, 2023	BILLS PURCHASE AVAILABLE	PHP 47,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 5, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	January 16, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 28, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 22, 2023	BILLS PURCHASE AVAILABLE	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 21, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 7, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 1, 2023	BILLS PURCHASE AVAILABLE	PHP 90,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 1, 2023	BILLS PURCHASE AVAILABLE	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 23, 2023	BILLS PURCHASE AVAILABLE	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 9, 2023	BILLS PURCHASE AVAILABLE	PHP 51,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 3, 2023	BILLS PURCHASE AVAILABLE	PHP 75,000,000.00	3 Days	Regular business transaction with resulting profit



March 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
NORTHERN CEMENT CORPORATION	Affiliate	March 7, 2023	BILLS PURCHASE AVAILABLE	PHP 78,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 10, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 16, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 16, 2023	BILLS PURCHASE AVAILABLE	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 20, 2023	BILLS PURCHASE AVAILABLE	PHP 55,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 23, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 27, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	March 29, 2023	BILLS PURCHASE AVAILABLE	PHP 77,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	February 14, 2023	LC OPENING	USD 5,287,500.00	30 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	March 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 199,700,000.00	69 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	February 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 1,999,923,900.00	90 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 3, 2023	TIME LOAN	PHP 567,800,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 3, 2023	TIME LOAN	PHP 284,450,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 3, 2023	TIME LOAN	PHP 567,750,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 4, 2023	TIME LOAN	PHP 682,471,800.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 5, 2023	TIME LOAN	PHP 577,358,700.00	32 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 9, 2023	TIME LOAN	PHP 500,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 26, 2023	TIME LOAN	PHP 453,761,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 27, 2023	TIME LOAN	PHP 566,075,600.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 27, 2023	TIME LOAN	PHP 682,471,800.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 2, 2023	TIME LOAN	PHP 284,450,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 2, 2023	TIME LOAN	PHP 567,750,000.00	26 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 2, 2023	TIME LOAN	PHP 284,450,000.00	26 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 2, 2023	TIME LOAN	PHP 567,800,000.00	26 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 6, 2023	TIME LOAN	PHP 682,471,800.00	24 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 6, 2023	TIME LOAN	PHP 577,358,700.00	22 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 8, 2023	TIME LOAN	PHP 500,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 27, 2023	TIME LOAN	PHP 453,761,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 27, 2023	TIME LOAN	PHP 566,075,600.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 27, 2023	TIME LOAN	PHP 682,471,800.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 28, 2023	TIME LOAN	PHP 284,450,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 28, 2023	TIME LOAN	PHP 567,750,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 28, 2023	TIME LOAN	PHP 577,358,700.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 28, 2023	TIME LOAN	PHP 500,000,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 10, 2023	TIME LOAN	PHP 500,000,000.00	32 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 16, 2023	TIME LOAN	PHP 550,000,000.00	43 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 27, 2023	TIME LOAN	PHP 453,761,000.00	29 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 28, 2023	TIME LOAN	PHP 580,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 28, 2023	TIME LOAN	PHP 284,450,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 28, 2023	TIME LOAN	PHP 567,800,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 28, 2023	TIME LOAN	PHP 567,750,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 29, 2023	TIME LOAN	PHP 682,471,800.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 30, 2023	TIME LOAN	PHP 566,075,600.00	25 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 31, 2023	TIME LOAN	PHP 577,358,700.00	27 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 13, 2023	Domestic Standby LC	PHP 79,056,000.00	120 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 27, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 2,000,000,000.00	40 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 16, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 550,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 9, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 600,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 27, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 2,000,000,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	February 7, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 600,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 30, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 2,000,000,000.00	28 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 6, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 600,000,000.00	32 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 23, 2023	TIME LOAN	PHP 1,300,000,000.00	44 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 26, 2023	TIME LOAN	PHP 700,000,000.00	60 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 16, 2023	TIME LOAN	PHP 1,300,000,000.00	60 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 26, 2023	LC OPENING	USD 1,566,337.50	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 17, 2023	LC OPENING	USD 1,264,575.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 30, 2023	LC OPENING	USD 1,275,625.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 30, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	January 30, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	March 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit



Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering Into the Transaction
PETRON CORPORATION	Affiliate	January 9, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 280,000,000.00	60 Days	Regular business transaction with resulting profit
	Affiliate	March 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 250,000,000.00	60 Days	Regular business transaction with resulting profit
	Affiliate	February 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 240,000,000.00	62 Days	Regular business transaction with resulting profit
	Affiliate	February 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 120,000,000.00	90 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	February 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
	Economic Interdependence	February 20, 2023	TIME LOAN	PHP 109,520,000.00	91 Days	Regular business transaction with resulting profit
		February 20, 2023		PHP 100,000,000.00	91 Days	Regular business transaction with resulting profit
		March 13, 2023		PHP 40,000,000.00	127 Days	Regular business transaction with resulting profit
March 15, 2023		PHP 40,000,000.00		125 Days	Regular business transaction with resulting profit	
RHODIUM 688 BUILDERS INC.	Affiliate	January 31, 2023	BILLS PURCHASE AVAILMENT	PHP 581,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 27, 2023	BILLS PURCHASE AVAILMENT	PHP 525,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 26, 2023	BILLS PURCHASE AVAILMENT	PHP 206,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 25, 2023	BILLS PURCHASE AVAILMENT	PHP 521,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 23, 2023	BILLS PURCHASE AVAILMENT	PHP 481,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 20, 2023	BILLS PURCHASE AVAILMENT	PHP 727,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 18, 2023	BILLS PURCHASE AVAILMENT	PHP 227,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 17, 2023	BILLS PURCHASE AVAILMENT	PHP 369,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 16, 2023	BILLS PURCHASE AVAILMENT	PHP 427,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 13, 2023	BILLS PURCHASE AVAILMENT	PHP 477,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 12, 2023	BILLS PURCHASE AVAILMENT	PHP 244,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 11, 2023	BILLS PURCHASE AVAILMENT	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 9, 2023	BILLS PURCHASE AVAILMENT	PHP 275,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 5, 2023	BILLS PURCHASE AVAILMENT	PHP 624,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 4, 2023	BILLS PURCHASE AVAILMENT	PHP 33,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 3, 2023	BILLS PURCHASE AVAILMENT	PHP 383,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 30, 2023	BILLS PURCHASE AVAILMENT	PHP 340,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 19, 2023	BILLS PURCHASE AVAILMENT	PHP 503,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	January 10, 2023	BILLS PURCHASE AVAILMENT	PHP 177,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 28, 2023	BILLS PURCHASE AVAILMENT	PHP 208,300,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 27, 2023	BILLS PURCHASE AVAILMENT	PHP 55,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 23, 2023	BILLS PURCHASE AVAILMENT	PHP 128,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 22, 2023	BILLS PURCHASE AVAILMENT	PHP 45,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 21, 2023	BILLS PURCHASE AVAILMENT	PHP 172,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 17, 2023	BILLS PURCHASE AVAILMENT	PHP 480,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 15, 2023	BILLS PURCHASE AVAILMENT	PHP 86,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 14, 2023	BILLS PURCHASE AVAILMENT	PHP 350,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 13, 2023	BILLS PURCHASE AVAILMENT	PHP 82,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 9, 2023	BILLS PURCHASE AVAILMENT	PHP 74,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 10, 2023	BILLS PURCHASE AVAILMENT	PHP 315,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 6, 2023	BILLS PURCHASE AVAILMENT	PHP 442,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 2, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 1, 2023	BILLS PURCHASE AVAILMENT	PHP 34,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 20, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	February 16, 2023	BILLS PURCHASE AVAILMENT	PHP 43,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 1, 2023	BILLS PURCHASE AVAILMENT	PHP 37,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 2, 2023	BILLS PURCHASE AVAILMENT	PHP 906,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 3, 2023	BILLS PURCHASE AVAILMENT	PHP 305,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 7, 2023	BILLS PURCHASE AVAILMENT	PHP 250,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 9, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 8, 2023	BILLS PURCHASE AVAILMENT	PHP 164,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 13, 2023	BILLS PURCHASE AVAILMENT	PHP 334,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 14, 2023	BILLS PURCHASE AVAILMENT	PHP 226,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 15, 2023	BILLS PURCHASE AVAILMENT	PHP 57,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 17, 2023	BILLS PURCHASE AVAILMENT	PHP 813,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 20, 2023	BILLS PURCHASE AVAILMENT	PHP 65,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 21, 2023	BILLS PURCHASE AVAILMENT	PHP 423,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 23, 2023	BILLS PURCHASE AVAILMENT	PHP 88,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 27, 2023	BILLS PURCHASE AVAILMENT	PHP 398,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 28, 2023	BILLS PURCHASE AVAILMENT	PHP 217,000,000.00	3 Days	Regular business transaction with resulting profit
	Affiliate	March 29, 2023	BILLS PURCHASE AVAILMENT	PHP 85,000,000.00	3 Days	Regular business transaction with resulting profit



Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL BREWERY INC.	Affiliate	March 30, 2023	BILLS PURCHASE AVAILMENT	PHP 243,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 31, 2023	BILLS PURCHASE AVAILMENT	PHP 105,700,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 31, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 260,000,000.00	24 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 30, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 8,000,000.00	-	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 30, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 30, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 29, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 29, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 271,713,343.28	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 300,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 264,947,602.95	61 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 306,652,733.02	61 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 16, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 360,777,727.54	61 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 15, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 343,240,700.33	61 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 10, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 347,484,992.24	38 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 9, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 371,372,485.93	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 8, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 221,613,231.34	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 7, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 306,292,115.55	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 6, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 467,392,397.38	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 3, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 237,449,375.65	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 3, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	33 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	33 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 1, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 499,078,035.73	34 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	March 1, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,131,539.62	34 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 28, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,081,247.20	34 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 260,000,000.00	37 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 21, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	37 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	37 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.42	37 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 10, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 285,856,671.64	38 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 10, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 285,856,671.64	38 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 9, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 264,947,602.95	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 8, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 306,652,733.02	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 7, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 343,240,700.33	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	February 7, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 371,372,485.93	31 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 27, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 347,484,992.24	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 27, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,104,564.17	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 27, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,104,564.18	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 26, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 237,449,375.65	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 25, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 499,078,035.73	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 25, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,131,539.61	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 24, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,131,539.62	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 24, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,081,247.19	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,081,247.20	35 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	32 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	32 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	32 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 5, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 285,856,671.64	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 5, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 285,856,671.64	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 4, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 306,652,733.02	36 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	January 4, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 264,947,602.95	36 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	January 26, 2023	LC OPENING	USD 1,212,200.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	January 26, 2023	LC OPENING	USD 1,976,175.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	January 26, 2023	LC OPENING	USD 4,564,950.00	30 Days	Regular business transaction with resulting profit





