



**GRBANK | GUAGUA RURAL BANK, INC.**  
Trusted Since 1954

# ANNUAL REPORT 2025



**GROUNDING GROWTH**  
**STABILITY TODAY. READINESS FOR TOMORROW.**

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# VISION, MISSION & VALUES



## VISION

To be the most trusted and preferred bank in the Philippines by delivering innovative products “Where Service is Best”, enriching our people with a sense of ownership and commitment, and optimizing share of our stockholders.



## MISSION

*As a responsive and ethical banking institution which values integrity, good governance and professional excellence, we are committed to our customers and fully accountable to our shareholders, partners and employees by delivering optimal results with transparent and efficient management systems.*

*We are a bank known for its outstanding support and commitment to MSMEs (micro, small and medium enterprises), nurturing and transforming them into viable and competitive business entities.*

*At the heart of this endeavor is our desire to see the lives of those we serve more enriched and capable of contributing to the success of our country, thereby improving the lives of every Filipino.*



## VALUES

- S** – Stability
- P** – Professionalism
- I** – Integrity
- R** – Responsiveness
- I** – Innovativeness
- T** – Transparency

# CORPORATE PROFILE

Founded in 1954, Guagua Rural Bank, Inc. was established by a group of professionals and businessmen from Guagua, Lubao, and Sta. Rita, Pampanga. It was among the first ten rural banks authorized by the Bangko Sentral ng Pilipinas. Built on the values of prudence, integrity, and commitment to countryside development, the Bank has steadily grown into one of the country's leading rural banking institutions.

Today, the Bank operates as a private solo rural bank and is recognized as one of the largest rural banks in the Philippines, ranking No. 5\* in terms of total assets. It maintains a network of 25 branches, primarily located across Central Luzon, including one branch in Quezon City, providing accessible banking services to individuals, entrepreneurs, and communities.

The Bank is known for its relationship-based approach to banking, emphasizing personalized service, close client engagement, and responsiveness. This approach is particularly evident in its service to micro, small, and medium enterprises (MSMEs), farmers, fisherfolk, and local businesses, where understanding local markets and building long-term partnerships are prioritized over purely transactional banking.

Its core products and services include lending for MSMEs, agriculture, consumer, and institutional clients, as well as deposit products such as savings, current, special savings, and dollar savings accounts. Basic transaction services—such as fund transfers, remittances, bills payment, and ATM and POS access—are likewise offered through the Bank's branch network and service facilities under GerBilis.

The Bank's business model is anchored on sustainable growth and financial discipline, guided by the principle of stability over short-term profitability. This approach supports strong liquidity, sound asset quality, and responsible governance in serving depositors and stakeholders.

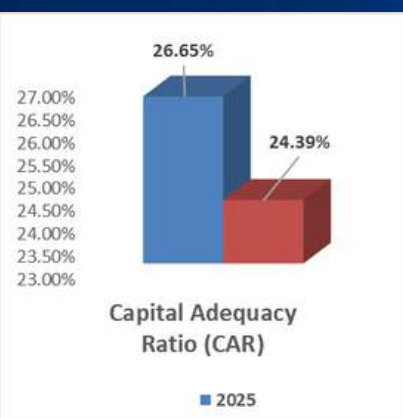
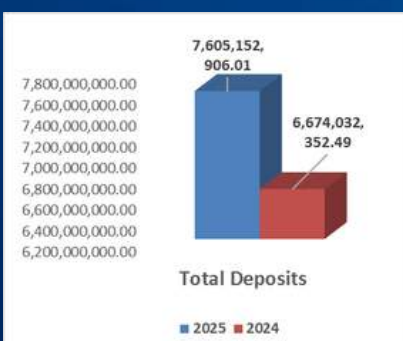
The Bank is an active member of the Rural Bankers Association of the Philippines, Confederation of Central Luzon Rural Banks, Pampanga Federation of Rural Banks, and the Pampanga Chamber of Commerce. It is likewise a member of the Philippine Deposit Insurance Corporation, Philippine Clearing House Corporation, Philippine Payments Management, Inc., and PesoNet, and works closely with various government and financial institutions.

Guided by its Vision to be the most trusted and preferred rural bank in the Philippines, GRBank remains committed to supporting MSMEs, promoting financial inclusion, and contributing to countryside development. It continues to operate with integrity, professionalism, and a strong sense of responsibility to its clients, communities, and stakeholders.

\* Based on BSP website as of 9.30.2025

# FINANCIAL HIGHLIGHTS

	As of December 31,	
	2025	2024
<b>Profitability</b>		
Total Net Interest Income	483,043,338.66	436,838,025.00
Total Non-Interest Income	67,558,920.24	61,005,918.36
Total Non-Interest Expenses	272,142,113.42	209,292,519.71
Pre-provision profit	273,519,093.96	278,993,593.26
Allowance for credit losses	458,328,870.36	596,032,748.02
Net Income	227,084,292.60	242,524,115.63
<b>Selected Balance Sheet Data</b>		
Liquid Assets	3,897,187,735.37	3,052,478,785.79
Gross Loans	5,735,676,476.25	5,910,368,805.55
Total Assets	9,890,388,428.66	8,668,640,699.94
Deposits	7,605,152,906.01	6,674,032,352.49
Total Equity	2,054,550,434.89	1,777,520,655.71
<b>Selected Ratios</b>		
Return on Equity	11.85%	14.64%
Return on assets	2.45%	2.89%
Capital Adequacy Ratio	26.65%	24.39%
<b>Capital Structure and Capital Adequacy</b>		
<b>Tier 1 capital and a breakdown of its components</b>		
Paid up common stock	855,221,600.00	855,221,600.00
Retained Earnings	1,199,328,834.89	922,129,308.39
Cumulative foreign currency transaction	-	169,747.32
Total Tier 1 Capital	2,054,550,434.89	1,777,520,655.71
Tier 1 Capital Adequacy Ratio	26.09%	23.69%
<b>Tier 2 capital and a breakdown of its components</b>		
General Loan Loss Provision	43,726,416.82	52,726,416.82
Deduction from Tier 1(50%)	-	0.00
Deduction from Tier 2(50%) capital	-	0.00
Total Tier 2 Capital	43,726,416.82	52,726,416.82
Total Qualifying Capital	2,098,276,851.71	1,830,247,072.53
Capital Requirements for credit risk	458,328,870.36	596,032,748.02
Capital Requirements for operational risk		
Credit Risk-Weighted Assets	7,159,663,223.19	6,837,834,996.24
Operational Risk-Weighted Assets	714,956,483.72	666,772,580.68
Market Risk-Weighted Assets	-	0.00
Total Risk-Weighted Assets	7,874,619,706.91	7,504,607,576.92
<b>Others</b>		
Cash Dividends Declared	100,000,000.00	-
Headcount	2025	2024
Officers	68	70
Staff	90	85



# Message from the Chairman

Dear Valued Stakeholders,

The year 2025 marked a defining period for Guagua Rural Bank as the institution continued to balance stability with transformation in an increasingly complex banking environment. On behalf of the Board of Directors, I extend our appreciation to our depositors, clients, shareholders, regulators, and partners for the continued trust and confidence you have placed in the Bank.

The Board remained firmly focused on its primary responsibilities—sound governance, prudent risk oversight, and long-term sustainability. These guiding principles shaped the Bank’s decisions throughout the year as we navigated evolving regulatory expectations, heightened operational risks, and accelerating digital change across the financial sector.

Despite these challenges, the Board takes assurance in the Bank’s strong capital position and prudent balance sheet stewardship, which continue to support financial resilience and regulatory soundness. These fundamentals provide a solid foundation for sustainable growth, while enabling the Bank to navigate evolving risks with discipline and confidence.

Throughout 2025, the Board exercised close oversight over the Bank’s enterprise risk management framework. Attention was given to operational resilience, information technology risks, cybersecurity preparedness, and third-party dependencies—areas that have become increasingly material to the safety and soundness of banking institutions. The Board ensured that risk appetite remained aligned with the Bank’s strategic direction and that emerging risks were identified, escalated, and addressed in a timely manner.


Governance enhancements also remained a priority. The Board and its committees continued to strengthen oversight mechanisms, refine policies, and conduct regular performance and effectiveness assessments. These efforts reinforced accountability at all levels of the organization and supported informed, well-documented decision-making. Succession planning and leadership continuity were likewise reviewed to ensure that the Bank remains well-positioned for its next phase of growth.

As the Bank advances toward its medium-term strategic objectives, the Board recognizes that transformation must be pursued responsibly. Investments in systems, people, and capabilities were deliberately phased to ensure readiness, manage execution risks, and preserve financial strength. The Board remains committed to guiding the Bank through this transition with prudence, transparency, and unwavering adherence to regulatory standards.

Looking ahead, the Board is confident that Guagua Rural Bank enters the next phase of its journey on a solid foundation—financially sound, well-governed, and strategically prepared. We will continue to exercise vigilant oversight to safeguard the interests of our stakeholders while supporting initiatives that enhance the Bank’s relevance, resilience, and long-term value.

On behalf of the Board of Directors, I thank our management team and employees for their professionalism, dedication, and steadfast commitment to the Bank’s values. Together, we will continue to uphold the legacy of Guagua Rural Bank as a trusted partner to the communities we serve.

Respectfully,

  
RESTITUTO C. CRUZ  
Chairman of the Board



**RESTITUTO C. CRUZ**  
Chairman of the Board

# Message from the President



**JOSE ANTONIO BLAS L. CARLOS**  
President & Chief Executive Officer

Dear Stakeholders,

We delivered another strong year, underscoring our continued focus on customer-centric growth, digital transformation, and operational efficiency.

In 2025, disciplined execution and measured progress defined our performance. Operating in an environment marked by change and uncertainty, management remained focused on strengthening core fundamentals while deliberately preparing the organization for its next phase of growth.

The operating landscape during the year was shaped by moderating inflation, evolving monetary conditions, and heightened regulatory and supervisory expectations across the banking sector. Competitive pressures intensified alongside accelerated digital adoption and rising operational and cyber risks. Against this backdrop, management adopted a measured and disciplined approach—prioritizing stability, prudent risk management, and organizational readiness while selectively advancing initiatives aligned with the Bank’s medium-term strategic direction.

In 2025, the Bank strengthened its balance sheet while deliberately recalibrating asset deployment to preserve liquidity and financial flexibility. Total assets increased by 14.09% to ₱9.89 billion from ₱8.67 billion, reflecting continued balance sheet expansion anchored on stable funding. Total deposits grew to ₱7.60 billion, a 13.95% growth from the previous year, reinforcing funding stability and customer confidence. Against this backdrop, total loans moderated to ₱5.74 billion, resulting in a loan-to-deposit ratio of 75.42%—underscoring management’s conscious shift toward a more conservative liquidity and risk posture amid heightened market and regulatory uncertainty.

Earnings performance remained solid, with net income of ₱227.08 million and a Return on Equity of 11.85%, reflecting disciplined execution, sound pricing, prudent cost management, and sustainable earnings quality. Capital strength continued to improve, with total capital reaching ₱2.05 billion, a 15.59% increase from 2024 and a Capital Adequacy Ratio of 26.65%, well above regulatory requirements. Liquidity likewise remained robust at 51.24%, reinforcing the Bank’s capacity to support future growth opportunities while maintaining strong buffers against financial and operational risks.

Beyond financial performance, 2025 was a year of deliberate institutional strengthening. Management, with the guidance of the Board, prioritized governance discipline, risk management, and operational readiness to ensure that future growth remains sustainable and well-controlled. Key initiatives included the enhancement of governance, risk, and compliance frameworks, supported by improved monitoring tools that strengthened transparency, accountability, and issue resolution across the organization.

Measured progress was likewise achieved in strengthening technology and operational foundations. The implementation of a multi-availability zone (multi-AZ) architecture enhanced system resiliency and operational continuity, while other digital, cybersecurity, and infrastructure initiatives were deliberately sequenced for phased rollout. Strategic loan products, including the e-vehicle loan and micro loan programs, were approved and prepared for execution, supporting future growth initiatives. Employee training initiatives also exceeded targets, reinforcing our continued investment in people.

Taken together, these accomplishments reflect 2025 as a consolidation year—one that reinforced stability while positioning the organization to execute the 2026–2028 Strategic Plan with greater discipline, resilience, and long-term value creation.

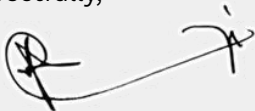
Operationally, the Bank remained committed to its core mandate of serving communities, MSMEs, farmers, and households. Loan portfolio management continued to be guided by relationship-based lending and strengthened credit evaluation processes, with emphasis on asset quality, borrower engagement, and prudent risk selection, while deposit generation relied on branch-led initiatives, customer trust, and consistent service delivery. Incremental contributions from fee-based income and transactional services reflected gradual progress in diversifying revenue streams.

