


ANNUAL REPORT 2024



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Vision



"To be among the Top Five Most Successful Rural Banks in Cagayan Valley recognized for its Financial Strength by 2028"

Mission

"To Deliver Superior Rural Banking Financial Solutions and Customer Service, Introduce Product Innovation, Sustain Financial Growth and Stability, Increase Stakeholder's Value and Contribute to the Preservation and Development of Ecological Environment where we operate."



Our Core Values

1. Customer Focus



We believe that the company will only thrive because of satisfied customers, as such, I must treat customers who patronized our services and products and my fellow employees as internal customers with delight.

2. Integrity



I uphold consistency, honesty and truthfulness without compromising the reputation of the organization

3. Accountability



I acknowledge and assume responsibility for my own actions, and I am accountable for their resulting consequences to our stakeholders and customers.

4. Passion



I am fully dedicated to completing tasks and responsibilities with unwavering commitment. I strive to deliver results which are at par with the company's highest standards.

5. Professionalism



I maintain high standards of work ethics, focusing on integrity, respect, and excellence in everything I do. As a representative of our organization, I understand that my actions directly impact our success. I am committed to delivering quality service to fellow employees, customers, partners and other stakeholders.

6. Teamwork



I value collaboration and respect within our team, emphasizing effective communication and leveraging our diverse strengths to achieve shared goals. Together, we contribute to our organization's success with dedication and enthusiasm.

GRBP aspires to be one of the leading rural banks in the Cagayan Valley, recognized for its financial strength and reliability. Guided by the tagline "Madaling Lapitan, Maaasahan," the bank demonstrates its commitment to delivering superior financial solutions and exceptional customer service. GRBP aims to ensure that every client interaction results in a satisfied and loyal customer.

INTRODUCTION OF THE BANK'S BRAND THAT DIFFERENTIATES IT FROM OTHER BANKS

Golden Rural Bank of the Philippines, Inc. (GRBP) positions itself as a provider of superior customer service by offering customized, innovative, and bundled financial solutions tailored to the specific needs of its clients. Under its customer value-driven strategy framework, GRBP's product segmentation allows the organization to identify key actions necessary to achieve its strategic objectives.

GRBP offers a range of Regular Loan products that serve as the foundation of its lending portfolio. These include **Agricultural Loans, Commercial Loans, and Working Capital Loans**, all designed to support the financing needs of farmers, business owners, and entrepreneurs. The bank continues to enhance customer trust by providing expert financial advice, particularly in tailoring loan solutions to each client's unique requirements. Clear loan packaging and customer-focused guidance are key to delivering high-quality service and long-term value.

In addition to its core loan offerings, GRBP provides specialized loan programs such as the **Arangtoda and Golden Agri-Easy Loan**, which feature fast approval and quick fund release. These are designed to give the bank's target market easy and convenient access to much-needed financing. GRBP also partners with the Department of Agriculture – Agricultural Credit Policy Council (DA-ACPC) to offer targeted financing programs.

Meanwhile, GRBP offers deposit products tailored to meet the diverse needs of its various customer segments.

Savings Deposits:

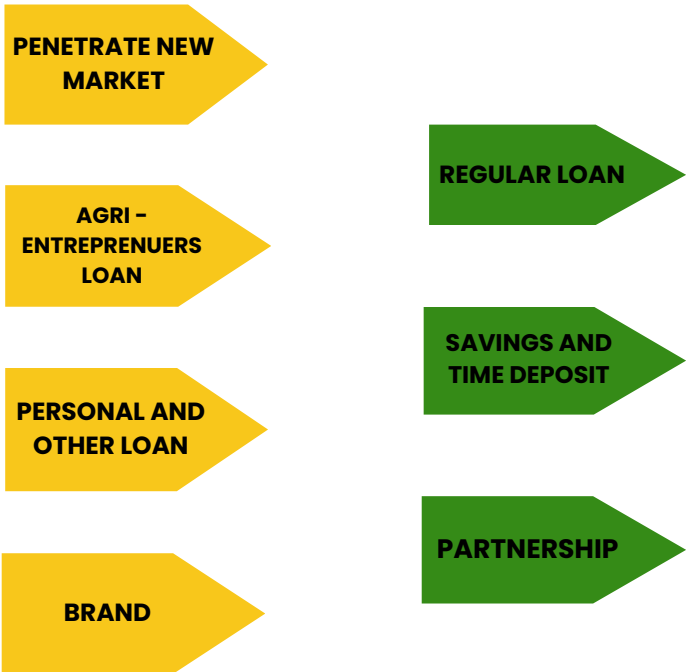
1. Start-Up Savings Passbook Account - this savings account is specifically made for young earners who are elementary and high school students aged 7-18 years old.
2. Step-Up Savings Passbook Account - This product is for college students who are not more than 23 years old.
3. Regular Savings Passbook Account and
4. Abot-Kaya Savings Passbook Account - this product is specifically made to cater to unbanked and/or underbanked Filipinos.