**Material Related Party Transactions**

BANK OF COMMERCE 120  
Name of Bank Bank Code  
March 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	February 8, 2023	LC OPENING	USD 1,073,250.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	February 9, 2023	LC OPENING	USD 1,758,037.50	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	February 9, 2023	LC OPENING	USD 4,203,712.50	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	March 7, 2023	LC OPENING	USD 671,550.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	March 7, 2023	LC OPENING	USD 5,188,613.36	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	March 29, 2023	LC OPENING	USD 4,438,613.45	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	March 30, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 8,000,000,000.00	106 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	February 21, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 1,448,776,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	February 21, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 1,999,323,900.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL ENERGY CORPORATION	Affiliate	February 16, 2023	LC OPENING	USD 10,610,600.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL ENERGY CORPORATION	Affiliate	February 16, 2023	LC OPENING	USD 3,795,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL ENERGY CORPORATION	Affiliate	March 10, 2023	LC OPENING	USD 9,248,850.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 31, 2023	BILLS PURCHASE AVAILABLE	PHP 61,478,241.42	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 30, 2023	BILLS PURCHASE AVAILABLE	PHP 78,627,040.63	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 26, 2023	BILLS PURCHASE AVAILABLE	PHP 33,247,918.16	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 23, 2023	BILLS PURCHASE AVAILABLE	PHP 100,355,135.73	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 19, 2023	BILLS PURCHASE AVAILABLE	PHP 34,086,394.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 16, 2023	BILLS PURCHASE AVAILABLE	PHP 77,060,334.21	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 16, 2023	BILLS PURCHASE AVAILABLE	PHP 46,715,851.09	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 12, 2023	BILLS PURCHASE AVAILABLE	PHP 132,467,484.87	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 9, 2023	BILLS PURCHASE AVAILABLE	PHP 82,257,488.11	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 5, 2023	BILLS PURCHASE AVAILABLE	PHP 171,759,541.68	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 3, 2023	BILLS PURCHASE AVAILABLE	PHP 110,185,288.60	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 3, 2023	BILLS PURCHASE AVAILABLE	PHP 51,884,538.57	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 28, 2023	BILLS PURCHASE AVAILABLE	PHP 40,893,189.05	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 23, 2023	BILLS PURCHASE AVAILABLE	PHP 98,153,691.70	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 17, 2023	BILLS PURCHASE AVAILABLE	PHP 34,167,525.90	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 16, 2023	BILLS PURCHASE AVAILABLE	PHP 112,697,208.83	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 9, 2023	BILLS PURCHASE AVAILABLE	PHP 31,508,652.87	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 28, 2023	BILLS PURCHASE AVAILABLE	PHP 51,079,376.94	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 26, 2023	BILLS PURCHASE AVAILABLE	PHP 47,090,062.56	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 1, 2023	BILLS PURCHASE AVAILABLE	PHP 52,672,145.44	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 27, 2023	BILLS PURCHASE AVAILABLE	PHP 60,494,525.63	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 6, 2023	BILLS PURCHASE AVAILABLE	PHP 73,625,355.50	3 Days	Regular business transaction with resulting profit



March 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 1, 2023	BILLS PURCHASE AVAILMENT	PHP 47,863,022.76	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 2, 2023	BILLS PURCHASE AVAILMENT	PHP 65,851,250.75	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 9, 2023	BILLS PURCHASE AVAILMENT	PHP 89,703,561.73	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 16, 2023	BILLS PURCHASE AVAILMENT	PHP 189,743,895.94	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 17, 2023	BILLS PURCHASE AVAILMENT	PHP 48,539,361.76	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 23, 2023	BILLS PURCHASE AVAILMENT	PHP 98,584,932.86	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 30, 2023	BILLS PURCHASE AVAILMENT	PHP 121,968,346.62	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 31, 2023	BILLS PURCHASE AVAILMENT	PHP 41,485,728.67	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 115,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 200,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 180,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	46 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 150,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 180,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	February 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 150,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	January 16, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 62,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	March 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	91 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	January 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 51,700,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	March 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	March 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 205,000,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	March 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	March 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	35 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	February 23, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 61,700,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	March 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 77,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	January 5, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 60,000,000.00	61 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	January 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 62,100,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	January 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	January 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 77,000,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	February 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 65,500,000.00	63 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	March 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 60,000,000.00	77 Days	Regular business transaction with resulting profit





## Material-Related-Party Transactions

BANK OF COMMERCE 120  
Name of Bank Bank CodeMarch 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SMC CONSOLIDATED POWER CORPORATION	Affiliate	January 9, 2023	LC OPENING	USD 2,283,580.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	January 9, 2023	LC OPENING	USD 3,043,300.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	January 17, 2023	LC OPENING	USD 3,043,300.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	January 17, 2023	LC OPENING	USD 5,537,025.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	January 24, 2023	LC OPENING	USD 1,369,485.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	January 25, 2023	LC OPENING	USD 2,589,027.50	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	February 9, 2023	LC OPENING	USD 1,261,113.75	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	February 9, 2023	LC OPENING	USD 2,217,003.75	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	February 17, 2023	LC OPENING	USD 2,802,475.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	February 17, 2023	LC OPENING	USD 4,926,675.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	February 23, 2023	LC OPENING	USD 1,401,237.50	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	February 23, 2023	LC OPENING	USD 2,031,510.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	March 29, 2023	LC OPENING	USD 1,006,875.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	March 29, 2023	LC OPENING	USD 1,230,937.50	30 Days	Regular business transaction with resulting profit
SMC NIAAX CORPORATION	Affiliate	January 10, 2023	TERM LOAN	PHP 96,750,000.00	89 Months	Regular business transaction with resulting profit
SMC NIAAX CORPORATION	Affiliate	January 10, 2023	TERM LOAN	PHP 65,550,000.00	89 Months	Regular business transaction with resulting profit
SMC NIAAX CORPORATION	Affiliate	March 15, 2023	TERM LOAN	PHP 34,050,000.00	87 Months	Regular business transaction with resulting profit
SMC NIAAX CORPORATION	Affiliate	March 15, 2023	TERM LOAN	PHP 53,250,000.00	87 Months	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	February 22, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 280,000,000.00	183 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	January 20, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 283,468,503.96	183 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	January 5, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 562,093,182.35	182 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	January 4, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 561,910,281.06	182 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	March 21, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 259,338,348.97	90 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	January 31, 2023	TIME LOAN	PHP 550,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	February 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	45 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	45 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	February 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	45 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	February 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 101,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 118,800,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	February 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 63,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	February 9, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 101,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	February 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	65 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	January 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 105,000,000.00	74 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	March 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	March 13, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 433,608,114.43	60 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	March 10, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 499,072,826.07	60 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	February 1, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 499,072,826.07	37 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	February 1, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 433,608,114.43	40 Days	Regular business transaction with resulting profit
SPS, EMANUEL, AND LINDA MAGNO ANTERPUESTO	Related Party - Individual	January 31, 2023	SALE OF ROPA	PHP 1,027,916.20	-	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	February 7, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 340,262,842.78	90 Days	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	February 4, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 211,875,000.00	91 Days	Regular business transaction with resulting profit

Category:

Annex B  
Category A-1

Deadline:

20 calendar days after  
the reference quarter

BANK OF COMMERCE	120
Name of Bank	Code
SMPC No. 7 Saint Francis Street, Ortigas Center, Mandaluyong City	
Address	

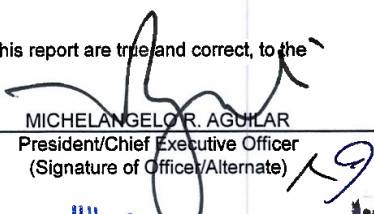
Report on Material Related Party Transactions

As of	June 30, 2023
	(Quarter-End)

REPUBLIC OF THE PHILIPPINES)

) S.S.

I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

  
MICHELANGELO R. AGUILAR  
President/Chief Executive Officer  
(Signature of Officer/Alternate)

SUBSCRIBED AND SWORN TO BEFORE ME this JUL 20 2023 day of MANDALUYONG CITY  
20 \_\_\_\_\_, affiant exhibiting to me his Passport No. P8692960A issued on September 10, 2018.

Notary Public


Until December 31, 20 \_\_\_\_\_


PTR No. \_\_\_\_\_

Place \_\_\_\_\_

Doc. No. 19  
Page No. 54  
Book No. 14  
Series of 2023



  
**EVA Z. BANZON**  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0529-23  
UNTIL 31 DECEMBER 2024  
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5109323 / 03 JAN 2023 / MANDALUYONG CITY  
IBP OR No. 293554 / 10 JAN 2023  
ROLL OF ATTORNEYS NO. 62160

RPT Resolution no. 23-087  
**NOTED**  
Date: 20 JUL 2023  
Certified by: 



## Material Related Party Transactions

BANK OF COMMERCE  
Name of Bank

120

Bank Code

June 30, 2023

Date

Related Counterparty		Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction	
8990 HOUSING DEVELOPMENT CORPORATION		Presence of Bank Director's Brother-in-law	June 16, 2023	TIME LOAN	PHP	31 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		April 20, 2023		BILLS PURCHASE AVAILMENT	PHP	3 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate		June 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	33 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		June 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	60 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		May 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	31 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		May 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	31 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		May 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	60 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		May 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	60 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		May 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	90 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		April 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	30 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		April 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	30 Days	Regular business transaction with resulting profit	
CAN ASIA INC.	Affiliate		June 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	62 Days	Regular business transaction with resulting profit	
CLARIDEN HOLDINGS INC.	Affiliate		May 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	30 Days	Regular business transaction with resulting profit	
CLARIDEN HOLDINGS INC.	Affiliate		May 12, 2023	DIRECTIONAL LOAN (BORROWER)	PHP	62 Days	Regular business transaction with resulting profit	
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	April 14, 2023	BILLS PURCHASE AVAILMENT	PHP	105,900,000.00	10 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 11, 2023	BILLS PURCHASE AVAILMENT	PHP	105,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 31, 2023	BILLS PURCHASE AVAILMENT	PHP	30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 31, 2023	BILLS PURCHASE AVAILMENT	PHP	40,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 4, 2023	BILLS PURCHASE AVAILMENT	PHP	100,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 4, 2023	BILLS PURCHASE AVAILMENT	PHP	40,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	June 13, 2023	DIRECTIONAL LOAN (FUND)	PHP	386,906,637.33	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 30, 2023	DIRECTIONAL LOAN (FUND)	PHP	417,626,351.98	65 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 29, 2023	DIRECTIONAL LOAN (FUND)	PHP	683,594,288.77	64 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 26, 2023	DIRECTIONAL LOAN (FUND)	PHP	325,937,676.43	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 26, 2023	DIRECTIONAL LOAN (FUND)	PHP	526,014,299.62	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 25, 2023	DIRECTIONAL LOAN (FUND)	PHP	620,497,862.80	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 24, 2023	DIRECTIONAL LOAN (FUND)	PHP	393,068,321.09	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 23, 2023	DIRECTIONAL LOAN (FUND)	PHP	620,443,578.79	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 17, 2023	DIRECTIONAL LOAN (FUND)	PHP	310,285,035.22	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 16, 2023	DIRECTIONAL LOAN (FUND)	PHP	437,833,385.17	62 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	May 15, 2023	DIRECTIONAL LOAN (FUND)	PHP	619,960,276.74	60 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			May 12, 2023	DIRECTIONAL LOAN (FUND)	PHP	622,423,673.06	61 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	April 11, 2023	DIRECTIONAL LOAN (FUND)	PHP	386,906,637.33	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			June 7, 2023	LC OPENING	USD	1,380,400.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Presence of Corresponding Person	Presence of Corresponding Person	June 15, 2023	LC OPENING	USD	2,694,400.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION			June 27, 2023	LC OPENING	USD	1,283,600.00	30 Days	Regular business transaction with resulting profit
FIRST METRO GAS INC.	Economic Interdependence		June 15, 2023	TIME LOAN	PHP	30,000,000.00	90 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.			April 12, 2023	BILLS PURCHASE AVAILMENT	PHP	30,316,965.12	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate		April 14, 2023	BILLS PURCHASE AVAILMENT	PHP	91,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.			April 17, 2023	BILLS PURCHASE AVAILMENT	PHP	30,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate		April 26, 2023	BILLS PURCHASE AVAILMENT	PHP	61,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.			April 28, 2023	BILLS PURCHASE AVAILMENT	PHP	31,240,367.34	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate		May 26, 2023	BILLS PURCHASE AVAILMENT	PHP	60,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.			May 26, 2023	BILLS PURCHASE AVAILMENT	PHP	50,586,201.59	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate		May 22, 2023	BILLS PURCHASE AVAILMENT	PHP	50,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.			May 21, 2023	BILLS PURCHASE AVAILMENT	PHP	82,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate		May 12, 2023	BILLS PURCHASE AVAILMENT	PHP	79,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.			May 3, 2023	BILLS PURCHASE AVAILMENT	PHP	260,000,000.00	60 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate		June 23, 2023	DIRECTIONAL LOAN (FUND)	PHP	260,000,000.00	68 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.			June 16, 2023	DIRECTIONAL LOAN (FUND)	PHP	260,000,000.00	64 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate		June 14, 2023	DIRECTIONAL LOAN (FUND)	PHP	200,000,000.00	60 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.			April 24, 2023	DIRECTIONAL LOAN (FUND)	PHP	260,000,000.00	64 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate		April 13, 2023	DIRECTIONAL LOAN (FUND)	PHP	296,000,000.00	365 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.			April 11, 2023	BANK GUARANTEE	PHP	300,000,000.00	365 Days	Regular business transaction with resulting profit
J.E. MANALO & CO., INC.	Economic Interdependence		April 11, 2023	BANK GUARANTEE	PHP	194,880,000.00	360 Days	Regular business transaction with resulting profit
J.E. MANALO & CO., INC.			May 3, 2023	BANK GUARANTEE	PHP	292,320,000.00	360 Days	Regular business transaction with resulting profit
J.E. MANALO & CO., INC.	Economic Interdependence		May 3, 2023	BANK GUARANTEE	PHP	504,000,000.00	365 Days	Regular business transaction with resulting profit
J.E. MANALO & CO., INC.			May 4, 2023	BANK GUARANTEE	PHP	444,000,000.00	365 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate		April 11, 2023	BILLS PURCHASE AVAILMENT	PHP	30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION			April 11, 2023	BILLS PURCHASE AVAILMENT	PHP	100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate		April 14, 2023	BILLS PURCHASE AVAILMENT	PHP	30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION			April 14, 2023	BILLS PURCHASE AVAILMENT	PHP	100,000,000.00	3 Days	Regular business transaction with resulting profit