Our people remained central to execution. Throughout the year, management strengthened workforce capabilities through targeted training, leadership development, and succession planning, while continuing to reinforce a culture of accountability, collaboration, and service excellence.

As we look ahead, the foundations laid in 2025 place the Bank in a strong position to pursue responsible growth, deepen customer relationships, and adapt to an increasingly digital and risk-sensitive banking environment. This disciplined approach has positioned the Bank among the Top 5\* rural banks in the Philippines in terms of total assets, reflecting steady growth, sound governance, and prudent risk management. Guided by disciplined management and strong Board oversight, we remain committed to creating long-term value for our stockholders and stakeholders.

I extend my sincere appreciation to our Board of Directors for their guidance and oversight, to our employees for their dedication and professionalism, and to our clients and partners for their continued trust.

Respectfully,



**JOSE ANTONIO BLAS L. CARLOS**  
President & Chief Executive Officer

\* Based on BSP website as of 9.30.2025

# Executive Management Insights



**ELIZABETH C. TIMBOL**  
Chief Operating Officer

2025 was a year defined by disciplined execution. Across the organization, management focused on doing the fundamentals well—strengthening daily operations, reinforcing accountability, and ensuring that plans translated into consistent results on the ground.

In an increasingly complex banking environment, teams demonstrated resilience and adaptability. Branches and support units worked more closely, processes became more structured, and controls more embedded into everyday work. These improvements were not driven by sweeping change, but by steady, deliberate action and a shared commitment to doing things right.

Management placed strong emphasis on people and ownership. Clearer roles, targeted training, and leadership continuity enabled teams to respond more confidently to operational demands and regulatory expectations. Collaboration improved, silos were reduced, and responsibility for outcomes became more widely shared.

Progress in systems and technology followed the same disciplined approach—measured, governed, and aligned with operational readiness. Enhancements were pursued not for speed alone, but to support reliability, security, and long-term resilience.

Taken together, these efforts strengthened the Bank’s execution capability. The year reinforced a culture of professionalism, prudence, and continuous improvement—one that positions the organization to move forward with confidence as it enters its next phase of development.

# 2025 *Operational Highlights*

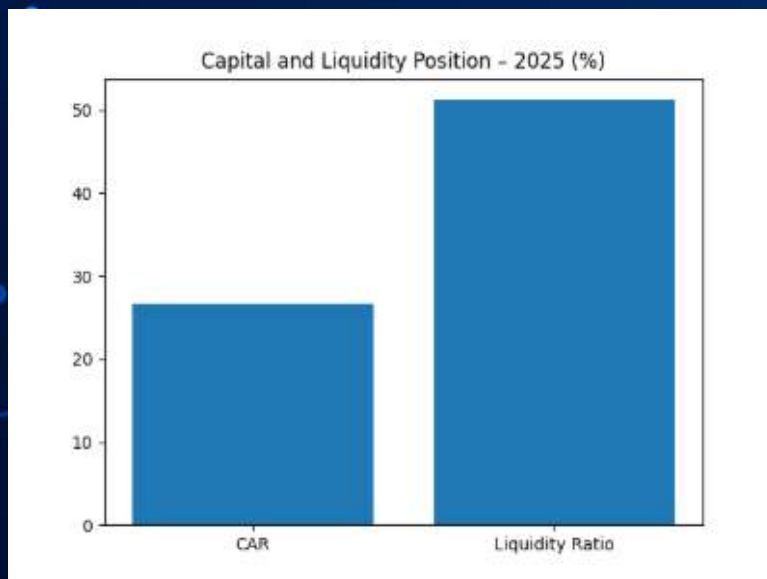


**Grace C. Glorioso**  
Senior Vice President

The Bank's 2025 operating year was defined by prudence, resilience, and disciplined execution. Across all core and support functions, management focused on preserving financial stability, strengthening governance and controls, and laying the groundwork for sustainable growth. The following Operational Highlights present a consolidated view of departmental performance, integrating key metrics directly into the narrative to illustrate outcomes achieved during the year.

## Accounting and Finance

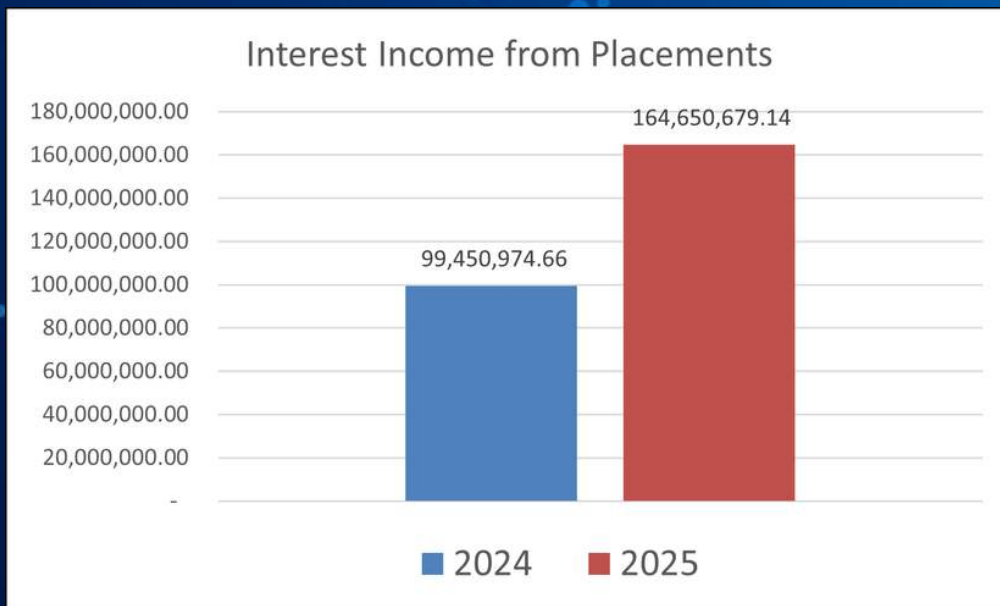
In 2025, the Accounting and Finance function played a central role in safeguarding the Bank's balance sheet strength. Treasury income contributions reached ₱169 million, supporting overall earnings despite a cautious operating environment. The Bank closed the year with a Capital Adequacy Ratio of 26.65%, well above regulatory minimums, while maintaining an average liquidity ratio of 51.24%, ensuring ample capacity to meet obligations and fund operations.



# 2025 OPERATIONAL HIGHLIGHTS

## Treasury

The Treasury function focused on optimizing returns from excess liquidity while maintaining conservative risk parameters. Interest income from placements amounted to ₱164 million from ₱99 million in 2024, supported by average daily placements of ₱58 million. Close coordination with Finance ensured alignment with asset-liability management objectives and earnings stability.



## Risk Management and Compliance

In 2025, Risk Management and Compliance efforts emphasized governance discipline, regulatory alignment, and the strengthening of core risk and compliance processes. During the year, all thirteen (13) audit and compliance issues raised were successfully closed, reflecting improved coordination across units and closer monitoring of corrective actions. In parallel, the Bank approved and implemented eighteen (18) risk management, compliance, and AML-related policies and frameworks, addressing key areas such as credit review, AML/CTPF controls, related party transactions, and regulatory reporting.

The year also marked continued enhancements to risk monitoring tools and documentation standards, including updates to credit review procedures, BRR validation guidelines, and loss event reporting protocols. While certain compliance and risk processes remained in the process of full institutionalization, these initiatives materially strengthened the Bank's control environment and reinforced accountability, documentation discipline, and regulatory responsiveness across business and support units.

## Internal Audit

In 2025, Internal Audit strengthened its assurance role through the full implementation of a revised audit rating system, enhancing consistency in risk assessment and clarity in the communication of audit results. The improved methodology supported more focused audit planning and clearer differentiation of risk levels across audited units.

During the year, Internal Audit substantially delivered its audit plan, completing 98% of planned audit engagements. Across completed engagements, the average end-to-end audit cycle time was 181 days, reflecting the scope and depth of audit work conducted, including fieldwork, validation, and reporting processes.

The overall risk profile of audit findings showed that 16% were rated High Risk, 52% Medium Risk, and 32% Low Risk, providing management and the Board with clearer visibility into priority control areas requiring attention. Enhanced issue-tracking mechanisms and closer coordination with Risk Management and Compliance improved monitoring of corrective actions and reinforced management accountability across the organization.

Collectively, these initiatives strengthened the effectiveness of the Internal Audit function as an independent assurance provider and contributed to the continued improvement of governance, risk management, and internal control practices across the Bank.

## Information Technology

In 2025, Information Technology initiatives focused on strengthening operational resiliency, governance controls, and system reliability amid increasing operational and regulatory demands. System availability was recorded at an average of 99.87%, reflecting generally stable operations alongside isolated unplanned outages during the year. To address infrastructure vulnerabilities and reduce single points of failure, the Bank implemented a multi-availability zone (multi-AZ) architecture for its Core Banking System production environment, significantly improving system continuity and resilience.

In addition to infrastructure enhancements, key IT governance initiatives were completed, including updates to the IT Risk Management Manual, user access management controls, and business continuity and disaster recovery documentation. While several cybersecurity and network initiatives remained in progress, the actions undertaken during the year strengthened foundational IT controls and positioned the Bank's systems and operations on a more stable and resilient footing.

## Administration

In 2025, Operations and Administration delivered measurable efficiency gains through targeted infrastructure investments and strengthened administrative governance. The Solar Energy Project was implemented across approximately 70% of Bank-owned branches (11 out of 18), resulting in estimated cumulative electricity cost savings of ₱1.86 million across branch locations and the Main and San Fernando Offices. These initiatives contributed to improved cost efficiency and operational sustainability.

In parallel, the Bank enhanced its administrative control framework through the review and strengthening of key policies and procedures, including updates to the Outsourcing Policy, vendor management guidelines, facilities administration, and other core administrative manuals. These enhancements improved oversight of third-party service providers, clarified roles and accountability, and strengthened compliance with regulatory expectations on outsourced activities. Collectively, these initiatives reinforced operational discipline, service continuity, and governance across the Bank's physical and administrative infrastructure.

## Human Resources

In 2025, the Human Resources function focused on strengthening people readiness and organizational capability in support of the Bank's medium-term Strategic Plan. Recognizing that sustainable growth and digital transformation are underpinned by a capable and well-governed workforce, HR initiatives during the year emphasized talent development, performance alignment, leadership continuity, and process systemization.

Staffing levels remained stable, with 98.14% of approved positions filled, ensuring operational continuity across branches and support units. Capability-building initiatives were broadly implemented, with 91% of employees participating in at least one training program during the year. A total of 403.5 training hours were delivered, focusing on credit risk management, compliance awareness, operational resilience, and leadership development in line with identified capability gaps.

In parallel, the Bank implemented a more systemized payroll and timekeeping framework through enhancements to its Human Resource Information System (HRIS). The rollout of improved attendance monitoring, payroll processing, and related controls strengthened data accuracy, reduced manual intervention, and enhanced compliance with internal policies and regulatory requirements. Further enhancements to the performance evaluation framework and continued implementation of the Succession Planning Program reinforced governance over talent management and leadership continuity.

Collectively, these initiatives positioned the Human Resources function as a strategic partner in enabling disciplined execution, stronger internal controls, and a risk-aware culture in support of the Bank's Strategic Plan.

## Credit and Lending Operations

In 2025, Credit and Lending Operations pursued a disciplined, risk-aligned approach focused on strengthening portfolio quality, enhancing governance, and reinforcing relationship-based banking. In response to evolving regulatory expectations and internal risk assessments, the Bank undertook a comprehensive review and enhancement of its credit policies, underwriting standards, and monitoring procedures, ensuring closer alignment with the Bank's risk appetite and compliance framework.

During the year, key credit-related policies and procedures were refined, including updates to borrower evaluation standards, collateral valuation and monitoring guidelines, and post-approval credit review processes. These enhancements improved consistency in credit decision-making, strengthened early-warning and remedial controls, and supported more proactive portfolio management across branches.

Alongside these governance initiatives, the Bank approved two strategic loan products—the Electric Vehicle (EV) Loan Program and the Micro Loan Program—which were positioned for phased rollout following policy and process readiness. While net loan growth reflected a contraction of ₱175 million by year-end, this outcome was driven by deliberate portfolio rebalancing and tighter credit standards. Importantly, portfolio quality improved, with the non-performing loan (NPL) ratio declining to 11.83% from higher levels in prior periods. Total loan releases for the year reached ₱2.445 billion, demonstrating continued support for clients within a controlled risk environment.

Overall, these initiatives reinforced the Bank's credit governance framework and positioned the Credit and Lending function to support sustainable growth, product diversification, and improved risk outcomes in subsequent periods.

## Branch Banking Group

In 2025, the Branch Banking Group (BBG) remained at the forefront of customer engagement and service delivery, reinforcing the Bank's relationship-based banking model amid an increasingly stringent regulatory and competitive environment. Branches continued to serve as the primary client interface, effectively balancing business development initiatives with heightened compliance and reporting requirements.

Throughout the year, branch operations prioritized deposit mobilization through community-based initiatives and localized marketing activities, while maintaining close coordination with the Risk Management, Compliance, and Internal Audit units to ensure examination readiness. Regular Branch Managers' meetings and ongoing supervisory oversight strengthened performance accountability, operational discipline, and consistent service standards across the network.

Despite growth constraints arising from stricter documentation requirements and intensified market competition, these collective efforts preserved customer trust and enhanced execution capabilities. As a result, the Branch Banking Group generated ₱931 million in deposits, representing a 14% year-on-year increase, and facilitated ₱1.1 billion in loan releases during the year. Seven out of ten branches tested achieved satisfactory compliance ratings, positioning the BBG to operate effectively under the Bank's refined operating framework while supporting sustainable growth and regulatory compliance.

## Marketing and Social Media

In 2025, the Marketing and Social Media Unit focused on strengthening brand presence, deepening community engagement, and supporting business units through targeted campaigns and digital outreach. Financial literacy initiatives were sustained through partnerships with schools and Bangko Sentral ng Pilipinas-led programs, reaching 1,464 participants during the year and reinforcing the Bank's role as a trusted community partner. The Bank's 71st Anniversary celebration further strengthened brand visibility and client loyalty through appreciation activities and community-centered engagements.

Digital engagement remained a key pillar of marketing efforts. Social media platforms recorded 7.7% growth in engagement, reaching approximately 1.1 million users, supported by an improved content strategy and more targeted campaign execution. By year-end, the Bank's combined social media following increased to 19,133 followers, reflecting steady audience growth and sustained online visibility. During the year, the Bank also completed and secured Board approval of its Social Media Risk Management Framework, ensuring that marketing and online engagement activities remain aligned with regulatory requirements, risk appetite, and reputational safeguards. Collectively, these initiatives positioned the Marketing function as both a growth enabler and a governance-aligned support unit.

# BOARD OF DIRECTORS



**RESTITUTO C. CRUZ**  
Chairperson of the Board  
Non-Executive Director  
Filipino, 68 years old

Mr. Restituto C. Cruz was appointed Independent Director of Guagua Rural Bank, Inc. on January 31, 2024, and currently serves as Chairman of the Board of Directors. He brings to the Bank a wealth of leadership experience and a deep understanding of banking regulation, governance, and risk oversight, which continue to strengthen the Bank's strategic direction and corporate governance framework.

In addition to his role at Guagua Rural Bank, Mr. Cruz also serves as an Independent Director of the Bank of the Philippine Islands, further underscoring his standing in the Philippine banking sector.

Mr. Cruz's professional career spans both private practice and public service. He began his career as a Staff Auditor at Sycip, Gorres, Velayo & Co. (SGV), where he developed a strong foundation in auditing, financial reporting, and regulatory compliance. He later joined the Bangko Sentral ng Pilipinas (BSP), where he built a distinguished career marked by progressive leadership roles. Over the years, he advanced from Bank Examiner to Assistant Governor of the Supervision Sector, contributing significantly to the BSP's regulatory oversight, bank supervision, and financial system stability until his retirement.

He holds a Bachelor of Science in Business Administration, major in Accounting, from the University of the East and is a Certified Public Accountant. He further enhanced his professional credentials by earning a Master's Degree in Business Administration from the Ateneo Graduate School of Business.

With decades of experience in banking supervision, financial regulation, and corporate governance, Mr. Cruz remains a highly respected finance professional. His continued involvement provides Guagua Rural Bank with seasoned guidance, reinforcing its commitment to sound governance, prudence, and long-term institutional resilience.

Mr. Jose Antonio Blas L. Carlos has served as President and Chief Executive Officer of Guagua Rural Bank, Inc. since 2009. With a long-standing leadership role within the Bank, he has been a member of the Board of Directors since 1984 and currently serves as an Executive Director. In these capacities, he also chairs the Executive Committee and the Board Credit Committee, providing strategic oversight over management execution, credit policy, and risk governance.

Beyond his responsibilities at Guagua Rural Bank, Mr. Carlos serves as President and Trustee of Sta. Rita College. He previously served as President of the Confederation of Central Luzon Rural Banks from 2018 to 2019 and remains actively engaged in the rural banking sector through his membership in the Provincial Federation of Rural Banks (PFRB) and the Rural Bankers Association of the Philippines.

Mr. Carlos holds a Bachelor of Arts in Economics and a Master's degree from Ateneo de Manila University. His decades-long experience in banking and enterprise leadership is grounded in principled decision-making, integrity, and a strong commitment to sound corporate governance.

A passionate advocate of financial literacy and inclusion, Mr. Carlos actively supports financial education initiatives under Guagua Rural Bank's corporate social responsibility programs, implemented in partnership with GRBank Academy and the Bangko Sentral ng Pilipinas. Through these initiatives, he continues to advance community empowerment by promoting responsible financial management and informed participation in the formal financial system.



**JOSE ANTONIO BLAS L. CARLOS**  
President & Chief Executive Officer  
Executive Director  
Filipino, 66 years old



**ELIZABETH C. TIMBOL, MBA**

Chief Operating Officer  
Executive Director  
Filipino, 55 years old

Ms. Elizabeth Carlos Timbol is a distinguished business leader, entrepreneur, and a recognized advocate for countryside development in the Philippines, with more than three decades of leadership experience spanning rural banking, enterprise development, and civic engagement.

She has played a transformative role in the rural banking sector, having held several landmark leadership positions. In 2020, she served as President of the Rural Bankers Association of the Philippines (RBAP), becoming both the first Kapampangan and the first woman to lead the organization in its nearly 70-year history. During her term, she championed initiatives focused on digital transformation, institutional capacity-building, and women empowerment across rural banks nationwide. She later served as Chairman of the Rural Bankers Research and Development Foundation, Inc. (RBRDFI) from 2021 to 2022, where she introduced key reforms, including the development of a generic operations manual designed to support smaller rural banks.

Earlier in her career, Ms. Timbol made history as the youngest-ever President of the Pampanga Federation of Rural Banks (1994-1995) and later served as President of the Confederation of Central Luzon Rural Banks, helping strengthen the role of rural banks as drivers of regional economic development. She was also selected by the Bangko Sentral ng Pilipinas as a member of the Technical Working Group for the Rural Bank Strengthening Program, contributing to policy initiatives aimed at enhancing the resilience and sustainability of the rural banking sector.

Beyond banking, Ms. Timbol currently serves as President of the Metro Angeles Chamber of Commerce and Industry, Inc. (MACCII) since 2022. Under her leadership, the Chamber has been recognized as the Most Outstanding Chamber in Northern Luzon for three consecutive years (2022, 2023, and 2024), reflecting her strong advocacy for MSMEs, next-generation entrepreneurs, and inclusive economic growth. She also serves as an Advisor to Pampanga Agricultural State University, supporting initiatives in education, research, and community development.

Ms. Timbol is a highly regarded awardee and speaker, having received numerous distinctions in recognition of her leadership and social impact. These include the Indigenous Crusader Award for her work through the Happy Katutubo Project, the Governor's Award for Leadership for her term as Rotary President (2018-2019), and the Hometown Heroes Award for community development. She has been named one of the 101 Entrepreneurs in Pampanga by the Department of Trade and Industry, recognized as Woman of the Year by the Italian Chamber of Commerce, honored as Woman for Countryside Banking by the Embassy of Singapore, cited by Punto! as one of the Business Icons of the Year (2023 and 2024), and conferred the Excellence in Banking Leadership Award by Profile Asia. She earned her Master of Business Administration from the Ateneo Graduate School of Business, where she was recognized as a "Hero Graduate," exemplifying Atenean leadership values. She was also the first President of the Ateneo Clark Alumni and Student Organization, helping build a strong network of professionals and emerging leaders.

With a 34-year track record in strategic leadership, financial inclusion, and banking community empowerment, Ms. Elizabeth Carlos Timbol continues to champion sustainable economic growth, particularly in rural and underserved communities.

Ms. Grace C. Glorioso is an Executive Director and Senior Vice President of Guagua Rural Bank, Inc. She was elected to the Board of Directors in January 1996 and is an active member of both the Executive Committee and the Board Credit Committee, contributing to strategic oversight, policy direction, and credit governance.

Ms. Glorioso has been with Guagua Rural Bank since 1994, reflecting nearly three decades of continuous leadership and institutional stewardship. Her long tenure underscores her deep familiarity with the Bank's operations, financial management framework, and strategic priorities, as well as her sustained commitment to its growth and stability.

She graduated with honors from De La Salle University and was recognized as one of the Ten Outstanding Students of the Philippines, highlighting her early academic excellence and leadership potential. She further pursued advanced management training by earning units toward a Master of Business Administration at the Ateneo Graduate School of Business.

In addition to her leadership role at Guagua Rural Bank, Ms. Glorioso also serves as a Director of Fourteen Stars Realty, broadening her professional exposure across banking and real estate sectors.

With extensive experience in financial management, governance, and credit oversight, Ms. Glorioso continues to provide steady leadership and sound judgment, supporting the Bank's strategic objectives and long-term sustainability.



**GRACE C. GLORIOSO**

Senior Vice President  
Executive Director  
Filipino, 51 years old



**MICHAEL ANTHONY B. LAPID**

Non-Executive Director  
Filipino, 63 years old

Mr. Michael Anthony B. Lapid has served as a Non-Executive Director of Guagua Rural Bank, Inc. since February 2016, having previously served on the Board from 1994 to 1998. He is currently a member of the Board Credit Committee, where he provides independent oversight on credit policy formulation, lending standards, and portfolio risk management.

Outside of Guagua Rural Bank, Mr. Lapid is a Director of FMLapid and Sons, Inc. and previously served as Executive Vice President of the Bank of Florida from 1998 to 2012. His executive banking background equips him with practical insight into retail banking operations, credit evaluation, and enterprise-level risk controls.

Mr. Lapid holds a Bachelor of Science in Physics from Don Bosco College and a Diploma in Management from the College of Landau, in Germany. He earned a Master's Degree in Business Economics from the University of Asia and the Pacific, a Master's Degree in Theology from Divine Word University, and a Doctorate in Educational Leadership and Management from De La Salle University in 2021.

Drawing from his multidisciplinary academic background and decades of leadership experience in banking and enterprise management, Mr. Lapid contributes to the Board through disciplined credit governance, risk-aware decision-making, and balanced strategic judgment. His perspectives strengthen the Bank's lending practices, reinforce prudent risk management, and support the Board in steering Guagua Rural Bank toward sustainable growth and long-term resilience.

Mr. Carlos S. Coronel has served as a Non-Executive Director of Guagua Rural Bank, Inc. since January 2008 and is an active member of the Board Credit Committee, where he contributes independent judgment on credit approvals, lending strategies, and portfolio quality.

Outside of Guagua Rural Bank, Mr. Coronel holds directorships in several corporations, including Allied Concrete Products, Inc., Majestic Shipping Corporation, Corsan Realty Corporation, Kapalaran Realty Development, Inc., and Moikel Realty Corporation. His broad exposure to construction, shipping, and real estate provides the Board with practical perspectives on industry risk, asset valuation, and business cycle management.

Mr. Coronel earned a Bachelor of Science in Management from Ateneo de Manila University. Leveraging his cross-industry leadership experience, he brings strong business acumen and a results-oriented mindset to the Board.

Through his contributions, Mr. Coronel supports the Bank's governance framework by enhancing credit discipline, strategic alignment, and commercially sound decision-making, helping guide Guagua Rural Bank toward prudent growth and long-term sustainability.



**CARLOS S. CORONEL**

Non-Executive Director  
Filipino, 56 years old



**EMILIO PHILIP L. CARLOS**  
Non-Executive Director  
Filipino, 58 years old

Mr. Emilio Philip L. Carlos has served as a Non-Executive Director of Guagua Rural Bank, Inc. since April 26, 2023. He is a member of both the Audit & Compliance Committee and the Corporate Governance Committee, where he provides independent oversight on internal controls, regulatory compliance, and governance effectiveness.