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PANASIA ENERGY, INC.	Economic Interdependence	June 30, 2023	TIME LOAN	550,000,000.00	31 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	May 9, 2023	DIRECTIONAL LOAN (BORROWER)	125,000,000.00	60 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	May 8, 2023	DIRECTIONAL LOAN (BORROWER)	90,000,000.00	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	May 8, 2023	DIRECTIONAL LOAN (BORROWER)	75,000,000.00	62 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	April 17, 2023	DIRECTIONAL LOAN (BORROWER)	240,000,000.00	29 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	April 13, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	32 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	April 13, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	32 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	April 4, 2023	LC OPENING	1,275,625.00	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	May 30, 2023	LC OPENING	1,238,575.00	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	June 28, 2023	TIME LOAN	1,205,425.00	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	May 15, 2023	TIME LOAN	1,300,000,000.00	44 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	June 29, 2023	TIME LOAN	1,300,000,000.00	30 Days	Regular business transaction with resulting profit
RHODIUM 888 BUILDERS INC.	Economic Interdependence	May 22, 2023	TIME LOAN	100,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 11, 2023	BILLS PURCHASE AVALMENT	56,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 12, 2023	BILLS PURCHASE AVALMENT	441,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 13, 2023	BILLS PURCHASE AVALMENT	71,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 14, 2023	BILLS PURCHASE AVALMENT	232,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 17, 2023	BILLS PURCHASE AVALMENT	103,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 18, 2023	BILLS PURCHASE AVALMENT	520,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 19, 2023	BILLS PURCHASE AVALMENT	116,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 20, 2023	BILLS PURCHASE AVALMENT	432,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 24, 2023	BILLS PURCHASE AVALMENT	112,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 26, 2023	BILLS PURCHASE AVALMENT	438,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 27, 2023	BILLS PURCHASE AVALMENT	275,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 28, 2023	BILLS PURCHASE AVALMENT	596,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 2, 2023	BILLS PURCHASE AVALMENT	60,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 31, 2023	BILLS PURCHASE AVALMENT	321,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 30, 2023	BILLS PURCHASE AVALMENT	35,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 28, 2023	BILLS PURCHASE AVALMENT	523,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 26, 2023	BILLS PURCHASE AVALMENT	226,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 25, 2023	BILLS PURCHASE AVALMENT	508,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 23, 2023	BILLS PURCHASE AVALMENT	133,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 22, 2023	BILLS PURCHASE AVALMENT	460,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 18, 2023	BILLS PURCHASE AVALMENT	133,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 19, 2023	BILLS PURCHASE AVALMENT	180,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 17, 2023	BILLS PURCHASE AVALMENT	230,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 16, 2023	BILLS PURCHASE AVALMENT	228,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 15, 2023	BILLS PURCHASE AVALMENT	32,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 12, 2023	BILLS PURCHASE AVALMENT	477,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 11, 2023	BILLS PURCHASE AVALMENT	220,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 10, 2023	BILLS PURCHASE AVALMENT	465,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 9, 2023	BILLS PURCHASE AVALMENT	503,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 4, 2023	BILLS PURCHASE AVALMENT	48,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 3, 2023	BILLS PURCHASE AVALMENT	74,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 20, 2023	DIRECTIONAL LOAN (FUND)	347,484,982.24	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 16, 2023	DIRECTIONAL LOAN (FUND)	221,613,231.34	68 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 16, 2023	DIRECTIONAL LOAN (FUND)	210,000,000.00	67 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 15, 2023	DIRECTIONAL LOAN (FUND)	275,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 15, 2023	DIRECTIONAL LOAN (FUND)	247,319,200.61	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 14, 2023	DIRECTIONAL LOAN (FUND)	287,352,397.36	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 13, 2023	DIRECTIONAL LOAN (FUND)	237,449,375.66	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 7, 2023	DIRECTIONAL LOAN (FUND)	475,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 7, 2023	DIRECTIONAL LOAN (FUND)	450,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 6, 2023	DIRECTIONAL LOAN (FUND)	449,187,184.08	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 6, 2023	DIRECTIONAL LOAN (FUND)	404,263,079.23	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 2, 2023	DIRECTIONAL LOAN (FUND)	470,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 2, 2023	DIRECTIONAL LOAN (FUND)	205,145,466.56	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 2, 2023	DIRECTIONAL LOAN (FUND)	300,000,000.00	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	June 2, 2023	DIRECTIONAL LOAN (FUND)	450,000,000.00	68 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 31, 2023	DIRECTIONAL LOAN (FUND)	437,043,283.43	65 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 31, 2023	DIRECTIONAL LOAN (FUND)	437,043,283.43	65 Days	Regular business transaction with resulting profit





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SAN MIGUEL BREWERY INC.	Affiliate	May 29, 2023	DIRECTIONAL LOAN (FUND)	PHP 437,048,730.70	65 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 29, 2023	DIRECTIONAL LOAN (FUND)	PHP 437,048,730.70	65 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 19, 2023	DIRECTIONAL LOAN (FUND)	PHP 300,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 17, 2023	DIRECTIONAL LOAN (FUND)	PHP 271,713,343.28	62 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 17, 2023	DIRECTIONAL LOAN (FUND)	PHP 306,692,733.02	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 17, 2023	DIRECTIONAL LOAN (FUND)	PHP 264,947,602.95	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 16, 2023	DIRECTIONAL LOAN (FUND)	PHP 360,777,727.54	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	May 15, 2023	DIRECTIONAL LOAN (FUND)	PHP 343,240,700.33	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 17, 2023	DIRECTIONAL LOAN (FUND)	PHP 347,464,992.24	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 13, 2023	DIRECTIONAL LOAN (FUND)	PHP 221,613,231.34	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 13, 2023	DIRECTIONAL LOAN (FUND)	PHP 210,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 12, 2023	DIRECTIONAL LOAN (FUND)	PHP 275,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 12, 2023	DIRECTIONAL LOAN (FUND)	PHP 247,319,200.61	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 11, 2023	DIRECTIONAL LOAN (FUND)	PHP 200,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 11, 2023	DIRECTIONAL LOAN (FUND)	PHP 237,449,375.65	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 11, 2023	DIRECTIONAL LOAN (FUND)	PHP 267,392,397.38	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 5, 2023	DIRECTIONAL LOAN (FUND)	PHP 450,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 5, 2023	DIRECTIONAL LOAN (FUND)	PHP 449,187,164.08	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 5, 2023	DIRECTIONAL LOAN (FUND)	PHP 475,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 4, 2023	DIRECTIONAL LOAN (FUND)	PHP 470,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 4, 2023	DIRECTIONAL LOAN (FUND)	PHP 404,263,079.23	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 3, 2023	DIRECTIONAL LOAN (FUND)	PHP 450,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 3, 2023	DIRECTIONAL LOAN (FUND)	PHP 300,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	April 3, 2023	DIRECTIONAL LOAN (FUND)	PHP 205,195,466.56	60 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	April 24, 2023	LC OPENING	USD 516,150.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	April 24, 2023	LC OPENING	USD 4,441,570.56	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	May 31, 2023	LC OPENING	USD 569,200.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CONSOLIDATED POWER CORPORATION	Affiliate	May 31, 2023	LC OPENING	USD 4,733,489.26	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	June 21, 2023	DIRECTIONAL LOAN (FUND)	PHP 2,363,003,900.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	June 21, 2023	DIRECTIONAL LOAN (FUND)	PHP 1,733,076,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	May 22, 2023	DIRECTIONAL LOAN (FUND)	PHP 2,363,003,900.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	May 22, 2023	DIRECTIONAL LOAN (FUND)	PHP 1,733,076,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL ENERGY CORPORATION	Affiliate	April 28, 2023	LC OPENING	USD 3,532,410.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL ENERGY CORPORATION	Affiliate	May 15, 2023	LC OPENING	USD 8,309,600.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL ENERGY CORPORATION	Affiliate	June 15, 2023	LC OPENING	USD 10,390,900.00	30 Days	Regular business transaction with resulting profit
SMC YAMAMURA FUSO MOLDS CORPORATION	Affiliate	April 20, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 3, 2023	BILLS PURCHASE AVAILABLE	PHP 48,179,233.85	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 3, 2023	BILLS PURCHASE AVAILABLE	PHP 33,672,092.33	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 3, 2023	BILLS PURCHASE AVAILABLE	PHP 114,574,743.43	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 5, 2023	BILLS PURCHASE AVAILABLE	PHP 36,274,570.02	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 12, 2023	BILLS PURCHASE AVAILABLE	PHP 106,132,575.34	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 18, 2023	BILLS PURCHASE AVAILABLE	PHP 38,899,285.68	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 18, 2023	BILLS PURCHASE AVAILABLE	PHP 66,462,312.78	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 19, 2023	BILLS PURCHASE AVAILABLE	PHP 91,142,283.64	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 20, 2023	BILLS PURCHASE AVAILABLE	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 20, 2023	BILLS PURCHASE AVAILABLE	PHP 92,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 24, 2023	BILLS PURCHASE AVAILABLE	PHP 81,205,312.14	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 26, 2023	BILLS PURCHASE AVAILABLE	PHP 90,345,765.50	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 31, 2023	BILLS PURCHASE AVAILABLE	PHP 51,145,056.59	3 Days	Regular business transaction with resulting profit