Beyond his responsibilities at Guagua Rural Bank, Mr. Carlos is a Director of Hotel Euroasia, a Trustee of Sta. Rita College of Pampanga, and the proprietor of Jap Building. His involvement across hospitality, education, and property management broadens the Board's perspective on operational risk, asset management, and organizational oversight.

Mr. Carlos holds a Bachelor of Science in Mechanical Engineering from De La Salle University. His engineering background strengthens his analytical and problem-solving approach, enabling him to systematically assess risk exposures, reinforce internal control systems, and support the continuous enhancement of corporate governance practices.

Through his contributions to audit, compliance, and governance oversight, Mr. Carlos plays a key role in reinforcing the Bank's control environment and promoting sustainable growth, resilience, and long-term institutional stability.

Ms. Iluminada M. Dizon has served as an Independent Director of Guagua Rural Bank, Inc. since February 2, 2022. She currently chairs the Audit & Compliance Committee and is a member of the Corporate Governance Committee, where she provides independent oversight on financial reporting, internal controls, regulatory compliance, and governance standards.

With more than four decades of experience in the banking industry—largely built within Guagua Rural Bank—Ms. Dizon previously served as Chief Finance Officer until her retirement in 2018. Her deep institutional knowledge and firsthand understanding of the Bank's financial systems enable her to provide informed, objective guidance to the Board, particularly on matters relating to financial integrity, risk management, and compliance discipline.

Ms. Dizon is a Certified Public Accountant and graduated Cum Laude from the University of the East. In addition to her role at Guagua Rural Bank, she serves as Chairman of the Board of Trustees of the Bacolor Water District, extending her governance experience to the public utility sector.

Through her extensive banking background and financial expertise, Ms. Dizon plays a critical role in reinforcing the Bank's control environment, ensuring compliance with regulatory requirements, and upholding strong governance practices in support of Guagua Rural Bank's long-term stability and sound financial stewardship.



**ILUMINADA M. DIZON, CPA**  
Independent Director  
Filipino, 77 years old

Dr. William D. Dar was elected as an Independent Director of Guagua Rural Bank, Inc. on March 25, 2024. He currently serves as Chairman of the Corporate Governance Committee and as a member of the Audit and Compliance Committee, where he provides independent oversight on governance policies, regulatory compliance, and institutional accountability.

A licensed Agriculturist, Dr. Dar brings a distinguished career spanning agriculture, public policy, development finance, and international governance. He currently serves as Adviser to Prasad Seeds Philippines, Inc. and to Go Negosyo Kapatid Angat Lahat Agri Program, supporting agribusiness development and entrepreneurship. His extensive leadership experience includes service as Director General of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in India; Strategic Adviser and Country Representative of Prasad Seeds Philippines, Inc.; Founding Director of the Department of Agriculture – Bureau of Agricultural Research; and Executive Director of the DOST–Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD).

Dr. Dar also held key national leadership roles, including Secretary of the Department of Agriculture, Ex-Officio Non-Executive Director of the Land Bank of the Philippines, and Chairman of the Agricultural Credit Policy Council. In these capacities, he played a pivotal role in shaping agricultural policy, rural finance frameworks, and credit programs aimed at strengthening food security and countryside development.

He holds a Doctor of Philosophy in Horticulture from the University of the Philippines Los Baños, a Master of Science in Agronomy, and a Bachelor of Science in Agricultural Education from Benguet State University.

Drawing from his deep expertise in agricultural policy, development finance, and public-sector governance, Dr. Dar contributes to the Board by strengthening corporate governance practices, audit and compliance oversight, and strategic alignment with rural and agricultural finance objectives. His insights support Guagua Rural Bank’s role in promoting inclusive growth, prudent risk management, and long-term sustainability, particularly in serving the countryside and agribusiness sectors.



**DR. WILLIAM D. DAR**

Independent Director  
Filipino, 72 years old



**ATTY. DARYL LIANGCO, CPA**

Corporate Secretary  
Filipino, 45 years old

Atty. Daryl G. Liangco was appointed as Corporate Secretary of the Board of Guagua Rural Bank, Inc. on February 2, 2022. Prior to this appointment, he served as the Bank’s Legal Counsel and Consultant. A lawyer and a Certified Public Accountant, he brings a strong interdisciplinary foundation in law, finance, and regulatory compliance, supporting the Board in fulfilling its fiduciary and governance responsibilities.

In his role as Corporate Secretary, Atty. Liangco ensures the integrity of Board processes, compliance with statutory and regulatory requirements, and proper documentation of corporate actions. His legal and accounting background enables him to provide sound guidance on corporate governance, risk mitigation, and regulatory matters affecting the Bank.

Atty. Liangco is currently a part-time faculty member at Mary the Queen College (Pamp.), Inc. and Don Honorio Ventura State University. He is also a Director and active member of the Integrated Bar of the Philippines – Pampanga Chapter. His academic career includes prior teaching engagements at the University of the Assumption, Colegio de Sebastian, Guagua National Colleges, Holy Cross College, and Guagua Community College, reflecting his sustained commitment to legal and business education.

Beyond academia, Atty. Liangco has held key professional roles in various institutions, including JBL Memorial Regional Hospital, the Commission on Appointments, the Coop Center for Development Foundation, Inc., and Molo Sia Velasco Tuazon & Ty Law Offices, where he served as a Junior Associate. He also held several leadership and management positions at the Cooperative Bank of Pampanga, including Department Manager, Account Officer, and Administrative Assistant, providing him with practical exposure to banking operations and cooperative finance.

Atty. Liangco earned his Bachelor of Arts in Psychology from the University of the Philippines – Extension Program in San Fernando, his Bachelor of Laws from San Beda College – Mendiola, and his Bachelor of Science in Accountancy from the University of the Assumption.

With his extensive experience in law, finance, banking, and education, Atty. Liangco plays a vital role in reinforcing Guagua Rural Bank’s corporate governance framework, ensuring robust legal oversight, regulatory compliance, and effective Board support in pursuit of the Bank’s long-term stability and sound governance.

# KEY OFFICERS



## Luzviminda P. Dungca

*Vice President - Credit*

Years in Service: 20 years  
Citizenship: Filipino  
Education: BSBA-Accounting, Cum Laude,  
Angeles University Foundation



## Gianna Maria I. Arceo

*Vice President - Support Services Department*

Years in Service: 31 years  
Citizenship: Filipino  
Education: BS-Computer Science, De La Salle University;  
Chartered Business Administrator (CBA),  
Chartered Association of Business Administrators, Canada



## Anna Katrina D. Lor

*Compliance Officer*

Years in Service: 8 years  
Citizenship: Filipino  
Education: BS Accounting Technology,  
Holy Angel University



## Ryan B. Munoz, CPA

*Acting Internal Audit Head*

Years in Service: 13 years  
Citizenship: Filipino  
Education: BS-Accountancy, Tarlac State University



## Jenifer G. Cayanan

*Senior Asst. Vice President - Accounting*

Years in Service: 31 years  
Citizenship: Filipino  
Education: BS-Accounting,  
Guagua National Colleges



## Myrha E. Rodriguez

*Asst. Vice President - Finance*

Years in Service: 32 years  
Citizenship: Filipino  
Education: BS-Accounting,  
Guagua National Colleges



## Rebecca O. Dizon

*Head, Branch Banking*

Years in Service: 17 years  
Citizenship: Filipino  
Education: BSBA-Major in Marketing,  
Angeles University Foundation



## Dr. Gellie Perez, DBM

*Head, Branch Operations*

Years in Service: 11 years  
Citizenship: Filipino  
Education: BSBA Major in Business Management;  
MBM; PhD - Holy Angel University



## Marilou S. Mungcal

*Head, Admin & Property Mgmt.*

Years in Service: 30 years  
Citizenship: Filipino  
Education: AB Mass Communication,  
Angeles University Foundation



## Garry G. Alfonso

*Safety & Security Officer*

Years in Service: 30 years  
Citizenship: Filipino  
Education: BSBA-major in Accountancy,  
Holy Angel University

# RISK MANAGEMENT

## Overview

Guagua Rural Bank adopts an enterprise-wide risk management approach designed to identify, assess, monitor, and manage risks that may affect its operations, financial condition, regulatory compliance, and ability to serve customers. Risk management is viewed not only as a control mechanism but as a strategic enabler that supports sustainable growth, resilience, and value creation.

The Bank's risk management framework is anchored on Board-approved policies and is aligned with applicable Bangko Sentral ng Pilipinas (BSP) regulations. In 2025, risk management remained focused on safeguarding the Bank's stability and resilience while supporting its core banking activities and measured capability enhancements.

## Risk Management Framework and Philosophy

The Bank's risk management practices are guided by its Operational Risk Management Framework (ORMF) and integrated through the Operational Resilience Framework (ORF). These frameworks provide a structured and coordinated approach to managing operational, liquidity, technology, cybersecurity, and third-party risks, and are aligned with relevant BSP issuances, including MORB provisions and BSP circulars.

Risk management is embedded in the Bank's culture through Board oversight, management accountability, and regular training programs that promote risk awareness, integrity, and prudent decision-making across the organization.

## Risk Appetite and Strategy

The Bank maintains a Board-approved Risk Appetite Statement that defines the levels of risk it is willing to accept in pursuit of its strategic objectives. Risk appetite levels range from no appetite for risks that threaten regulatory compliance, service continuity, safety, or reputation, to a moderate appetite for risks that are assessed, controlled, and aligned with sustainable growth objectives.

Risk appetite serves as a key reference in evaluating the Bank's risk profile, allocating resources, approving new products, and managing exposures, ensuring that risk-taking remains within Board-approved limits.

## Risk Governance and Oversight

The Board of Directors provides overall oversight of the Bank's risk management framework, approves risk-related policies, and reviews material risk exposures and incidents. The Executive Committee oversees the implementation of risk management and resilience initiatives across the organization.

Senior Management is responsible for executing risk controls, complying with approved limits, and responding to emerging risks. The Risk Management Unit monitors operational risk exposures and reports to the Audit and Compliance Committee and the Board. The Compliance function ensures regulatory alignment, while Internal Audit independently reviews the effectiveness of risk management and internal controls.

## Integration with Operational Resilience

Risk management is fully integrated with the Bank's Operational Resilience Framework, which consolidates business continuity, disaster recovery, liquidity contingency, security, outsourcing, and recovery planning.

Critical operations identified include deposit-taking, lending, remittance and payment services, ATM and bill payment services, and regulatory reporting. Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs) are defined under the BCP/DRP and Security Manual, with dependencies on people, systems, facilities, and third-party providers documented and monitored.

## Key Risk Categories

### Operational Risk:

Managed through the ORMF using incident data, audit findings, BSP examination results, and loss event analysis.

### Liquidity Risk:

Managed under the Liquidity Risk Management Framework and Contingency Funding Plan through daily monitoring, stress testing, and early warning indicators.

### Information Technology and Cybersecurity Risk:

Managed as enterprise risks through access controls, system monitoring, backup and recovery, incident escalation, and periodic testing of IT recovery capabilities.

### Third-Party and Outsourcing Risk:

Managed through due diligence, contractual safeguards, service level monitoring, and contingency arrangements consistent with the Bank's outsourcing policies.

### Compliance and Regulatory Risk:

Managed through policy adherence monitoring, regulatory reporting controls, and corrective action tracking.

## Stress Testing and Recovery Planning

The Bank conducts stress testing and scenario analysis covering operational disruptions, liquidity stress, and system outages. Triggers and escalation protocols are defined under the Business Recovery Plan, Liquidity Risk Management Framework, and Contingency Funding Plan to guide timely recovery actions.

## Monitoring and Continuous Improvement

Risk metrics monitored include incident trends, RTO and RPO performance, liquidity indicators, and corrective action status. Risk and resilience reports are submitted to Senior Management, the Executive Committee, and the Board. Lessons learned are incorporated into policy updates, process improvements, and training programs.

## Outlook

The Bank remains committed to strengthening its enterprise risk management and operational resilience capabilities in line with regulatory expectations and its evolving business profile. Management continues to foster a risk-aware culture that supports safe, sound, and resilient banking operations.

# CORPORATE GOVERNANCE

## Corporate Governance Structure and Practices

The Bank's core management ranks among the most organized, committed, and stable in the country's rural banking sector. Recognizing that banking operations fundamentally rely on trust, the Bank diligently safeguards its goodwill and maintains strong relationships with the communities it serves. We believe our current standing reflects the trust and confidence we have earned in these communities.

By striking a balance between centralized and decentralized management, the Bank's top officers guide day-to-day operations effectively while upholding best practices in corporate governance. This holistic governance approach governs all relationships between the Bank and its shareholders, customers, employees, suppliers, regulators, and government institutions.

Guided by the Bank's Code of Conduct, the Board of Directors oversees the Bank's activities with utmost integrity and transparency. Its primary objectives include promoting good corporate governance, boosting public confidence, and ensuring that decisions are made in the best interests of the Bank rather than personal agendas. The Board regularly reviews and refines governance practices—conducting annual assessments and aligning with the latest regulatory requirements—to maintain high standards of accountability.

## Selection Process for Board and Senior Management

Responsibility for selecting new directors and senior executives rests with the Board, delegated to the Corporate Governance Committee (CGC).

The CGC evaluates all candidates against the P's fit and proper rule as well as the Bank's own criteria for culture, integrity, experience, and professionalism. The Committee also verifies that nominees meet the qualifications under Sections 132 and 134 of the MORB and the Bank's Policy on Nominations and Qualifications of Directors. Successful candidates recommended by the CGC must then be approved by the Board.

During the Annual Stockholders' Meeting, director nominees are presented for election or re-election. Each elected director serves a one-year term or until the next election, reinforcing the Bank's commitment to accountability and excellence in leadership.



## Board Composition

The Bank's Board of Directors comprises nine (9) directors, the majority of whom are non-executive directors, with three (3) independent directors. All Board members are seasoned professionals with extensive expertise in fields such as banking and regulations, accounting, finance, agriculture, education, entrepreneurship, business management, and marketing. This diverse range of skills provides independent perspectives and judgment, ensuring corporate matters are openly discussed with transparency and that strategic decisions benefit from objective views and ideas.

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## Chairperson of the Board

The Chairperson is a non-executive and independent director who does not engage in the Bank's daily operations but instead offers direction and leadership to the Board. He advises senior management on matters related to strategy and policy, risk and governance, fosters trust, and promotes a harmonious relationship among Board members and with management. The Chairperson encourages productive discussions that drive the Bank's growth and promotes continuous education and self-evaluation among directors.

In addition, the Chairperson ensures that the Board:

- Upholds sound governance practices.
- Receives accurate, timely, and relevant information.
- Exercises prudence in decision-making.
- Effectively implements the Bank's strategic plans.

## Overall Board Responsibility

### 1. Good Governance and Risk Management:

The Board is ultimately responsible for setting the tone of the Bank's culture of professionalism and integrity and for overseeing governance and risk management. This includes ensuring that risk appetites remain within established limits.

### 2. Strategic Direction and Goals:

It sets the Bank's overall strategies and goals, supervising proper implementation by senior management.

### 3. Regulatory Compliance:

The Board ensures the Bank fully complies with the rules and regulations set by oversight bodies and government institutions, including AMLA and its Implementing Rules and Regulations, thereby safeguarding all stakeholders' interests.

Each director occupies a position of trust and must remain fit and proper for the role throughout their term. They are expected to act judiciously, honestly, and in good faith, conduct business fairly, and devote sufficient time and attention to their responsibilities. Directors provide meaningful contributions and independent judgment in decision-making, stay updated on issues critical to the Bank, and maintain confidentiality at all times.

Each director occupies a position of trust and must remain fit and proper for the role throughout their term. They are expected to act judiciously, honestly, and in good faith, conduct business fairly, and devote sufficient time and attention to their responsibilities. Directors provide meaningful contributions and independent judgment in decision-making, stay updated on issues critical to the Bank, and maintain confidentiality at all times.

Independent and non-executive directors fulfill their duties through their respective committee charters. Notably, one independent director chairs the Audit & Compliance Committee, which is tasked with overseeing the internal audit, risk and compliance functions. Another independent director chairs the Corporate Governance Committee. These committees periodically meet without management present to address internal control and ensure safe and sound banking practices.

## Board Meetings and Attendance

During the year, the Board of Directors convened regular and special meetings in accordance with the Board Charter to discharge its oversight responsibilities and provide strategic direction to the Bank. Meeting materials were circulated in advance to facilitate informed discussion and effective decision-making.

In 2025, the Board held 13 Board meetings, with an average attendance rate of 100%. Attendance remained consistently high, reflecting the Directors' commitment to fulfilling their fiduciary duties and governance responsibilities. Directors actively participated in discussions, exercised independent judgment, and provided prudent oversight on matters presented to the Board. Instances of non-attendance were minimal and were due to valid and duly noted reasons.

The Board ensures that attendance is regularly monitored and considered as part of the annual Board and individual director performance evaluation conducted under the supervision of the Corporate Governance Committee.

<b>BOARD OF DIRECTORS - 100%</b>	<b>TOTAL</b>	<b>PRESENCE</b>	<b>%</b>
	<b>12-regular; 1-special</b>		
<b>CHAIRMAN:</b>			
RESTITUTO C. CRUZ	13	13	100%
<b>MEMBERS:</b>			
JOSE ANTONIO BLAS L. CARLOS	13	13	100%
ELIZABETH C. TIMBOL	13	13	100%
GRACE C. GLORIOSO	13	13	100%
MICHAEL ANTHONY B. LAPID	13	13	100%
ILUMINADA M. DIZON	13	13	100%
WILLIAM D. DAR	13	13	100%
CARLOS S. CORONEL	13	13	100%
EMILIO PHILIP L. CARLOS	13	13	100%

## Type of Directorship and number and percentage of shares held by Directors (as of December 31, 2025)

Name of Director	Position/Type of Directorship	No. of Years as Director (as of Dec. 31, 2025)	Total No. of Direct (D) and Indirect (ID) Shares	Percent to Total Outstanding Shares
Restituto C. Cruz	Chairman/Independent Director	1 year and 11 months starting January 31, 2024	1 (D)	0.00%
Emilio Philip L. Carlos	Chairperson/Non-Executive Director	2 years and 8 months starting April 26, 2023	215 (D)	0.00%
Jose Antonio Blas L. Carlos	President & CEO/ Executive Director	41	9,269 (D)	0.11%
Elizabeth C. Timbol	Chief Operating Officer/ Executive Director	33	215 (D)	0.00%
Grace C. Glorioso	Sr. Vice President/ Executive Director	29	215 (D)	0.00%
Michael Anthony B. Lapid	Non-Executive Director	9	199,035 (D)	2.33%
Carlos S. Coronel	Non-Executive Director	17	325 (D)	0.00%
Illuminada M. Dizon	Independent Director	3 years and 10 months starting Feb. 2022	9,049 (D)	0.11%
William D. Dar	Independent Director	1 year and 9 months starting March 25, 2024	1 (D)	0.00%

## Board Committees

The Board has established four committees to facilitate efficient decision-making and oversight, each focused on specific issues requiring specialized expertise. Operating under clearly defined charters, these committees report directly to the Board. Committee members have held office since their election on February 12, 2025, and will continue to serve until their successors are elected and qualified.

### Executive Committee

Comprised of three executive directors appointed by the Board, the Executive Committee oversees the Bank's overarching risk management policies and procedures. It also evaluates policy proposals from various management or sub-committees and recommends them for Board approval. Among its primary responsibilities:

·Executing and Monitoring Strategic Plans: Implements the Bank's strategic initiatives and ensures progress is tracked effectively.

·Loan Approvals: Authorizes loan applications up to PHP 2 million for business loans and up to PHP 3 million for housing loans.

·Risk Management: Assists the Board in managing operational, liquidity, market, strategic, IT, and reputational risks.

The Bank President presides as the Chair of this committee, guiding its activities and ensuring alignment with the Bank's overall objectives. In 2025, the Execom had 37 meetings and 100% average attendance rate.

<b>EXECUTIVE COMMITTEE - 100%</b>	<b>TOTAL</b>	<b>PRESENCE</b>	<b>%</b>
<b>CHAIRMAN:</b>			
JOSE ANTONIO BLAS L. CARLOS	37	37	100%
<b>MEMBERS:</b>			
ELIZABETH C. TIMBOL	37	37	100%
GRACE C. GLORIOSO	37	37	100%



## Audit and Compliance Committee

The Audit and Compliance Committee (ACC), composed of two independent and one non-executive director (including an independent director as Chair), safeguards the Bank's assets by ensuring accurate financial reporting, assessing the adequacy and effectiveness of internal controls, supervising both the internal and external audit functions, and overseeing the Bank's risk and compliance activities. It also verifies the prompt execution of corrective actions, investigates significant issues as they arise, and maintains a whistleblowing mechanism to promote integrity and transparency. Through these measures, the ACC fosters a culture of accountability and prudent governance across the Bank. The committee conducted 12 meetings in 2025 having 100% attendance rate.

<b>AUDIT &amp; COMPLIANCE COMMITTEE - 100%</b>	<b>TOTAL</b>	<b>PRESENCE</b>	<b>%</b>
<b>CHAIRPERSON:</b>			
ILUMINADA M. DIZON	12	12	100%
<b>MEMBERS:</b>			
EMILIO PHILIP L. CARLOS	12	12	100%
WILLIAM D. DAR	12	12	100%



## Corporate Governance Committee

The Corporate Governance Committee consists of three non-executive directors, including two independent directors—one of whom serves as Chair. The Committee oversees nomination, election, remuneration, evaluation, and continuing education for both the Board and senior management, while also overseeing DOSRI and RPT matters. In 2025, the Committee convened 12 times with an average of 100% attendance rate.

<b>CORPORATE GOVERNANCE COMMITTEE - 100%</b>	<b>TOTAL</b>	<b>PRESENCE</b>	<b>%</b>
<b><u>CHAIRMAN:</u></b>			
WILLIAM D. DAR	12	12	100%
<b><u>MEMBERS:</u></b>			
ILUMINADA M. DIZON	12	12	100%
EMILIO PHILIP L. CARLOS	12	12	100%



## Credit Committee

The Board Credit Committee, comprising five directors (three executive and two non-executive), oversees loan applications exceeding PHP 2 million. This Committee proposes credit policies to the Board, approves loans in accordance with the Bank's credit risk policies and procedures, and monitors credit exposure limits, including SBL and large exposures. In 2025, the Bank conducted 39 committee meetings with 98% average attendance rating.

<b><i>BOARD CREDIT COMMITTEE - 98%</i></b>	<b>TOTAL</b>	<b>PRESENCE</b>	<b>%</b>
<b>CHAIRMAN:</b>			
JOSE ANTONIO BLAS L. CARLOS	39	39	100%
<b>MEMBERS:</b>			
ELIZABETH C. TIMBOL	39	39	100%
GRACE C. GLORIOSO	39	39	100%
MICHAEL ANTHONY B. LAPID	39	39	100%
CARLOS S. CORONEL	39	36	92%



# Enhanced Performance Assessment of the Board and Senior Management

## Commitment to Governance Excellence

The Board is committed to upholding best practices in corporate governance to fulfill its fiduciary role to the Bank. Fundamental to strong governance is the practice of conducting an annual Board evaluation. This evaluation fosters an open and candid assessment of the Board's performance, promotes collaboration among members, enhances the efficiency of Board operations, and strengthens the Board's effectiveness as a governing body.

## Performance Evaluation Framework

The Corporate Governance Committee (CGC) is responsible for evaluating each Director's performance. Additionally, the Board undertakes an annual performance review of its Independent Directors to determine the renewal or extension of their term. Evaluations cover the Board's collective performance, committee effectiveness, and individual contributions, with findings reported in a formal Board meeting.

## Evaluation Process

The performance evaluation is conducted annually in the last quarter, initiated by the Chairman of the Board and facilitated by a designated official, with support from the HR Department.

- Board and Committee Assessments: Each Board member evaluates the overall Board performance and committee effectiveness.
- Independent Directors' Review: The Board, excluding Independent Directors, assesses their contributions and effectiveness.
- Senior Management Assessment: The evaluation mirrors the Board assessment, ensuring that management committees fulfill their responsibilities effectively, make timely and informed decisions, and optimize bank resources.
- Committee-Led Evaluations: Each Board Committee member is responsible for assessing management committees and self-assessment functions under their jurisdiction.

## Results Analysis and Action Planning:

- Evaluation results are compiled, analyzed, and presented to the CGC and the Board.
- Performance ratings (1-5 scale) guide corrective actions, with scores of 3 or below requiring targeted improvements.
- Findings inform governance improvements and policy refinements.

## Board Engagement and Participation

Board members must maintain a minimum of 50% participation in Board meetings, with at least 25% physical attendance. Directors are expected to contribute strategic insights, safeguards, and controls to support the Bank's objectives.

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Board members must maintain a minimum of 50% participation in Board meetings, with at least 25% physical attendance. Directors are expected to contribute strategic insights, safeguards, and controls to support the Bank's objectives.