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SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 31, 2023	BILLS PURCHASE AVAILMENT	PHP 134,384,082.70	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 29, 2023	BILLS PURCHASE AVAILMENT	PHP 39,648,474.72	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 28, 2023	BILLS PURCHASE AVAILMENT	PHP 68,253,829.69	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 23, 2023	BILLS PURCHASE AVAILMENT	PHP 140,892,888.34	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 19, 2023	BILLS PURCHASE AVAILMENT	PHP 41,492,643.45	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 17, 2023	BILLS PURCHASE AVAILMENT	PHP 37,368,697.26	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 15, 2023	BILLS PURCHASE AVAILMENT	PHP 60,877,907.63	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 10, 2023	BILLS PURCHASE AVAILMENT	PHP 31,539,334.11	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 9, 2023	BILLS PURCHASE AVAILMENT	PHP 60,646,179.71	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 4, 2023	BILLS PURCHASE AVAILMENT	PHP 38,635,181.14	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 4, 2023	BILLS PURCHASE AVAILMENT	PHP 59,874,360.26	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 2, 2023	BILLS PURCHASE AVAILMENT	PHP 45,284,954.90	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 2, 2023	BILLS PURCHASE AVAILMENT	PHP 149,697,022.01	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 85,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 16, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 60,000,000.00	33 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 1, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	61 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	60 days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 200,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 190,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 16, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 150,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 150,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 5, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 56,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 200,000,000.00	32 Days	Regular business transaction with resulting profit





Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 67,000,000.00	89 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 190,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 62,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 150,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	April 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 19, 2023	TIME LOAN	PHP 140,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	May 29, 2023	TIME LOAN	PHP 410,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	June 29, 2023	TIME LOAN	PHP 387,000,000.00	43 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 29, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 205,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 29, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 29, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 77,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 23, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 60,000,000.00	63 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 60,000,000.00	33 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	33 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	May 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 65,500,000.00	61 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	April 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 205,000,000.00	32 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	April 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	32 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	April 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	32 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	April 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 65,500,000.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 3, 2023	LC OPENING	USD 1,006,875.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 3, 2023	LC OPENING	USD 1,047,150.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 3, 2023	LC OPENING	USD 2,461,875.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 3, 2023	LC OPENING	USD 2,461,875.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 12, 2023	LC OPENING	USD 6,215,625.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 24, 2023	LC OPENING	USD 968,617.50	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	April 24, 2023	LC OPENING	USD 1,028,160.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	May 8, 2023	LC OPENING	USD 5,426,850.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	May 29, 2023	LC OPENING	USD 3,320,100.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	June 5, 2023	LC OPENING	USD 3,547,537.50	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	June 6, 2023	LC OPENING	USD 3,214,350.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	June 14, 2023	LC OPENING	USD 658,870.00	30 Days	Regular business transaction with resulting profit
SMC CONSOLIDATED POWER CORPORATION	Affiliate	June 14, 2023	LC OPENING	USD 4,178,655.00	30 Days	Regular business transaction with resulting profit
SMC MASS RAIL TRANSIT	Affiliate	June 1, 2023	TERM LOAN	PHP 643,500,000.00	180 Months	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	June 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 259,338,348.97	91 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 60,500,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	91 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	91 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 184,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 29, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	92 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	90 Days	Regular business transaction with resulting profit

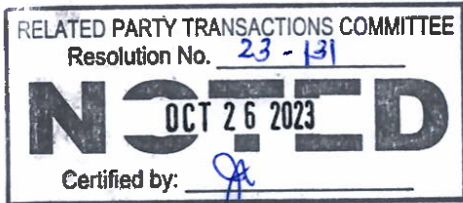


**Material Related Party Transactions**

BANK OF COMMERCE 120  
Name of Bank Bank Code

June 30, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 151,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	63 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 12, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,000,000.00	45 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 52,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	April 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	April 12, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	47 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	April 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	April 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 105,000,000.00	45 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	April 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	45 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 3, 2023	TIME LOAN	PHP 52,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 8, 2023	TIME LOAN	PHP 250,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	May 8, 2023	TIME LOAN	PHP 150,500,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 19, 2023	TIME LOAN	PHP 90,000,000.00	32 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	June 18, 2023	TIME LOAN	PHP 90,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	April 19, 2023	TERM LOAN	PHP 210,000,000.00	21 Months	Regular business transaction with resulting profit
SMC SLEX HOLDINGS CO	Affiliate	May 25, 2023	OUTSOURCE TECHNICAL SUPPORT	PHP 39,806,716.00	-	Regular business transaction with resulting profit
SMITS INC	Affiliate	June 22, 2023	OUTSOURCE TECHNICAL SUPPORT	PHP 5,934,880.00	-	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	May 12, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 433,608,114.43	60 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	May 9, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 499,072,826.07	63 Days	Regular business transaction with resulting profit
VIKING INTEGRATED FARMS, INC	Economic Interdependence	June 26, 2023	TERM LOAN	PHP 45,000,000.00	63 Months	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	May 23, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 200,000,000.00	915 Days	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	May 8, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 343,951,122.34	91 Days	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	May 5, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 211,875,000.00	10 Days	Regular business transaction with resulting profit



Category:

Annex B

Category A-1

Deadline:

20 calendar days after  
the reference quarter

BANK OF COMMERCE	120
Name of Bank	Code
SMPC No. 7 Saint Francis Street, Ortigas Center, Mandaluyong City	
Address	

Report on Material Related Party Transactions

As of	September 30, 2023
	(Quarter-End)

REPUBLIC OF THE PHILIPPINES)

\_\_\_\_\_) S.S.

I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

MICHELANGELO R. AGUILAR  
President/Chief Executive Officer  
(Signature of Officer/Alternate)

SUBSCRIBED AND SWORN TO BEFORE ME this OCT 20 2023 day of  
20 \_\_\_\_\_, affiant exhibiting to me his Passport No. P8692960A issued on September 10, 2018.

Notary Public

Until December 31, 20 \_\_\_\_\_

PTR No. \_\_\_\_\_

Place \_\_\_\_\_

Doc. No. 62  
Page No. 14  
Book No. 1  
Series of 2023



ALYSSA MAE G. CAYABA  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0676-23  
UNTIL 31 DECEMBER 2024

SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5109327 / 03 January 2023  
IBP OR No. 293555 / 10 January 2023  
ROLL OF ATTORNEYS NO. 73447



September 30, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	July 17, 2023	TIME LOAN	PHP 124,900,000.00	88 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	July 31, 2023	TIME LOAN	PHP 72,000,000.00	30 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	August 1, 2023	TIME LOAN	PHP 110,000,000.00	30 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	August 9, 2023	TIME LOAN	PHP 43,000,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	August 11, 2023	TIME LOAN	PHP 115,000,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	August 18, 2023	TIME LOAN	PHP 247,000,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	August 30, 2023	TIME LOAN	PHP 72,000,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	August 31, 2023	TIME LOAN	PHP 110,000,000.00	90 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	August 31, 2023	TIME LOAN	PHP 400,000,000.00	32 Days	Regular business transaction with resulting profit
ANDOK'S LITSON CORPORATION	Economic Interdependence	August 7, 2023	TIME LOAN	PHP 100,000,000.00	178 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	September 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	August 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 72,000,000.00	60 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	August 8, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	July 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	62 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	July 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit
CLARDEN HOLDINGS INC.	Affiliate	September 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 814,076,000.00	32 Days	Regular business transaction with resulting profit
CLARDEN HOLDINGS INC.	Affiliate	August 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 1,000,000,000.00	32 Days	Regular business transaction with resulting profit
CLARDEN HOLDINGS INC.	Affiliate	August 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 1,814,076,000.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 6, 2023	BILLS PURCHASE AVAILMENT	PHP 81,000,000.00	19 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 27, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 27, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 27, 2023	BILLS PURCHASE AVAILMENT	PHP 65,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 3, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 10, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 10, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 24, 2023	BILLS PURCHASE AVAILMENT	PHP 55,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 31, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	September 13, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	September 28, 2023	BILLS PURCHASE AVAILMENT	PHP 90,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	September 13, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 15, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 622,423,673.06	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 3, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 386,906,637.33	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 1, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 417,626,351.98	92 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 28, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 683,594,288.77	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 28, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 325,937,676.43	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 27, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 526,014,299.62	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 26, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 620,497,892.80	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 25, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 393,068,321.09	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 620,443,578.79	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 310,285,035.22	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 14, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,833,385.17	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 12, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 619,960,276.74	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	July 20, 2023	LC OPENING	PHP 622,423,673.06	63 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 7, 2023	LC OPENING	USD 1,232,600.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 7, 2023	LC OPENING	USD 617,200.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 14, 2023	LC OPENING	USD 616,100.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	August 25, 2023	LC OPENING	USD 1,223,800.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	September 22, 2023	LC OPENING	USD 1,227,000.00	28 Days	Regular business transaction with resulting profit
FIRST METRO GAS INC.	Economic Interdependence	September 7, 2023	TIME LOAN	PHP 30,000,000.00	90 Days	Regular business transaction with resulting profit

RPT

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
GINEBRA SAN MIGUEL INC.	Affiliate	July 7, 2023	BILLS PURCHASE AVAILMENT	PHP 48,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 7, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 14, 2023	BILLS PURCHASE AVAILMENT	PHP 95,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 19, 2023	BILLS PURCHASE AVAILMENT	PHP 65,563,464.30	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 19, 2023	BILLS PURCHASE AVAILMENT	PHP 111,348,720.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 20, 2023	BILLS PURCHASE AVAILMENT	PHP 78,140,215.22	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 20, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 26, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 28, 2023	BILLS PURCHASE AVAILMENT	PHP 200,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	July 31, 2023	BILLS PURCHASE AVAILMENT	PHP 45,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	August 7, 2023	BILLS PURCHASE AVAILMENT	PHP 58,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	August 11, 2023	BILLS PURCHASE AVAILMENT	PHP 75,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	August 14, 2023	BILLS PURCHASE AVAILMENT	PHP 42,078,223.63	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	August 18, 2023	BILLS PURCHASE AVAILMENT	PHP 33,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	August 22, 2023	BILLS PURCHASE AVAILMENT	PHP 60,879,414.33	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	August 31, 2023	BILLS PURCHASE AVAILMENT	PHP 38,828,211.42	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	September 8, 2023	BILLS PURCHASE AVAILMENT	PHP 94,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	September 12, 2023	BILLS PURCHASE AVAILMENT	PHP 147,177,872.43	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	September 15, 2023	BILLS PURCHASE AVAILMENT	PHP 147,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	September 25, 2023	BILLS PURCHASE AVAILMENT	PHP 57,467,284.76	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	September 29, 2023	BILLS PURCHASE AVAILMENT	PHP 146,000,000.00	3 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	September 21, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 271,713,343.28	63 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	August 23, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 260,000,000.00	68 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	August 23, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 221,613,231.34	62 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	August 22, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 260,000,000.00	64 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	August 17, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 200,000,000.00	64 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	July 4, 2023	LC OPENING	USD 2,627,625.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	July 6, 2023	LC OPENING	USD 3,690,238.50	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	July 18, 2023	LC OPENING	USD 1,370,122.50	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	July 18, 2023	LC OPENING	USD 1,453,920.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	August 4, 2023	LC OPENING	USD 2,370,725.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	August 9, 2023	LC OPENING	USD 3,976,700.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	August 25, 2023	LC OPENING	USD 1,808,375.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	September 15, 2023	LC OPENING	USD 4,364,100.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	September 18, 2023	LC OPENING	USD 1,890,517.50	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	September 22, 2023	LC OPENING	USD 3,201,300.00	30 Days	Regular business transaction with resulting profit