## Ongoing Orientation and Development

The Bank prioritizes continuous education for Board members and senior management to remain informed about industry trends, regulations, and best practices.

- **Onboarding and Orientation:** New directors must complete a corporate governance seminar and an orientation on their roles and responsibilities.
- **Training and Development:** The HR Department curates an annual training roadmap, tracking relevant seminars for directors and senior management. For 2025, the Board, management and employees completed the courses on AML Fundamentals and Targeted Financial Sanctions conducted by the Anti-Money Laundering Council (AMLC), which the bank found to be most critical.
- **Industry Engagement:** Board members and executives participate in banking conventions, regulatory updates, and governance training hosted by organizations such as RBAP and the regional banking associations.

## Retirement and Succession Planning

The Bank's succession strategy ensures leadership continuity, talent development, and alignment with long-term organizational goals.

- **Governance Oversight:** The Board and CGC oversee succession planning for directors, while the Executive Committee manages succession planning for officers below VP level.
- **Periodic Review:** The Succession Plan undergoes regular assessment and updates.
- **Independent Director Tenure:** In compliance with Sec. 132 of the MORB, Independent Directors serve a maximum cumulative term of nine years.
- **Director Qualifications:** Non-executive directors are eligible to continue serving if they meet the qualifications outlined in the Policy on Board Nomination and Qualification of Directors.
- **Retirement Benefits:** A structured retirement plan, compliant with the Philippine Labor Code, is in place for all eligible employees, including senior management.

### Remuneration and Compensation Policy

The Bank's remuneration policy is designed to attract and retain directors with the requisite skills, experience, and industry knowledge to oversee the Bank's strategic objectives and enhance long-term shareholder value.

- **Compensation Governance:** Remuneration aligns with industry standards, job responsibilities, and individual performance while adhering to Sec. 29 of the Revised Corporation Code, which caps director compensation at 10% of the previous year's net income before tax.
- **Board Compensation:** Directors receive a basic fee for Board membership and additional compensation for committee roles.

- Executive Remuneration: Executive Directors, including the President & CEO, receive:
  1. Fixed salary, allowances, and fringe benefits
  2. Performance-based incentives and bonuses
  3. Executive health packages
  4. Per diems for Board and committee meetings
- Top Management Compensation: The four highest-paid executives are the President & CEO, SEVP/COO, SVP, and one VP, ensuring competitive remuneration aligned with market trends and labor regulations.

The Bank's commitment to governance excellence, leadership development, and a robust evaluation process reinforces its mission to operate with accountability, strategic foresight, and regulatory compliance. Through structured performance assessments, continuous education, and a well-defined remuneration framework, the Bank ensures its leadership remains agile, competent, and aligned with the institution's long-term success.

## POLICIES AND PROCEDURES

### Related Party Transactions

The Bank, under the oversight of the Board, upholds a policy ensuring strict compliance with applicable laws, rules, and regulations governing related party transactions. The objective is to prevent any undue advantage to stakeholders, including directors, officers, stockholders, their related interests (DOSRI), the Bank's affiliates, and other related parties. All credit extensions and other transactions involving related parties must adhere to an arm's length principle, be conducted in a prudent and sound manner, uphold integrity, and conform to the Bank's credit granting criteria and other applicable policies. These transactions should be in the regular course of business and must not be on terms less favorable than those available to non-related borrowers. Directors and officers with a personal interest in any transaction are prohibited from participating in deliberations, approvals, or voting on the matter.

The policy comprehensively defines related parties, outlines the scope of related party transactions (RPTs), ensures arm's length terms, identifies and mitigates potential conflicts of interest, sets materiality thresholds, and establishes both individual and aggregate exposure limits. It also details procedural and reporting requirements, including a whistle-blowing mechanism and remedial measures for abusive RPTs.

As of December 31, 2025, the Bank had five (5) transactions with DOSRI and other related parties amounting to ₱22.8 million, consisting of loans, leases, and other covered transactions. All such transactions were evaluated, approved, and monitored in accordance with the Bank's DOSRI and Related Party Transactions (RPT) Policy, the Manual of Regulations for Banks (MORB), and other applicable regulations of the BSP. These exposures are fully secured, within applicable ceilings and materiality thresholds, have no past due records, and are subject to oversight by the Corporate Governance Committee (CGC). The Bank likewise complies with all reporting and certification requirements under the BSP MORB.

The Board is responsible for oversight, ensuring effective control mechanisms to mitigate potential abuses that could be detrimental to the Bank, its depositors, creditors, fiduciary clients, and other stakeholders.

## Self-Assessment Function

### Compliance

The Bank's Compliance Group, directly supervised by the Audit and Compliance Committee (ACC) through the Compliance Officer (CO), is responsible for designing, implementing, and ensuring adherence to an effective compliance system. It is also tasked with addressing any compliance breaches that may arise.

Additionally, the Compliance Group ensures the integrity and accuracy of all regulatory submissions and reports to the BSP and other relevant regulatory agencies. A structured monitoring and assessment framework, including periodic reviews, guarantees compliance with banking laws, regulations, and standards. The ACC is mandated to review the compliance system at least annually.

The Compliance Officer (CO) maintains an updated repository of all applicable laws, rules, and regulations. These legal provisions are systematically incorporated into a compliance matrix and cross-checked against the Bank's practices, policies, and procedures through rigorous testing. Compliance testing reports are submitted to the ACC for Board review and action.

The CO also ensures that the BSP examination reports are addressed and that compliance measures are approved by the Board.

### Internal Audit

The Internal Audit Group (IAG) operates under the principles established by the International Standards for the Professional Practice of Internal Auditing, employing a risk-based internal audit approach that aligns with the Bank's overall risk management framework. The IAG reports directly to and is supervised by the Audit and Compliance Committee (ACC).

By adhering to these standards, the IAG seeks to:

- Provide a structured framework for conducting value-added audit services,
- Establish criteria for evaluating internal audit performance,
- Enhance organizational processes and operational efficiency.

The IAG designs an audit program that employs a disciplined, systematic approach to assessing and improving risk management, internal controls, and governance structures. The AC ensures the effective implementation of the audit program and its periodic review within each audit cycle.

### Dividends

At the conclusion of each fiscal year, the Bank allocates its earnings exceeding operational expenses towards the following:

- A capital retirement fund to gradually retire the government's equity investment, if applicable;
- Establishing and maintaining reserves for bad and doubtful accounts;
- Replenishing any impairments to capital.

Any remaining sum is distributed as dividends to stockholders, subject to a maximum of 20% per annum. The Board approves the declaration of dividends, specifying the record and distribution dates, which are subsequently confirmed by stockholders during the annual meeting. In 2025, the Board declared dividends in the amount of One Hundred Million (P 100,000,000.00).

# CONSUMER PROTECTION AND MARKET CONDUCT

## Overview

Guagua Rural Bank places consumer protection at the core of its corporate governance and day-to-day operations. In 2025, the Bank continued to implement its Board-approved Consumer Assistance and Protection Program, ensuring fair, transparent, and responsible treatment of financial consumers across all stages of the customer relationship. The Bank's consumer protection framework is aligned with applicable Bangko Sentral ng Pilipinas (BSP) regulations and is integrated with its risk management, compliance, and internal control systems.

## Governance and Framework

The Consumer Assistance and Protection Program establishes the Bank's policies, standards, and procedures for handling consumer concerns, inquiries, and complaints. Oversight is exercised by the Board of Directors and Senior Management, with implementation supported by designated units and officers.

Consumer protection practices are embedded across business units, particularly those with direct customer interaction, to ensure consistent and effective application of consumer protection standards.

## Consumer Assistance and Complaints Handling

The Bank maintains a structured mechanism for consumer assistance and complaints handling. Consumer concerns are classified as simple or complex, depending on the level of investigation and coordination required.

Turnaround times for acknowledgment, resolution, and communication of outcomes are defined in the approved Consumer Protection Program, and consumers are kept informed of the status and results of their concerns. Proper documentation is maintained for monitoring and reporting purposes.

## Consumer Assistance Channels

Accessible consumer assistance channels are available through branch-based inquiries, written correspondence, electronic communication, and designated customer assistance platforms. Information on how to lodge complaints or requests is made readily available within bank premises and through official communication channels.

## Fair Treatment, Transparency, and Disclosure

The Bank adheres to standards on fair treatment, transparency, and disclosure. Products and services are explained clearly, including key terms, conditions, fees, charges, benefits, and risks, to support informed consumer decision-making.

Marketing and promotional materials are designed to be accurate, balanced, and not misleading, in accordance with regulatory requirements.

## Protection of Consumer Information

Policies and controls are in place to safeguard consumer information, including confidentiality, data privacy, and information security measures. Access to customer data is restricted to authorized personnel, and employees are trained on their responsibilities in handling sensitive information.

These practices are aligned with the Bank's information security policies and operational resilience framework.

## Financial Education and Awareness

The Bank continues to support financial education and consumer awareness initiatives aimed at improving financial literacy and promoting responsible banking practices within its communities.

### Performance Indicators

Key consumer protection indicators for 2025, based on available data, include:

- 10 consumer complaints received,
- 8 complaints resolved within the prescribed turnaround time, with all complaints addressed within a reasonable period, and
- 9 financial education activities conducted during the year.

## Outlook

The Bank remains committed to continuously enhancing its consumer protection practices by strengthening complaints handling, expanding consumer education initiatives, and ensuring sustained compliance with BSP regulations, while maintaining fair, transparent, and responsive service delivery.

# SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

## Overview

Guagua Rural Bank remains committed to sustainable banking practices that support inclusive growth, environmental responsibility, and strong governance. In 2025, sustainability initiatives focused on delivering measurable positive impact to the communities the Bank serves, while maintaining alignment with regulatory expectations and the Bank's risk management and governance frameworks. The Bank's sustainability efforts continue to be anchored on responsible lending, financial inclusion, community development, environmental responsibility, and sound governance, consistent with its role as a community-based rural bank.

## Sustainability Governance

Sustainability initiatives are overseen by Senior Management and supported by relevant committees and operating units within the Bank. These initiatives are implemented through the existing governance structure and are aligned with the enterprise risk management framework, operational resilience measures, and corporate governance policies.

Management ensures that sustainability-related activities are conducted in a manner consistent with the Bank's approved policies, regulatory requirements, and long-term strategic objectives.

## Economic Sustainability and Financial Inclusion

The Bank continued to support local economic development by providing accessible financial services to micro, small, and medium enterprises (MSMEs), farmers, entrepreneurs, and individual clients. Lending activities remained guided by prudent credit evaluation standards and sound risk management practices.

As of 2025, the Bank served 216 MSME borrowers, reflecting its ongoing commitment to supporting small businesses and livelihood-generating activities within its communities. Total loans extended to BSP-defined priority sectors, including agriculture and MSMEs, amounted to ₱5.33 billion, underscoring the Bank's role in advancing financial inclusion and inclusive economic growth.

## Environmental Responsibility

The Bank recognizes the importance of environmental responsibility in its operations and lending activities. In 2025, environmental initiatives focused on practical measures to manage operational resource use, promote environmentally responsible financing, and support community-based environmental activities, consistent with the Bank's scale and operating environment.

## Energy and Resource Efficiency Initiatives

As part of its efforts to manage energy consumption and reduce environmental impact, the Bank initiated the installation of solar panels in eight (8) Bank-owned buildings during the year. This initiative forms part of a phased approach to improving energy efficiency across Bank facilities, with further installations planned for rollout beginning in 2026, subject to operational and feasibility considerations.

In addition, the Bank continued to reduce paper usage by implementing paperless or reduced-paper processes in selected internal workflows. This included the transition of certain evaluation and performance assessment forms to online platforms, contributing to more efficient operations and reduced reliance on physical documentation.

## Environmental Programs and Sustainable Financing

Beyond internal operations, the Bank supported environmental sustainability through both financing and community participation. In 2025, the Bank offered electric vehicle (e-vehicle) loans, supporting clients' access to more environmentally friendly transport options and promoting the gradual adoption of cleaner technologies.

The Bank also participated in three (3) environmental programs during the year, which included tree-planting activities and community clean-up drives conducted in collaboration with other institutions, local government units, and private organizations. These activities aimed to promote environmental awareness, community engagement, and shared responsibility for environmental stewardship.

## Social Responsibility and Community Engagement

Community engagement remains central to the Bank's sustainability efforts. In 2025, the Bank continued to implement programs that promote financial literacy, community development, health, education, and disaster response.

Through 18 community programs, the Bank reached almost 2,000 beneficiaries and 3 communities, reflecting sustained efforts to enhance financial awareness, support local development initiatives, and contribute to community resilience.