September 30, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
MALITA POWER INC (FORMERLY: SAN MIGUEL CONSOLIDATED POWER CORPORATION)	Affiliate	August 8, 2023	LC OPENING	USD 3,670,800.00	30 Days	Regular business transaction with resulting profit
MALITA POWER INC (FORMERLY: SAN MIGUEL CONSOLIDATED POWER CORPORATION)	Affiliate	August 25, 2023	LC OPENING	USD 3,774,000.00	30 Days	Regular business transaction with resulting profit
MALITA POWER INC (FORMERLY: SAN MIGUEL CONSOLIDATED POWER CORPORATION)	Affiliate	September 8, 2023	LC OPENING	USD 3,550,950.00	30 Days	Regular business transaction with resulting profit
MALITA POWER INC (FORMERLY: SAN MIGUEL CONSOLIDATED POWER CORPORATION)	Affiliate	September 25, 2023	LC OPENING	USD 4,028,400.00	30 Days	Regular business transaction with resulting profit
MURDOZO, VICTORIA	Economic Interdependence	July 14, 2023	LC OPENING	PHP 30,280,800.00	90 Days	Regular business transaction with resulting profit
NATCO DEALERSHIP CORPORATION	Economic Interdependence	August 16, 2023	TERM LOAN	PHP 50,799,346.89	67 Months	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Economic Interdependence	September 30, 2023	LC OPENING	PHP 47,526,204.00	360 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 4, 2023	BILLS PURCHASE AVAILMENT	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 10, 2023	BILLS PURCHASE AVAILMENT	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 12, 2023	BILLS PURCHASE AVAILMENT	PHP 77,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 14, 2023	BILLS PURCHASE AVAILMENT	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 19, 2023	BILLS PURCHASE AVAILMENT	PHP 71,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 21, 2023	BILLS PURCHASE AVAILMENT	PHP 32,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	July 25, 2023	BILLS PURCHASE AVAILMENT	PHP 66,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 2, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 7, 2023	BILLS PURCHASE AVAILMENT	PHP 37,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 9, 2023	BILLS PURCHASE AVAILMENT	PHP 42,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 11, 2023	BILLS PURCHASE AVAILMENT	PHP 47,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 16, 2023	BILLS PURCHASE AVAILMENT	PHP 78,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 23, 2023	BILLS PURCHASE AVAILMENT	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 23, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 25, 2023	BILLS PURCHASE AVAILMENT	PHP 41,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 29, 2023	BILLS PURCHASE AVAILMENT	PHP 32,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 31, 2023	BILLS PURCHASE AVAILMENT	PHP 37,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 6, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 12, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 14, 2023	BILLS PURCHASE AVAILMENT	PHP 75,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 18, 2023	BILLS PURCHASE AVAILMENT	PHP 55,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 21, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 29, 2023	BILLS PURCHASE AVAILMENT	PHP 92,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	August 29, 2023	LC OPENING	USD 3,195,000.00	60 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	September 28, 2023	TERM LOAN	PHP 105,600,000.00	93 Months	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	September 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 2,590,103,900.00	32 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	August 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 2,590,103,900.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	August 3, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 227,100,000.00	19 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	September 29, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 300,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	September 14, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 300,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	August 31, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 550,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	August 29, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 2,000,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	August 14, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 300,000,000.00	31 Days	Regular business transaction with resulting profit

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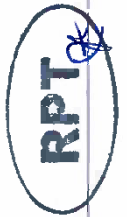
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Material Related Party Transactions  
BANK OF COMMERCE 120  
Name of Bank Bank Code

September 30, 2023.  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
RHODIUM 688 BUILDERS INC.	Economic Interdependence	September 18, 2023	TIME LOAN	PHP 65,400,000.00	60 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	September 18, 2023	TIME LOAN	PHP 84,500,000.00	60 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	September 18, 2023	TIME LOAN	PHP 100,000,000.00	18 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 3, 2023	BILLS PURCHASE AVAILMENT	PHP 153,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 5, 2023	BILLS PURCHASE AVAILMENT	PHP 90,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 6, 2023	BILLS PURCHASE AVAILMENT	PHP 134,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 10, 2023	BILLS PURCHASE AVAILMENT	PHP 202,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 11, 2023	BILLS PURCHASE AVAILMENT	PHP 53,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 12, 2023	BILLS PURCHASE AVAILMENT	PHP 315,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 13, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 14, 2023	BILLS PURCHASE AVAILMENT	PHP 79,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 17, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 18, 2023	BILLS PURCHASE AVAILMENT	PHP 542,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 19, 2023	BILLS PURCHASE AVAILMENT	PHP 584,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 20, 2023	BILLS PURCHASE AVAILMENT	PHP 326,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 21, 2023	BILLS PURCHASE AVAILMENT	PHP 315,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 25, 2023	BILLS PURCHASE AVAILMENT	PHP 122,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 25, 2023	BILLS PURCHASE AVAILMENT	PHP 778,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 26, 2023	BILLS PURCHASE AVAILMENT	PHP 452,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 27, 2023	BILLS PURCHASE AVAILMENT	PHP 399,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 28, 2023	BILLS PURCHASE AVAILMENT	PHP 522,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 31, 2023	BILLS PURCHASE AVAILMENT	PHP 145,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 3, 2023	BILLS PURCHASE AVAILMENT	PHP 55,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 4, 2023	BILLS PURCHASE AVAILMENT	PHP 68,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 10, 2023	BILLS PURCHASE AVAILMENT	PHP 98,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 11, 2023	BILLS PURCHASE AVAILMENT	PHP 34,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 16, 2023	BILLS PURCHASE AVAILMENT	PHP 76,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 17, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 22, 2023	BILLS PURCHASE AVAILMENT	PHP 41,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 23, 2023	BILLS PURCHASE AVAILMENT	PHP 210,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 24, 2023	BILLS PURCHASE AVAILMENT	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 25, 2023	BILLS PURCHASE AVAILMENT	PHP 661,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 29, 2023	BILLS PURCHASE AVAILMENT	PHP 751,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 30, 2023	BILLS PURCHASE AVAILMENT	PHP 400,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 31, 2023	BILLS PURCHASE AVAILMENT	PHP 133,500,000.00	3 Days	Regular business transaction with resulting profit





Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL BREWERY INC.	Affiliate	September 4, 2023	BILLS PURCHASE AVAILMENT	PHP 124,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 7, 2023	BILLS PURCHASE AVAILMENT	PHP 173,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 14, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 15, 2023	BILLS PURCHASE AVAILMENT	PHP 327,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 18, 2023	BILLS PURCHASE AVAILMENT	PHP 161,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 20, 2023	BILLS PURCHASE AVAILMENT	PHP 544,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 21, 2023	BILLS PURCHASE AVAILMENT	PHP 417,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 22, 2023	BILLS PURCHASE AVAILMENT	PHP 363,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 25, 2023	BILLS PURCHASE AVAILMENT	PHP 238,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 26, 2023	BILLS PURCHASE AVAILMENT	PHP 374,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 27, 2023	BILLS PURCHASE AVAILMENT	PHP 376,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 28, 2023	BILLS PURCHASE AVAILMENT	PHP 375,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 29, 2023	BILLS PURCHASE AVAILMENT	PHP 845,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 21, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 300,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 306,652,733.02	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 284,947,502.95	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 360,777,727.54	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 15, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 343,240,700.33	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 23, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 347,484,932.24	68 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 210,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 18, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 247,319,200.61	67 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 18, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 275,000,000.00	67 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 17, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 267,392,397.36	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 15, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 237,449,375.65	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 10, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 475,000,000.00	64 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 9, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 449,187,164.08	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 8, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 404,263,079.23	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 8, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 470,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 7, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 205,195,466.56	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 7, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 300,000,000.00	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 7, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 450,000,000.00	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 4, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 4, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	65 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 2, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	65 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 20, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 300,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 271,713,343.28	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 19, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 284,947,502.95	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 18, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 306,652,733.02	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 18, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 360,777,727.54	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	July 14, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 343,240,700.33	63 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 21, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 2,590,103,900.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	September 21, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 814,076,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 2,590,103,900.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 1,814,076,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	August 3, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 227,100,000.00	19 Days	Regular business transaction with resulting profit





## Material Related Party Transactions

BANK OF COMMERCE 120  
Name of Bank Bank CodeSeptember 30, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering Into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 3, 2023	BILLS PURCHASE AVAILABLE	PHP 155,812,282.78	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 4, 2023	BILLS PURCHASE AVAILABLE	PHP 45,102,303.44	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 6, 2023	BILLS PURCHASE AVAILABLE	PHP 49,626,517.53	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 10, 2023	BILLS PURCHASE AVAILABLE	PHP 45,568,515.19	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 11, 2023	BILLS PURCHASE AVAILABLE	PHP 33,764,570.14	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 12, 2023	BILLS PURCHASE AVAILABLE	PHP 37,830,249.96	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 17, 2023	BILLS PURCHASE AVAILABLE	PHP 35,096,901.06	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 17, 2023	BILLS PURCHASE AVAILABLE	PHP 84,655,655.93	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 18, 2023	BILLS PURCHASE AVAILABLE	PHP 64,879,353.65	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 20, 2023	BILLS PURCHASE AVAILABLE	PHP 30,376,331.50	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 25, 2023	BILLS PURCHASE AVAILABLE	PHP 56,434,540.94	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 25, 2023	BILLS PURCHASE AVAILABLE	PHP 35,930,951.99	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 26, 2023	BILLS PURCHASE AVAILABLE	PHP 104,369,314.75	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 31, 2023	BILLS PURCHASE AVAILABLE	PHP 56,867,065.48	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 31, 2023	BILLS PURCHASE AVAILABLE	PHP 40,745,839.49	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 1, 2023	BILLS PURCHASE AVAILABLE	PHP 106,032,708.63	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 7, 2023	BILLS PURCHASE AVAILABLE	PHP 39,596,536.03	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 8, 2023	BILLS PURCHASE AVAILABLE	PHP 30,751,198.24	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 15, 2023	BILLS PURCHASE AVAILABLE	PHP 178,993,354.35	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 16, 2023	BILLS PURCHASE AVAILABLE	PHP 45,170,220.98	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 22, 2023	BILLS PURCHASE AVAILABLE	PHP 60,564,547.75	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 22, 2023	BILLS PURCHASE AVAILABLE	PHP 116,914,025.73	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 29, 2023	BILLS PURCHASE AVAILABLE	PHP 31,078,016.72	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 29, 2023	BILLS PURCHASE AVAILABLE	PHP 70,260,417.18	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 30, 2023	BILLS PURCHASE AVAILABLE	PHP 130,772,057.21	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 31, 2023	BILLS PURCHASE AVAILABLE	PHP 36,770,334.76	3 Days	Regular business transaction with resulting profit

RPT

Material Related Party Transactions  
BANK OF COMMERCE 120  
Name of Bank Bank Code

September-30-,2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 4, 2023	BILLS PURCHASE AVAILMENT	PHP 83,271,806.21	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 4, 2023	BILLS PURCHASE AVAILMENT	PHP 83,271,806.21	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 4, 2023	BILLS PURCHASE AVAILMENT	PHP 83,271,806.21	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 4, 2023	BILLS PURCHASE AVAILMENT	PHP 83,271,806.21	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 6, 2023	BILLS PURCHASE AVAILMENT	PHP 30,707,681.50	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 6, 2023	BILLS PURCHASE AVAILMENT	PHP 30,707,681.50	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 6, 2023	BILLS PURCHASE AVAILMENT	PHP 30,707,681.50	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 6, 2023	BILLS PURCHASE AVAILMENT	PHP 112,964,570.26	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 6, 2023	BILLS PURCHASE AVAILMENT	PHP 30,707,681.50	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 11, 2023	BILLS PURCHASE AVAILMENT	PHP 69,470,369.26	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 12, 2023	BILLS PURCHASE AVAILMENT	PHP 34,860,413.66	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 13, 2023	BILLS PURCHASE AVAILMENT	PHP 122,864,281.07	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 18, 2023	BILLS PURCHASE AVAILMENT	PHP 130,937,688.16	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 20, 2023	BILLS PURCHASE AVAILMENT	PHP 111,947,177.37	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 22, 2023	BILLS PURCHASE AVAILMENT	PHP 73,298,340.54	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 25, 2023	BILLS PURCHASE AVAILMENT	PHP 34,536,094.56	3 Days	Regular business transaction with resulting profit





Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	93 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 25, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 84,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 51,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 15, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 150,000,000.00	39 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	92 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 9, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	61 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 64,000,000.00	95 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 1, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	94 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 1, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	60 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 25, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 190,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 67,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	92 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 113,000,000.00	92 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	July 3, 2023	TIME LOAN	PHP 163,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 2, 2023	TIME LOAN	PHP 163,000,000.00	44 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	August 11, 2023	TIME LOAN	PHP 387,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 15, 2023	TIME LOAN	PHP 163,000,000.00	42 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	September 25, 2023	TIME LOAN	PHP 387,000,000.00	45 Days	Regular business transaction with resulting profit



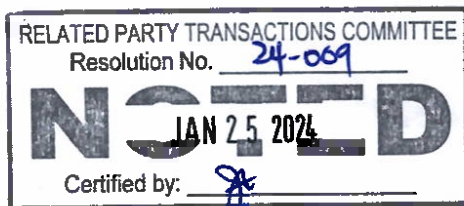


September 30, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	September 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 205,000,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	September 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	September 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 64,700,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	August 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 77,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	August 16, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	July 31, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 142,000,000.00	91 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	July 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	July 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 205,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	July 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 64,700,000.00	65 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	July 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 88,200,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	July 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 61,800,000.00	90 Days	Regular business transaction with resulting profit
SMC MASS RAIL TRANSIT	Affiliate	July 17, 2023	TERM LOAN	286,000,000.00	179 Months	Regular business transaction with resulting profit
SMC NAIA CORPORATION	Affiliate	August 15, 2023	TERM LOAN	PHP 53,250,000.00	83 Months	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	September 18, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 259,338,348.97	120 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	August 15, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 248,780,208.52	120 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 15, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 248,834,318.50	120 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	September 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	September 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	September 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 58,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	September 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	89 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 151,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 16, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,200,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	31 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 56,000,000.00	31 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 1, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 164,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 1, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	July 12, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	33 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	July 12, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	61 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	July 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	31 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	July 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 95,200,000.00	31 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	July 19, 2023	TIME LOAN	PHP 90,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	August 18, 2023	TIME LOAN	PHP 90,000,000.00	31 Days	Regular business transaction with resulting profit
SMITS INC	Affiliate	August 24, 2023	OUTSOURCE TECHNICAL SUPPORT	PHP 62,100,000.00	-	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	September 12, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 499,072,828.07	92 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	September 11, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 433,608,114.43	92 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	July 11, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 499,072,828.07	63 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	July 11, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 433,608,114.43	62 Days	Regular business transaction with resulting profit
SUAL POWER INC (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	July 11, 2023	LC OPENING	PHP 7,414,290.00	30 Days	Regular business transaction with resulting profit
SUAL POWER INC (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	July 20, 2023	LC OPENING	PHP 8,414,250.00	30 Days	Regular business transaction with resulting profit
SUAL POWER INC (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	August 9, 2023	LC OPENING	PHP 8,762,000.00	30 Days	Regular business transaction with resulting profit
SUAL POWER INC (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	September 18, 2023	LC OPENING	PHP 6,387,950.00	30 Days	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	August 7, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 347,748,468.47	30 Days	Regular business transaction with resulting profit
980-12-020421	Related Party - Individual	September 6, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 250,000,000.00	1098 Days	Regular business transaction with resulting profit

RPT





Category:

Annex B  
Category A-1

Deadline:

20 calendar days after  
the reference quarter

BANK OF COMMERCE	120
Name of Bank	Code
SMPC No. 7 Saint Francis Street, Ortigas Center, Mandaluyong City	
Address	

Report on Material Related Party Transactions

As of	December 31, 2023
	(Quarter-End)



REPUBLIC OF THE PHILIPPINES)  
MANDALUYONG CITY) S.S.

I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

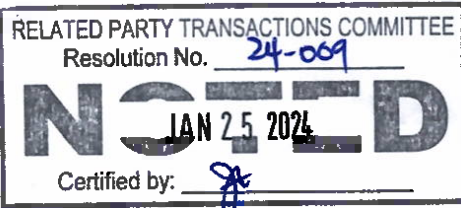
[Signature]  
MICHELANGELO R. AGUILAR  
President/Chief Executive Officer  
(Signature of Officer/Alternate)

SUBSCRIBED AND SWORN TO BEFORE ME this JAN 18 2024 day of  
20 \_\_\_\_\_, affiant exhibiting to me his Passport No. P8692960A issued on September 10, 2018.

Notary Public  
Until December 31, 20 \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Place \_\_\_\_\_

Doc. No. 367  
Page No. 75  
Book No. 8  
Series of 2024

[Signature]  
EVA Z. BANZON  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0529-23  
UNTIL 31 DECEMBER 2024  
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5425491 / 03 JAN 2024 / MANDALUYONG CITY  
IBP OR No. 332607 / 20 DEC 2023  
ROLL OF ATTORNEYS NO. 62160



Category:

Annex B  
Category A-1

Deadline:

20 calendar days after  
the reference quarter

BANK OF COMMERCE	120
Name of Bank	Code
SMPC No. 7 Saint Francis Street, Ortigas Center, Mandaluyong City	
Address	

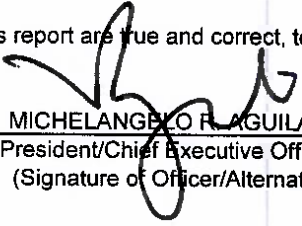
Report on Material Related Party Transactions

As of	December 31, 2023
	(Quarter-End)



REPUBLIC OF THE PHILIPPINES)  
MANDALUYONG CITY ) S.S.


I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

  
MICHELANGELO R. AGUILAR  
President/Chief Executive Officer  
(Signature of Officer/Alternate)

SUBSCRIBED AND SWORN TO BEFORE ME this JAN 18 2024 day of  
20 \_\_\_\_\_, affiant exhibiting to me his Passport No. P8692960A issued on September 10, 2018.

Notary Public  
Until December 31, 20 \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Place \_\_\_\_\_

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Book No. X  
Series of 2024

  
EVA Z. BANZON  
NOTARY PUBLIC FOR MANDALUYONG CITY  
APPOINTMENT NO. 0529-23  
UNTIL 31 DECEMBER 2024  
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY  
PTR No. 5425491 / 03 JAN 2024 / MANDALUYONG CITY  
IBP OR No. 332607 / 20 DEC 2023  
ROLL OF ATTORNEYS NO. 62160



December 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	November 7, 2023	TIME LOAN	PHP 43,000,000.00	269 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	November 9, 2023	TIME LOAN	PHP 115,000,000.00	270 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	November 16, 2023	TIME LOAN	PHP 247,000,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	November 17, 2023	TIME LOAN	PHP 124,800,000.00	180 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	November 28, 2023	TIME LOAN	PHP 72,000,000.00	90 Days	Regular business transaction with resulting profit
8990 HOUSING DEVELOPMENT CORPORATION	Presence of Bank Director's Brother-in-law	November 29, 2023	TIME LOAN	PHP 110,000,000.00	90 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	October 2, 2023	TIME LOAN	PHP 400,000,000.00	35 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	October 12, 2023	TIME LOAN	PHP 500,000,000.00	32 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	November 6, 2023	TIME LOAN	PHP 400,000,000.00	35 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	November 13, 2023	TIME LOAN	PHP 500,000,000.00	32 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	November 14, 2023	TIME LOAN	PHP 150,000,000.00	30 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	November 21, 2023	TIME LOAN	PHP 150,000,000.00	36 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	November 23, 2023	TIME LOAN	PHP 200,000,000.00	34 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	November 30, 2023	TIME LOAN	PHP 250,000,000.00	27 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 7, 2023	TIME LOAN	PHP 200,000,000.00	20 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 11, 2023	TIME LOAN	PHP 400,000,000.00	16 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 14, 2023	TIME LOAN	PHP 150,000,000.00	13 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 14, 2023	TIME LOAN	PHP 100,000,000.00	13 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 15, 2023	TIME LOAN	PHP 200,000,000.00	13 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 18, 2023	TIME LOAN	PHP 500,000,000.00	12 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 18, 2023	TIME LOAN	PHP 200,000,000.00	9 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 18, 2023	TIME LOAN	PHP 200,000,000.00	9 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 18, 2023	TIME LOAN	PHP 200,000,000.00	9 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 18, 2023	TIME LOAN	PHP 100,000,000.00	9 Days	Regular business transaction with resulting profit
ADVANTAGE CONCRETE INDUSTRIES CORP.	Presence of Corresponding Person	December 27, 2023	TERM LOAN	1,178,052,001.07	144 Months	Regular business transaction with resulting profit
BALDO CONSTRUCTION AND DEVELOPMENT CORPORATION	Economic Interdependence	December 18, 2023	TIME LOAN	PHP 88,500,000.00	80 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	December 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	39 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	December 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 72,000,000.00	39 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	November 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	31 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	November 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 72,000,000.00	31 Days	Regular business transaction with resulting profit
CAN ASIA INC.	Affiliate	October 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 72,000,000.00	35 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	December 22, 2023	DIRECTIONAL LOAN (BORROWER)	1,535,276,000.00	32 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	December 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 400,000,000.00	32 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	November 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 814,076,000.00	28 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	November 22, 2023	DIRECTIONAL LOAN (BORROWER)	1,000,000,000.00	30 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	November 20, 2023	DIRECTIONAL LOAN (BORROWER)	121,200,000.00	32 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	October 23, 2023	DIRECTIONAL LOAN (BORROWER)	1,000,000,000.00	30 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	October 23, 2023	DIRECTIONAL LOAN (BORROWER)	814,076,000.00	32 Days	Regular business transaction with resulting profit
CLARIDEN HOLDINGS INC.	Affiliate	October 19, 2023	DIRECTIONAL LOAN (BORROWER)	121,200,000.00	32 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 27, 2023	BILLS PURCHASE AVAILMENT	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 27, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 27, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 12, 2023	BILLS PURCHASE AVAILMENT	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 12, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	November 10, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	November 10, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	November 24, 2023	BILLS PURCHASE AVAILMENT	PHP 75,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 5, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit



December 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
EAGLE CEMENT CORPORATION	Affiliate	December 6, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 6, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 13, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 1, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 5, 2023	BILLS PURCHASE AVAILMENT	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 12, 2023	DIRECTIONAL LOAN (FUNDER)	622,423,673.06	92 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	November 13, 2023	DIRECTIONAL LOAN (FUNDER)	386,906,637.33	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	November 3, 2023	DIRECTIONAL LOAN (FUNDER)	417,626,351.98	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 31, 2023	DIRECTIONAL LOAN (FUNDER)	683,594,288.77	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 27, 2023	DIRECTIONAL LOAN (FUNDER)	526,014,299.62	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 27, 2023	DIRECTIONAL LOAN (FUNDER)	325,937,676.43	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 26, 2023	DIRECTIONAL LOAN (FUNDER)	620,497,862.80	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 25, 2023	DIRECTIONAL LOAN (FUNDER)	393,068,321.09	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 24, 2023	DIRECTIONAL LOAN (FUNDER)	620,443,578.79	94 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 17, 2023	DIRECTIONAL LOAN (FUNDER)	310,285,035.22	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 16, 2023	DIRECTIONAL LOAN (FUNDER)	437,833,385.17	91 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 12, 2023	DIRECTIONAL LOAN (FUNDER)	619,960,276.74	90 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 9, 2023	LC OPENING	USD 1,252,000.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	October 20, 2023	LC OPENING	USD 1,289,200.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	November 10, 2023	LC OPENING	USD 1,313,600.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 4, 2023	LC OPENING	USD 1,296,000.00	30 Days	Regular business transaction with resulting profit
EAGLE CEMENT CORPORATION	Affiliate	December 20, 2023	LC OPENING	USD 1,297,600.00	30 Days	Regular business transaction with resulting profit
FIRST METRO GAS INC.	Economic Interdependence	December 5, 2023	TIME LOAN	PHP 30,000,000.00	90 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	October 27, 2023	BILLS PURCHASE AVAILMENT	PHP 292,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	October 20, 2023	BILLS PURCHASE AVAILMENT	PHP 138,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	October 13, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	October 6, 2023	BILLS PURCHASE AVAILMENT	PHP 79,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	November 8, 2023	BILLS PURCHASE AVAILMENT	PHP 108,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	November 24, 2023	BILLS PURCHASE AVAILMENT	PHP 153,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	November 29, 2023	BILLS PURCHASE AVAILMENT	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	November 10, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	November 17, 2023	BILLS PURCHASE AVAILMENT	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	December 7, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	December 22, 2023	BILLS PURCHASE AVAILMENT	PHP 295,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	December 15, 2023	BILLS PURCHASE AVAILMENT	PHP 88,000,000.00	3 Days	Regular business transaction with resulting profit
GINEBRA SAN MIGUEL INC.	Affiliate	December 29, 2023	BILLS PURCHASE AVAILMENT	PHP 167,000,000.00	3 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	December 28, 2023	DIRECTIONAL LOAN (FUNDER)	260,000,000.00	67 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	December 27, 2023	DIRECTIONAL LOAN (FUNDER)	221,613,231.34	63 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	December 20, 2023	DIRECTIONAL LOAN (FUNDER)	200,000,000.00	61 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	November 23, 2023	DIRECTIONAL LOAN (FUNDER)	271,713,343.28	63 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	November 23, 2023	DIRECTIONAL LOAN (FUNDER)	300,000,000.00	63 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	October 31, 2023	DIRECTIONAL LOAN (FUNDER)	260,000,000.00	66 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	October 25, 2023	DIRECTIONAL LOAN (FUNDER)	260,000,000.00	64 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	October 24, 2023	DIRECTIONAL LOAN (FUNDER)	221,613,231.34	64 Days	Regular business transaction with resulting profit
ICONIC BEVERAGES, INC.	Affiliate	October 20, 2023	DIRECTIONAL LOAN (FUNDER)	200,000,000.00	61 Days	Regular business transaction with resulting profit
J.E. MANALO & COMPANY INC.	Economic Interdependence	December 13, 2023	TIME LOAN	PHP 100,000,000.00	30 Days	Regular business transaction with resulting profit



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Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 25, 2023	DOMESTIC STANDBY LC	PHP 106,239,884.16	365 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 2, 2023	LC OPENING	USD 1,342,800.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 10, 2023	LC OPENING	USD 1,814,580.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 20, 2023	LC OPENING	USD 4,625,400.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 27, 2023	LC OPENING	USD 1,814,580.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 31, 2023	LC OPENING	USD 4,625,400.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	November 14, 2023	LC OPENING	USD 2,796,885.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	December 6, 2023	LC OPENING	USD 2,524,500.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	December 12, 2023	LC OPENING	USD 2,552,550.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	December 13, 2023	LC OPENING	USD 2,734,875.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	December 19, 2023	LC OPENING	USD 3,646,500.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	December 20, 2023	LC OPENING	USD 2,412,300.00	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 13, 2023	LC OPENING	USD 1,624,090.64	30 Days	Regular business transaction with resulting profit
LIMAY POWER INC (FORMERLY: SMC CONSOLIDATED POWER CORPORATION)	Affiliate	October 13, 2023	LC OPENING	USD 2,690,986.56	30 Days	Regular business transaction with resulting profit
MARVELES POWER GENERATION CORPORATION	Affiliate	December 22, 2023	DOMESTIC STANDBY LC	PHP 1,400,000,000.00	95 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 16, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 31, 2023	BILLS PURCHASE AVAILABLE	PHP 42,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 27, 2023	BILLS PURCHASE AVAILABLE	PHP 60,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 23, 2023	BILLS PURCHASE AVAILABLE	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 16, 2023	BILLS PURCHASE AVAILABLE	PHP 32,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 23, 2023	BILLS PURCHASE AVAILABLE	PHP 100,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 9, 2023	BILLS PURCHASE AVAILABLE	PHP 90,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 9, 2023	BILLS PURCHASE AVAILABLE	PHP 44,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 3, 2023	BILLS PURCHASE AVAILABLE	PHP 60,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 3, 2023	BILLS PURCHASE AVAILABLE	PHP 34,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 9, 2023	BILLS PURCHASE AVAILABLE	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 13, 2023	BILLS PURCHASE AVAILABLE	PHP 45,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 20, 2023	BILLS PURCHASE AVAILABLE	PHP 57,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 28, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 9, 2023	BILLS PURCHASE AVAILABLE	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 16, 2023	BILLS PURCHASE AVAILABLE	PHP 65,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 28, 2023	BILLS PURCHASE AVAILABLE	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 28, 2023	BILLS PURCHASE AVAILABLE	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	November 28, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 5, 2023	BILLS PURCHASE AVAILABLE	PHP 41,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 5, 2023	BILLS PURCHASE AVAILABLE	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 21, 2023	BILLS PURCHASE AVAILABLE	PHP 36,000,000.00	3 Days	Regular business transaction with resulting profit



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Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
NORTHERN CEMENT CORPORATION	Affiliate	December 21, 2023	BILLS PURCHASE AVAILABLE	PHP 70,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 11, 2023	BILLS PURCHASE AVAILABLE	PHP 40,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 11, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 18, 2023	BILLS PURCHASE AVAILABLE	PHP 60,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 18, 2023	BILLS PURCHASE AVAILABLE	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 28, 2023	BILLS PURCHASE AVAILABLE	PHP 45,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 28, 2023	BILLS PURCHASE AVAILABLE	PHP 33,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 29, 2023	BILLS PURCHASE AVAILABLE	PHP 53,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 11, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 12, 2023	BILLS PURCHASE AVAILABLE	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	December 22, 2023	TERM LOAN	395,077,440.00	90 Months	Regular business transaction with resulting profit
NORTHERN CEMENT CORPORATION	Affiliate	October 10, 2023	LC OPENING	USD 5,555,000.00	180 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	November 10, 2023	LC OPENING	USD 743,598.70	180 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	December 22, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 2,707,403,900.00	32 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	November 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 2,590,103,900.00	28 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	November 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 117,300,000.00	32 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	October 23, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 2,590,103,900.00	32 Days	Regular business transaction with resulting profit
PACIFIC NICKEL PHILIPPINES INC.	Affiliate	October 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 117,300,000.00	32 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	December 22, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 300,000,000.00	32 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 21, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 300,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 7, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 2,000,000,000.00	62 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 7, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 550,000,000.00	63 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 17, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 300,000,000.00	35 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 3, 2023	DIRECTIONAL LOAN (FUNDING)	PHP 550,000,000.00	35 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 2, 2023	TIME LOAN	PHP 550,000,000.00	36 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 9, 2023	TIME LOAN	PHP 500,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 10, 2023	TIME LOAN	PHP 500,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 11, 2023	TIME LOAN	PHP 280,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 18, 2023	TIME LOAN	PHP 300,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 23, 2023	TIME LOAN	PHP 453,761,000.00	36 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 24, 2023	TIME LOAN	PHP 682,471,800.00	36 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 25, 2023	TIME LOAN	PHP 577,358,700.00	36 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	October 26, 2023	TIME LOAN	PHP 568,075,600.00	36 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 7, 2023	TIME LOAN	PHP 550,000,000.00	63 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 7, 2023	TIME LOAN	PHP 580,000,000.00	62 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 7, 2023	TIME LOAN	PHP 567,800,000.00	62 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 7, 2023	TIME LOAN	PHP 284,450,000.00	62 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 8, 2023	TIME LOAN	PHP 567,750,000.00	62 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 9, 2023	TIME LOAN	PHP 500,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 9, 2023	TIME LOAN	PHP 500,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 10, 2023	TIME LOAN	PHP 280,000,000.00	33 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 20, 2023	TIME LOAN	PHP 300,000,000.00	31 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 28, 2023	TIME LOAN	PHP 453,761,000.00	35 Days	Regular business transaction with resulting profit