### Employee Welfare and Development

The Bank supports the well-being and professional development of its employees through training, engagement, and workplace initiatives aligned with its development program.

As of 2025, the Bank employed 158 personnel and conducted a total of 403.5 training hours, demonstrating its continued investment in employee capability-building, skills development, and organizational resilience.

## Governance and Ethical Conduct

Strong governance underpins the Bank's sustainability framework. Ethical conduct, compliance with laws and regulations, and transparency in operations are emphasized across all levels of the organization.

Sustainability initiatives are implemented with due consideration to risk management, internal controls, and accountability mechanisms, ensuring that sustainability practices support the Bank's safe and sound operations.

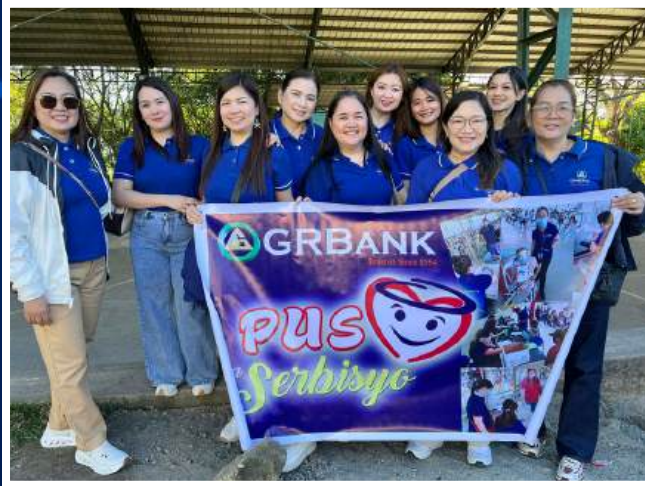
## Outlook

The Bank will continue to strengthen its sustainability practices in line with its mandate as a responsible financial institution. Future initiatives will focus on deepening community impact, enhancing financial inclusion, and further integrating sustainability considerations into business and operational decisions, while maintaining prudent risk management and safe and sound banking practices.

## FINANCIAL LITERACY CAMPAIGN



## CORPORATE SOCIAL RESPONSIBILITY

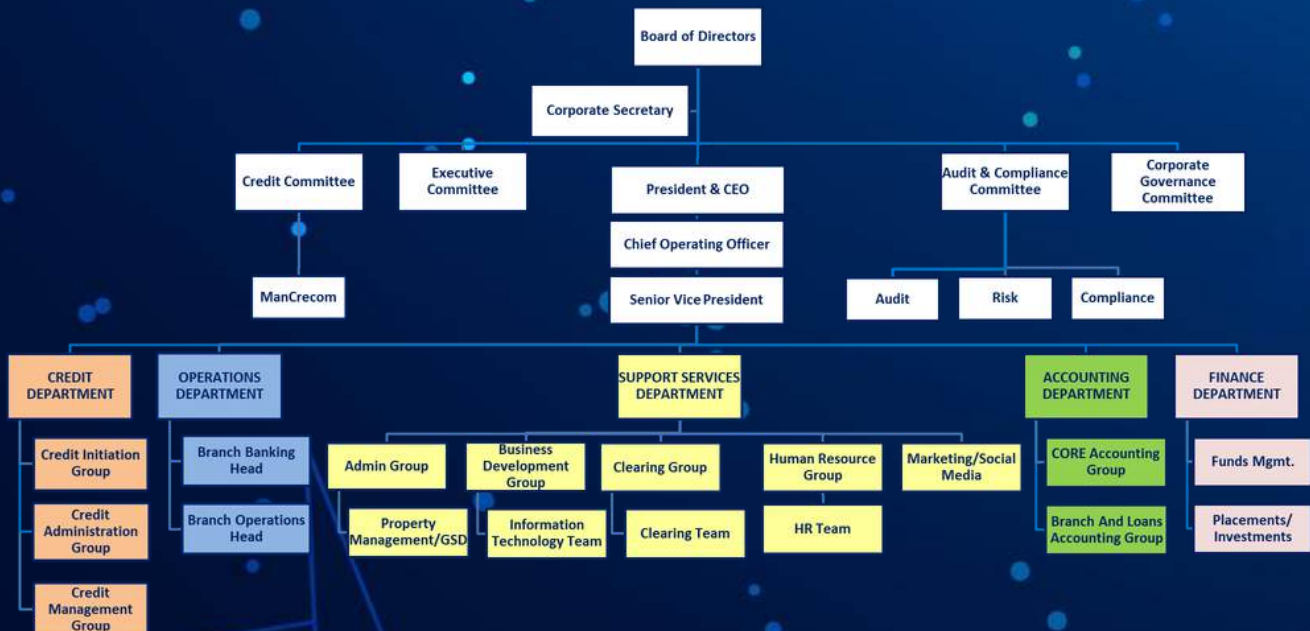


## MAJOR STOCKHOLDERS

As of December 31, 2025, below are the major stockholders of Guagua Rural Bank, Inc. owning more than 5% of common stocks.

Name of Stockholder	Voting Status	Citizenship	Percentage (%)
Carlan Realty & Dev. Corp.	Voting	Filipino	19.76%
Fourteen Stars Realty, Inc.	Voting	Filipino	20.71%
Yellow Green Global Corp.	Voting	Filipino	14.92%
CORSAN Realty Corp.	Voting	Filipino	14.79%
Kapalaran Realty Development,	Voting	Filipino	7.59%

## ORGANIZATIONAL CHART



# DEPARTMENTS



**SUPPORT SERVICES DEPARTMENT**



**AUDIT, RISK & COMPLIANCE GROUP**



**ACCOUNTING & FINANCE GROUP**

# DEPARTMENTS



**OPERATIONS DEPARTMENT**



**CREDIT DEPARTMENT**

# BRANCH BANKING GROUP



**GUAGUA - MAIN OFFICE**



**GUAGUA MARKET BRANCH**



**GUAGUA BETIS BRANCH**



**SAN FERNANDO BRANCH**



**STA. RITA BRANCH**



**A.C. HENSON BRANCH**

# BRANCH BANKING GROUP



**DINALUPIHAN BRANCH**



**MEXICO BRANCH**



**ORANI BRANCH**



**AC BALIBAGO**



**APALIT BRANCH**



**CAPAS BRANCH**

# BRANCH BANKING GROUP



**MABALACAT CITY BRANCH**



**OLONGAPO CITY BRANCH**



**KAMIAS, QUEZON CITY BRANCH**



**LUBAO BRANCH**



**A.C. FRIENDSHIP BRANCH**



**PORAC BRANCH**

# BRANCH BANKING GROUP



**FLORIDABLANCA BRANCH**



**SINDALAN BRANCH**



**BALANGA CITY BRANCH**



**MALOLOS CITY BRANCH**



**MAGALANG BRANCH**



**CONCEPCION BRANCH**



**TARLAC CITY BRANCH**



# 2025 AUDITED FINANCIAL STATEMENTS

ANNUAL REPORT 2025

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# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **GUAGUA RURAL BANK, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended 31 December 2025 and 2024, 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company'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.

Sicangco Menor Villanueva and Company, the independent auditor appointed by the stockholders, has audited the financial statements of the Company for the years ended 31 December 2025 and 2024, in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



**RESTITUTO C. CRUZ**

Chairman



**JOSE ANTONIO BLAS L. CARLOS**

President



**MICHAEL ANTHONY B. LAPID**

Treasurer

Signed this 25<sup>th</sup> day of March 2026

# INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
**GUAGUA RURAL BANK, INC.**  
Plaza Burgos, Guagua, Pampanga

## **Opinion**

We have audited the financial statements of **GUAGUA RURAL BANK, INC.**, which comprise the statements of financial position as at 31 December 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

## **Basis for Qualified Opinion**

The Bank, as per PAS 19, was unable to provide a basis for the recognition of its outstanding benefit obligation as of the reporting dates.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

**SICANGCO MENOR VILLANUEVA & CO.**

TIN 000-817-816

By:



**ARLYN S. VILLANUEVA, DBA**

Partner

TIN No. 103-501-444

CPA Certificate No. 35733 valid until 06/28/2026

PRC/BOA No. 0719/P-001

Valid from January 08, 2025 to July 13, 2027

SEC Accreditation No. 35733-SEC,

2021-2025 Audit Financial Statement

BIR Accreditation No. 04-003650-001-2025

16 September 2025, valid until 16 September 2028

PTR No. AC-2395796 28 January 2026, Angeles City

Auditor's Address: Villa Gloria Subdivision, Angeles City

25 March 2026

# AUDITOR'S LETTER OF COMMENT

The review and evaluation of the accounting records, systems and controls is done corollary to our audit of financial statements of **GUAGUA RURAL BANK, INC.** conducted annually at the bank's offices. Based on our observation and follow-up procedures, we are of the opinion that the Bank's affairs and records for the year ended 31 December 2025 have been generally fair, except for the matter noted in the auditor's report which qualifies our opinion on the fair presentation of the financial statements. While an independent actuarial evaluation of the Bank's retirement plan was provided, it did not fully align with the recognition and measurement requirements of Philippine Accounting Standards (PAS) 19. Consequently, this limits the basis for recognizing the Bank's retirement liability as of 31 December 2025 and 2024.

**SICANGCO MENOR VILLANUEVA & CO.**  
TIN 000-817-816

By:



**ARLYN S. VILLANUEVA, DBA**

Partner

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16 September 2025, valid until 16 September 2028

PTR No. AC-2395796 28 January 2026, Angeles City

Auditor's Address: Villa Gloria Subdivision, Angeles City

25 March 2026

# STATEMENT OF FINANCIAL POSITION

**GUAGUA RURAL BANK, INC.**  
STATEMENTS OF FINANCIAL POSITION

By: **December 31**

	Notes	2025	2024
<b>ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Cash and other cash items	2/4/5/6 P	63,318,084 P	47,797,047
Due from other banks	2/3/4/5/6	1,342,079,326	1,617,709,396
Due from BSP	2/3/4/5/6	197,565,335	291,035,046
<b>Loans and Receivables - net</b>	2/3/4/5/7	<b>5,306,318,125</b>	<b>5,330,682,444</b>
<b>Sales Contract Receivables - net</b>	2/3/4/5/8	<b>19,229,327</b>	<b>43,947,425</b>
<b>Financial Assets at Amortized Cost</b>	2/3/4/5/9	<b>2,209,652,798</b>	<b>1,044,068,815</b>
<b>Financial Assets at FVOCI</b>	2/3/4/5/10	-	-
<b>Property and Equipment</b>	2/3/11	<b>184,222,713</b>	<b>134,291,712</b>
<b>Non-current Assets Held for Sale - net</b>	2/3/12	<b>488,147,784</b>	<b>93,642,481</b>
<b>Other Assets</b>	2/13	<b>32,110,946</b>	<b>29,318,098</b>
		<b>P 9,842,644,438 P</b>	<b>8,632,492,464</b>

**LIABILITIES AND EQUITY**

<b>Liabilities</b>			
Deposit liabilities	2/3/4/5/15 P	7,562,697,623 P	6,641,252,162
Bills payable	2/3/4/5/16	25,000,000	
Current tax payable	22	5,573,569	4,789,917
Other liabilities	2/3/4/5/17	200,092,413	212,287,136
		<b>7,793,363,605</b>	<b>6,858,329,215</b>
<b>Equity</b>			
Share capital	2/18	855,221,600	855,221,600
Surplus free	2	1,147,501,933	872,384,349
Surplus reserves		46,557,300	46,557,300
Net unrealized gain (losses) on FVOCI	10	-	-
		<b>2,049,280,833</b>	<b>1,774,163,249</b>
		<b>P 9,842,644,438 P</b>	<b>8,632,492,464</b>

See Notes to Financial Statements

# STATEMENT OF COMPREHENSIVE INCOME

GUAGUA RURAL BANK, INC.