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Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
PANASIA ENERGY, INC.	Economic Interdependence	November 29, 2023	TIME LOAN	PHP 662,471,800.00	35 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	November 30, 2023	TIME LOAN	PHP 577,358,700.00	35 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	December 1, 2023	TIME LOAN	PHP 566,075,500.00	35 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	December 11, 2023	TIME LOAN	PHP 500,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	December 12, 2023	TIME LOAN	PHP 500,000,000.00	30 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	December 13, 2023	TIME LOAN	PHP 280,000,000.00	23 Days	Regular business transaction with resulting profit
PANASIA ENERGY, INC.	Economic Interdependence	December 21, 2023	TIME LOAN	PHP 300,000,000.00	32 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	November 6, 2023	TIME LOAN	PHP 1,100,000,000.00	50 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	December 28, 2023	TIME LOAN	PHP 1,100,000,000.00	70 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	October 16, 2023	LC OPENING	USD 979,225.00	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	November 7, 2023	LC OPENING	USD 1,098,072.50	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	November 16, 2023	LC OPENING	USD 1,098,072.50	30 Days	Regular business transaction with resulting profit
PETRON CORPORATION	Affiliate	December 13, 2023	LC OPENING	USD 1,070,062.50	30 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	October 6, 2023	TIME LOAN	PHP 63,000,000.00	70 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	October 6, 2023	TIME LOAN	PHP 37,000,000.00	70 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	November 17, 2023	TIME LOAN	PHP 65,400,000.00	77 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	November 17, 2023	TIME LOAN	PHP 84,500,000.00	87 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	November 29, 2023	TIME LOAN	PHP 250,100,000.00	93 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	December 15, 2023	TIME LOAN	PHP 37,000,000.00	75 Days	Regular business transaction with resulting profit
RHODIUM 688 BUILDERS INC.	Economic Interdependence	December 15, 2023	TIME LOAN	PHP 63,000,000.00	77 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 31, 2023	BILLS PURCHASE AVAILMENT	PHP 31,477,000.96	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 24, 2023	BILLS PURCHASE AVAILMENT	PHP 136,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 10, 2023	BILLS PURCHASE AVAILMENT	PHP 55,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 12, 2023	BILLS PURCHASE AVAILMENT	PHP 54,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 4, 2023	BILLS PURCHASE AVAILMENT	PHP 32,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 31, 2023	BILLS PURCHASE AVAILMENT	PHP 79,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 26, 2023	BILLS PURCHASE AVAILMENT	PHP 80,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 19, 2023	BILLS PURCHASE AVAILMENT	PHP 104,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 23, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 25, 2023	BILLS PURCHASE AVAILMENT	PHP 31,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 17, 2023	BILLS PURCHASE AVAILMENT	PHP 77,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 13, 2023	BILLS PURCHASE AVAILMENT	PHP 223,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 5, 2023	BILLS PURCHASE AVAILMENT	PHP 90,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 2, 2023	BILLS PURCHASE AVAILMENT	PHP 97,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 13, 2023	BILLS PURCHASE AVAILMENT	PHP 42,111,851.35	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 6, 2023	BILLS PURCHASE AVAILMENT	PHP 65,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 7, 2023	BILLS PURCHASE AVAILMENT	PHP 30,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 8, 2023	BILLS PURCHASE AVAILMENT	PHP 32,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 9, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 14, 2023	BILLS PURCHASE AVAILMENT	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 15, 2023	BILLS PURCHASE AVAILMENT	PHP 33,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 16, 2023	BILLS PURCHASE AVAILMENT	PHP 51,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 17, 2023	BILLS PURCHASE AVAILMENT	PHP 666,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 20, 2023	BILLS PURCHASE AVAILMENT	PHP 79,685,256.11	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 22, 2023	BILLS PURCHASE AVAILMENT	PHP 103,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 24, 2023	BILLS PURCHASE AVAILMENT	PHP 354,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 20, 2023	BILLS PURCHASE AVAILMENT	PHP 35,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 21, 2023	BILLS PURCHASE AVAILMENT	PHP 50,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 23, 2023	BILLS PURCHASE AVAILMENT	PHP 47,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 29, 2023	BILLS PURCHASE AVAILMENT	PHP 71,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 30, 2023	BILLS PURCHASE AVAILMENT	PHP 124,000,000.00	3 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	November 10, 2023	BILLS PURCHASE AVAILMENT	PHP 208,000,000.00	3 Days	Regular business transaction with resulting profit



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Material Related Party Transactions  
BANK OF COMMERCE 120  
Name of Bank Bank Code

December 31, 2023  
Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL BREWERY INC.	Affiliate	October 9, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 9, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,043,263.43	66 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 6, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	67 Days	Regular business transaction with resulting profit
SAN MIGUEL BREWERY INC.	Affiliate	October 6, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 437,048,730.70	67 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	December 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 1,535,276,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	December 22, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 2,707,403,900.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	November 24, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 2,590,103,900.00	28 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	November 24, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 814,076,000.00	28 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	October 23, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 2,590,103,900.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL CORPORATION	Affiliate	October 23, 2023	DIRECTIONAL LOAN (FUNDER)	PHP 814,076,000.00	32 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 3, 2023	BILLS PURCHASE AVAILMENT	PHP 33,525,613.23	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 31, 2023	BILLS PURCHASE AVAILMENT	PHP 41,059,899.77	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 31, 2023	BILLS PURCHASE AVAILMENT	PHP 45,659,616.64	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 16, 2023	BILLS PURCHASE AVAILMENT	PHP 57,030,736.95	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 31, 2023	BILLS PURCHASE AVAILMENT	PHP 43,872,003.90	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 26, 2023	BILLS PURCHASE AVAILMENT	PHP 128,388,980.33	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 23, 2023	BILLS PURCHASE AVAILMENT	PHP 93,479,976.88	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 23, 2023	BILLS PURCHASE AVAILMENT	PHP 52,403,899.94	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 9, 2023	BILLS PURCHASE AVAILMENT	PHP 50,766,087.19	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 2, 2023	BILLS PURCHASE AVAILMENT	PHP 39,594,297.32	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 2, 2023	BILLS PURCHASE AVAILMENT	PHP 33,993,706.40	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 6, 2023	BILLS PURCHASE AVAILMENT	PHP 92,412,056.46	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 8, 2023	BILLS PURCHASE AVAILMENT	PHP 49,595,020.17	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 13, 2023	BILLS PURCHASE AVAILMENT	PHP 60,340,816.92	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 20, 2023	BILLS PURCHASE AVAILMENT	PHP 54,729,020.99	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 22, 2023	BILLS PURCHASE AVAILMENT	PHP 48,979,995.59	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 28, 2023	BILLS PURCHASE AVAILMENT	PHP 77,023,975.23	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 3, 2023	BILLS PURCHASE AVAILMENT	PHP 61,958,851.97	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 10, 2023	BILLS PURCHASE AVAILMENT	PHP 34,774,615.90	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 20, 2023	BILLS PURCHASE AVAILMENT	PHP 35,442,564.97	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 24, 2023	BILLS PURCHASE AVAILMENT	PHP 33,732,063.83	3 Days	Regular business transaction with resulting profit



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Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 29, 2023	BILLS PURCHASE AVAILMENT	PHP 51,259,867.85	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 30, 2023	BILLS PURCHASE AVAILMENT	PHP 52,017,751.04	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 11, 2023	BILLS PURCHASE AVAILMENT	PHP 70,078,212.92	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 20, 2023	BILLS PURCHASE AVAILMENT	PHP 81,935,712.33	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 28, 2023	BILLS PURCHASE AVAILMENT	PHP 55,957,404.48	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 27, 2023	BILLS PURCHASE AVAILMENT	PHP 99,544,015.80	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 5, 2023	BILLS PURCHASE AVAILMENT	PHP 103,625,845.44	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 19, 2023	BILLS PURCHASE AVAILMENT	PHP 43,915,881.03	3 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 27, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 274,000,000.00	34 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	37 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	43 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	43 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 19, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 64,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	39 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 18, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	39 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	33 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 274,000,000.00	33 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 55,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 51,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	63 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	30 Days	Regular business transaction with resulting profit



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Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 14, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	62 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 13, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	30 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	42 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 64,000,000.00	43 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	November 3, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 80,000,000.00	45 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 26, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 70,000,000.00	33 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 190,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 24, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 84,000,000.00	31 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 112,000,000.00	97 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 67,000,000.00	97 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 17, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 110,000,000.00	97 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 16, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 69,000,000.00	95 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 11, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	91 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	41 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 10, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	41 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 9, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 100,000,000.00	35 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	October 2, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	36 Days	Regular business transaction with resulting profit
SAN MIGUEL YAMAMURA PACKAGING CORPORATION	Affiliate	December 28, 2023	TIME LOAN	PHP 400,000,000.00	46 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 29, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	60 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 66,000,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 21, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 106,100,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 20, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 90,000,000.00	91 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 7, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	December 6, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	November 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 105,000,000.00	62 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	November 28, 2023	DIRECTIONAL LOAN (BORROWER)	PHP 50,000,000.00	62 Days	Regular business transaction with resulting profit

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December 31, 2023

Date

Related Counterparty	Relationship Between the Parties	Transaction Date	Type of Transaction	Amount/Contract Price	Terms	Rationale for Entering into the Transaction
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	November 22, 2023	DIRECTIONAL LOAN (BORROWER)	77,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	November 21, 2023	DIRECTIONAL LOAN (BORROWER)	66,000,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	November 21, 2023	DIRECTIONAL LOAN (BORROWER)	95,700,000.00	30 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	November 14, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	October 31, 2023	DIRECTIONAL LOAN (BORROWER)	92,000,000.00	90 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	October 26, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	33 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	October 26, 2023	DIRECTIONAL LOAN (BORROWER)	105,000,000.00	33 Days	Regular business transaction with resulting profit
SL HARBOR BULK TERMINAL CORPORATION	Affiliate	October 12, 2023	DIRECTIONAL LOAN (BORROWER)	88,200,000.00	90 Days	Regular business transaction with resulting profit
SLC NAAX CORPORATION	Affiliate	October 16, 2023	TERM LOAN	53,250,000.00	80 Months	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	December 13, 2023	DIRECTIONAL LOAN (FUNDER)	248,834,318.50	120 Days	Regular business transaction with resulting profit
SMC POWERGEN INC.	Affiliate	December 13, 2023	DIRECTIONAL LOAN (FUNDER)	248,780,208.52	120 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	December 21, 2023	DIRECTIONAL LOAN (BORROWER)	85,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	December 5, 2023	DIRECTIONAL LOAN (BORROWER)	95,200,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	December 4, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	91 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 22, 2023	DIRECTIONAL LOAN (BORROWER)	100,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 22, 2023	DIRECTIONAL LOAN (BORROWER)	151,000,000.00	90 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 21, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 7, 2023	DIRECTIONAL LOAN (BORROWER)	62,500,000.00	42 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 7, 2023	DIRECTIONAL LOAN (BORROWER)	164,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 7, 2023	DIRECTIONAL LOAN (BORROWER)	56,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 7, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	November 7, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	62 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	October 6, 2023	DIRECTIONAL LOAN (BORROWER)	95,200,000.00	60 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	October 6, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	35 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	October 2, 2023	DIRECTIONAL LOAN (BORROWER)	164,000,000.00	36 Days	Regular business transaction with resulting profit
SMC SHIPPING AND LIGHTERAGE CORPORATION	Affiliate	October 2, 2023	DIRECTIONAL LOAN (BORROWER)	50,000,000.00	36 Days	Regular business transaction with resulting profit
SMC SLEX INC.	Affiliate	December 22, 2023	DIRECTIONAL LOAN (FUNDER)	400,000,000.00	32 Days	Regular business transaction with resulting profit
SMC SLEX INC.	Affiliate	November 22, 2023	DIRECTIONAL LOAN (FUNDER)	1,000,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SLEX INC.	Affiliate	October 23, 2023	DIRECTIONAL LOAN (FUNDER)	1,000,000,000.00	30 Days	Regular business transaction with resulting profit
SMC SLEX INC.	Affiliate	October 26, 2023	OUTSOURCE TECHNICAL SUPPORT	12,163,200.00	-	Regular business transaction with resulting profit
SMC SLEX INC.	Affiliate	December 14, 2023	OUTSOURCE TECHNICAL SUPPORT	17,627,508.38	-	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	December 13, 2023	DIRECTIONAL LOAN (FUNDER)	499,072,826.07	92 Days	Regular business transaction with resulting profit
SOLID NORTH MINERAL CORP.	Presence of Corresponding Person	December 12, 2023	DIRECTIONAL LOAN (FUNDER)	433,608,114.43	92 Days	Regular business transaction with resulting profit
SUAL POWER INC. (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	November 6, 2023	LC OPENING	8,825,050.00	30 Days	Regular business transaction with resulting profit
SUAL POWER INC. (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	December 6, 2023	LC OPENING	7,724,600.00	30 Days	Regular business transaction with resulting profit
SUAL POWER INC. (FORMERLY: SAN MIGUEL ENERGY CORPORATION)	Affiliate	December 13, 2023	LC OPENING	6,811,350.00	30 Days	Regular business transaction with resulting profit
TERESA JANE C. CINCO	Related Party	October 26, 2023	PURCHASED OF REPOSSESSED VEHICLE	752,000.00	-	Regular business transaction with resulting profit
UNIVERSAL POWER SOLUTIONS INC.	Affiliate	October 27, 2023	TERM LOAN	4,060,000,000.00	120 Months	Regular business transaction with resulting profit





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