## STATEMENTS OF COMPREHENSIVE INCOME

Years Ended: **December 31**

	Notes	2025	2024
<b>INTEREST INCOME</b>			
Loans and receivables	P	549,738,316	P 579,880,881
Due from BSP and other banks		56,163,506	65,660,598
Financial assets		110,791,687	34,590,152
		<b>716,693,509</b>	<b>680,131,631</b>
<b>INTEREST EXPENSE</b>			
Deposit liabilities		235,663,781	244,667,346
Other borrowings		-	119,167
		<b>235,663,781</b>	<b>244,786,513</b>
<b>NET INTEREST INCOME</b>		<b>481,029,728</b>	<b>435,345,118</b>
<b>NON-INTEREST INCOME</b>			
Gain on sale of other financial & non-financial assets	11/12	10,640,697	23,312,167
Service charges		15,736,195	11,764,829
Rental income		7,544,110	6,933,540
Others		33,637,038	18,992,779
Foreign exchange gain (loss)		-	-
		<b>67,558,040</b>	<b>61,003,315</b>
<b>TOTAL OPERATING INCOME</b>		<b>548,587,768</b>	<b>496,348,433</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Compensation and other benefits	19	133,573,481	107,595,931
Provision for impairment and credit losses	14	4,941,052	9,557,830
Depreciation and amortization	11/12	15,631,679	18,088,139
Taxes and licenses	20	26,856,370	8,885,966
Others	21	96,077,350	74,722,483
		<b>277,079,932</b>	<b>218,850,349</b>
<b>NET INCOME BEFORE TAX</b>		<b>271,507,836</b>	<b>277,498,084</b>
<b>DEFERRED TAX EXPENSE (BENEFIT)</b>	22	<b>46,280,890</b>	<b>36,468,778</b>
<b>NET INCOME</b>		<b>225,226,946</b>	<b>241,029,306</b>
<b>OTHER COMPREHENSIVE INCOME</b>	10	<b>-</b>	<b>27,000</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	P	<b>225,226,946</b>	<b>P 241,056,306</b>

See Notes to Financial Statements

# STATEMENT OF CHANGES IN EQUITY

**GUAGUA RURAL BANK, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**

Years Ended: **December 31**

	Notes	2025	2024
<b>SHARE CAPITAL</b>			
Balance at beginning of year	P	855,221,600	P 855,221,600
Issuance of share capital	18	-	-
Balance at end of year		855,221,600	855,221,600
<b>SURPLUS FREE</b>			
Balance at beginning of year, as reported		872,384,349	618,173,304
Prior year's adjustments	18	49,890,639	(360,960)
Balance at beginning of year		922,274,988	617,812,344
Net income		225,226,946	241,029,306
Dividends declared	18	-	-
Reversal of appropriation during the year		-	13,542,700
Balance at end of year		1,147,501,933	872,384,349
<b>SURPLUS RESERVE</b>			
Balance at beginning of year		46,557,300	60,100,000
Reversal of appropriation during the year		-	(13,542,700)
Balance at end of year		46,557,300	46,557,300
<b>NET UNREALIZED GAIN (LOSSES) ON FVOCI</b>			
Balance at beginning of year		-	(27,000)
Unrealized gain (losses) on FVOCI	10	-	27,000
Balance at end of year		-	-
	P	2,049,280,833	P 1,774,163,249

See Notes to Financial Statements

# STATEMENT OF CASH FLOWS

## GUAGUA RURAL BANK, INC. STATEMENTS OF CASH FLOWS

Years Ended: **December 31**

	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income before tax	P	271,507,836	P 277,498,084
Adjustments for:			
Depreciation and amortization	11	15,631,679	18,088,139
Provision for impairment loss and credit loss	14	4,941,052	9,557,830
Gain on sale of non-financial assets		(10,640,697)	(23,312,167)
Prior period's adjustments		49,890,639	(360,960)
Operating income before working capital changes		331,330,509	281,470,926
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Loans and receivables	7	19,423,267	283,358,465
Sales contract receivables	8	24,718,098	5,040,857
Other assets	13	(2,792,848)	(1,797,308)
Increase (decrease) in:			
Deposit liabilities	15	921,445,461	335,200,010
Other liabilities	17	(12,194,723)	37,250,224
Net cash generated from (used in) operations		1,281,929,764	940,523,174
Income taxes paid	22	(45,497,238)	(33,655,289)
Net cash provided by (used in) operating activities		1,236,432,526	906,867,885
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	11	(62,576,581)	(22,733,108)
Acquisition of non-current assets held for sale	12	(404,375,793)	(14,909,505)
Proceeds from sale of non-financial assets	11/12	17,525,086	46,907,509
Net proceeds (acquisition) of financial assets at amortized cost	9	(1,165,583,982)	(739,676,038)
Net proceeds (acquisition) of financial assets at OCI	10	-	15,000,000
Net cash provided by (used in) investing activities		(1,615,011,270)	(715,411,142)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net proceeds from (repayments of) bills payable	16	25,000,000	-
Payment of dividends	18	-	-
Net cash provided by financing activities		25,000,000	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(353,578,744)</b>	<b>191,456,743</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
Cash and other cash items	6	47,797,047	49,295,843
Due from Bangko Sentral ng Pilipinas	6	291,035,046	312,403,167
Due from other banks	6	1,617,709,396	1,403,385,736
		1,956,541,489	1,765,084,746
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
Cash and other cash items	6	63,318,084	47,797,047
Due from Bangko Sentral ng Pilipinas	6	197,565,335	291,035,046
Due from other banks	6	1,342,079,326	1,617,709,396
	P	1,602,962,745	P 1,956,541,489

See Notes to Financial Statements



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# **2025 AUDITED FINANCIAL STATEMENTS**

**IN FOREIGN CURRENCY DEPOSITORY UNIT (FCDU)**

**ANNUAL REPORT 2025**

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## IN FOREIGN CURRENCY DEPOSITORY UNIT (FCDU)

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# INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
**GUAGUA RURAL BANK, INC.**  
Plaza Burgos, Guagua, Pampanga

## **Opinion**

We have audited the financial statements on foreign currency depository unit (FCDU) of **GUAGUA RURAL BANK, INC.**, which comprise the statements of financial position as at 31 December 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

## **Basis for Opinion**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

# INDEPENDENT AUDITOR'S REPORT

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

# INDEPENDENT AUDITOR'S REPORT

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.

**SICANGCO MENOR VILLANUEVA & CO.**

TIN 000-817-816

By:



**ARLYN S. VILLANUEVA, DBA**

Partner

TIN No. 103-501-444

CPA Certificate No. 35733 valid until 06/28/2026

PRE/BOA-No. 0719/P-001

Valid from January 08, 2025 to July 13, 2027

SEC Accreditation No. 35733-SEC,

2021-2025 Audit Financial Statement

BIR Accreditation No. 04-003650-001-2025

16 September 2025, valid until 16 September 2028

PTR No. AC-2395796 28 January 2026, Angeles City

Auditor's Address: Villa Gloria Subdivision, Angeles City

25 March 2026

# STATEMENT OF FINANCIAL POSITION (FCDU/EFCDU)

GUAGUA RURAL BANK, INC.  
STATEMENTS OF FINANCIAL POSITION  
(FCDU/EFCDU)  
As of 31 December 2025 and 2024

	2 0 2 5		2 0 2 4	
	In US \$	In PHP	In US \$	In PHP
<b>ASSETS</b>				
Cash	\$ 32,904	P 1,934,458	\$ 19,134	P 1,106,827
Due from other banks	779,206	45,809,533	605,781	35,041,409
<b>Total Assets</b>	<b>\$ 812,110</b>	<b>P 47,743,991</b>	<b>\$ 624,915</b>	<b>P 36,148,236</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Deposit liabilities	\$ 722,151	P 42,455,283	\$ 566,690	P 32,780,190
Accrued interest payable	27	1,592	-	-
Other liabilities	298	17,514	184	10,639
	<b>722,476</b>	<b>42,474,389</b>	<b>566,874</b>	<b>32,790,829</b>
<b>Equity</b>				
Surplus free	89,634	5,269,602	58,041	3,187,658
Cumulative foreign currency translation gain (loss)	-	-	-	169,749
<b>Total Equity</b>	<b>89,634</b>	<b>5,269,602</b>	<b>58,041</b>	<b>3,357,407</b>
<b>Total Liabilities and Equity</b>	<b>\$ 812,110</b>	<b>P 47,743,991</b>	<b>\$ 624,915</b>	<b>P 36,148,236</b>

See Notes to Financial Statements

# STATEMENT OF COMPREHENSIVE INCOME (FCDU/EFCDU)

GUAGUA RURAL BANK, INC.

STATEMENTS OF INCOME

(FCDU/EFCDU)

For the Years Ended 31 December 2025 and 2024

	2 0 2 5		2 0 2 4	
	In US \$	In PHP	In US \$	In PHP
INTEREST INCOME	\$ 36,423	P 2,141,323	\$ 28,634	P 1,658,909
INTEREST EXPENSE	2,172	127,712	2,826	163,400
NET INTEREST INCOME	34,251	2,013,611	25,808	1,495,509
NON-INTEREST INCOME				
Fees and Commissions	15	882	45	2,603
TOTAL OPERATING INCOME	34,266	2,014,493	25,853	1,498,112
ADMINISTRATIVE EXPENSES	55	3,233	-	-
NET INCOME BEFORE TAX	34,211	2,011,260	25,853	1,498,112
INCOME TAX EXPENSE	2,618	153,912	12	698
NET INCOME	\$ 31,593	P 1,857,348	\$ 25,841	P 1,497,414

See Notes to Financial Statements

# STATEMENT OF CHANGES IN EQUITY (FCDU/EFCDU)

GUAGUA RURAL BANK, INC.

## STATEMENTS OF CHANGES IN EQUITY (FCDU/EFCDU)

For the Years Ended 31 December 2025 and 2024

	2 0 2 5		2 0 2 4	
	In US \$	In PHP	In US \$	In PHP
<b>SURPLUS FREE</b>				
Balance at beginning of year	\$ 58,041	P 3,187,658	\$ 32,200	P 1,692,846
Net income	31,593	1,857,348	25,841	1,497,414
Adjustments		224,596	-	(2,602)
Balance at end of year	89,634	5,269,602	58,041	3,187,658
<b>CUMULATIVE FOREIGN CURRENCY TRANSLATION GAIN (LOSS)</b>				
Balance at beginning of year	-	169,749	-	90,054
Foreign currency translation gain (loss)	-	(169,749)	-	79,695
Balance at end of year	-	-	-	169,749
<b>TOTAL EQUITY</b>	<b>\$ 89,634</b>	<b>P 5,269,602</b>	<b>\$ 58,041</b>	<b>P 3,357,407</b>

See Notes to Financial Statements

# STATEMENT OF CASH FLOWS (FCDU/EFCDU)

GUAGUA RURAL BANK, INC.

STATEMENTS OF CASH FLOWS

(FCDU/EFCDU)

For the Years Ended 31 December 2025 and 2024

	2 0 2 5		2 0 2 4	
	In US \$	In PHP	In US \$	In PHP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Total operating income	\$ 34,211	P 2,011,260	\$ 25,853	P 1,498,112
Changes in operating assets and liabilities:				
Increase (decrease) in:				
Deposit liabilities	155,461	9,675,093	(384,567)	(19,890,902)
Accrued interest payable	27	1,592		
Other liabilities	114	6,875	(125)	(6,494)
Net cash generated from (used in) operations	189,813	11,694,820	(358,839)	(18,399,284)
Income tax paid	(2,618)	(153,912)	(12)	(698)
Adjustments		224,596	-	(2,602)
Net cash provided by (used in) operating activities	187,195	11,765,504	(358,851)	(18,402,584)
<b>FOREIGN CURRENCY TRANSLATION</b>				
GAIN (LOSS)	-	(169,749)	-	79,695
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>187,195</b>	<b>11,595,755</b>	<b>(358,851)</b>	<b>(18,322,889)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
Cash	19,134	1,106,827	54,769	3,032,551
Due from other banks	605,781	35,041,409	928,997	51,438,574
	624,915	36,148,236	983,766	54,471,125
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>				
Cash	32,904	1,934,458	19,134	1,106,827
Due from other banks	779,206	45,809,533	605,781	35,041,409
	\$ 812,110	P 47,743,991	\$ 624,915	P 36,148,236

See Notes to Financial Statements

# PRODUCTS AND SERVICES



## DEPOSIT PRODUCTS

### PESO DEPOSIT ACCOUNTS

- BASIC SAVINGS ACCOUNT
- REGULAR SAVINGS ACCOUNT
- GOLDEN KIDDIE SAVINGS

### TIME DEPOSIT ACCOUNTS

- SPECIAL SAVINGS ACCOUNT

### CHECKING ACCOUNTS

- S.M.I.L.E. CHECKING ACCOUNT
- GOLDEN CHECK PLUS

### DOLLAR DEPOSIT ACCOUNTS

- DOLLAR SAVINGS ACCOUNT
- DOLLAR SPECIAL SAVINGS ACCOUNT

## LOAN PRODUCTS



- Housing Loan
- Car Loan
- MSME Loan



- Agricultural Loan
- Salary Loan
- Assignment of Deposits



## OTHER SERVICES



- Bill Payments
- Remittances
- Fund Transfers
- ATM Services

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