For Time Deposits:

1. Golden Time Deposit Classic Account
2. Golden Protect Time Deposit Account
3. Golden Money Maximizer Savings Account
4. Flexi-Gold Time Deposit Account
5. Golden Time Max Deposit Account

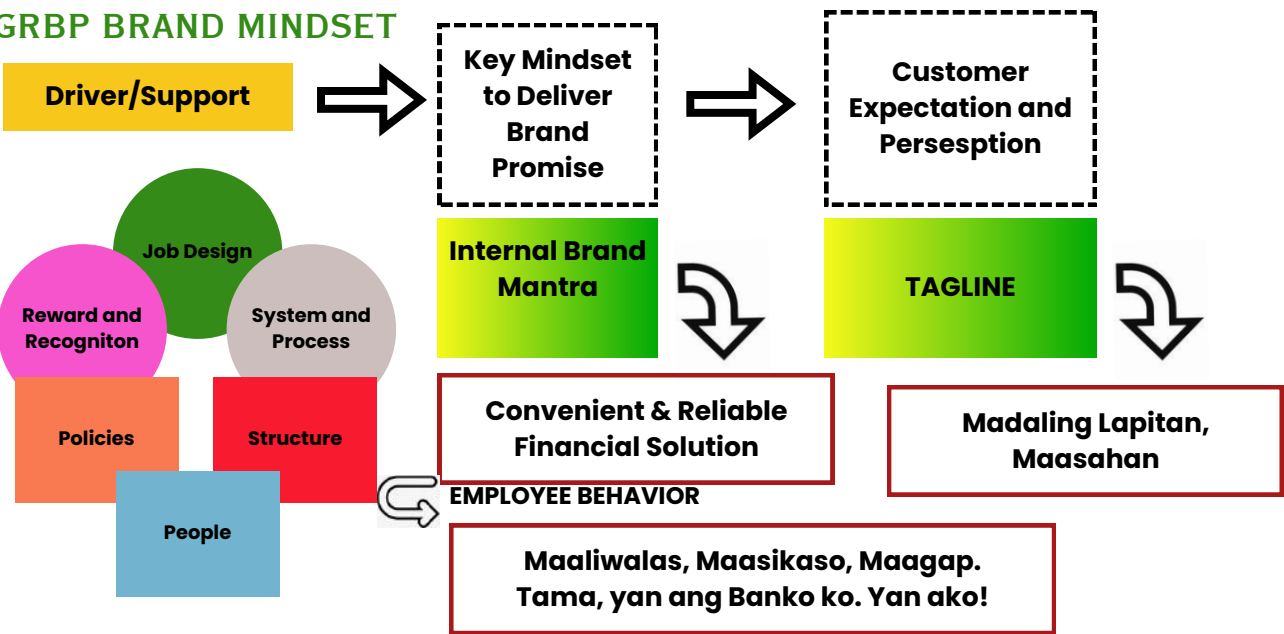
GRBP aims to drive growth by delivering exceptional service, building strong personal relationships, and offering competitive rates. Strengthening strategic partnerships and actively engaging in corporate social responsibility further enhance the bank's brand reputation and community presence.

CUSTOMER VALUE PERSPECTIVE - STRATEGY HOUSE TARGET



Golden Rural of the Philippines Inc. (GRBP) has established its internal branding to strengthen the brand, ensuring consistent customer experience, encouraging employees to embrace brand values, contribute to the brand promise, and ultimately, create a competitive advantage over other rural banks. In line with the company’s mission to deliver superior financial solutions and customer service, GRBP has been engaging its employees to adopt the Brand Mindset of **Maagap, Maaliwalas, Maasikaso, and Laging Tama**.

GRBP BRAND MINDSET



BUSINESS MODEL OF THE BANK



Key Partners

- Bangko Sentral ng Pilipinas
- Rural Bankers Association of the Philippines
- Land Bank
- DBP
- BPI
- UCPB
- Northers Isabela Bankers Club
- Confederation of Cagayan Valley Rural Banks
- Western Union
- Cebuana Lhuiller
- Cashko/Rural Net
- Globe
- Smart/PLDT
- Cooperatives
- Philippine Crop Insurance Corp
- Agricultural Guarantee Fund Pool PhilGuarantee
- Agricultural Credit Policy Council
- Encash
- IT Service Provider
- Stockholders
- EC Pay



Key Activities

Financial Operations:

- Deposit Taking
- Remittance
- Bills Payment

Technology and Innovation:

- Deposit Pick up
- Privelege Card
- MPOS
- EC Pay – Loan Payment
- Gcash – Loan Payment
- PayMaya – Loan Payment



Key Resources

- Loan Assets
- Capital to invest in new ventures Brand image and trust
- Human Resources



Value Proposition

- Madaling lapitan, maasahan
- Superior Customer Service and Financial Solutions
- Wider Bank Network
- Fast Loan Release
- Focus in Product Leadership in 2019-2025
- Promote Financial Awareness to Target Market



Customer Relationship

- In Branch Personal Assistance
- Corporate Assistance



Channels

- Branch Banking
- ATM
- Online Platform



Customer Segment

- Farmers
- Fisherfolks
- MSMEs
- Government Employees
- Private Institution Employees Referrals
- Medical Doctors
- Students
- Tricycle Operators and Drivers Assosiation



Cost Structure

- Operational Expenses
- Interest Expense
- Regulatory/Legal Requisitions



Revenue Streams

- Interest Income
- Insurance Income and Commission
- ROPA Disposal
- Fee- based Income

Golden Rural Bank of the Philippines is a family-owned rural bank headquartered in Cauayan City, Isabela, with its origins traced back to the Rural Bank of Cabagan Inc. in Cabagan, Isabela. GRBP now operates **five branches** and **five branch lite-units** located in Isabela, Cagayan, and Quirino provinces, offering a range of deposit and loan products primarily tailored to farmers and Micro, Small, and Medium Enterprises (MSMEs). Additionally, the bank provides local remittance services through Cebuana Lhuillier and international payout services via Western Union, as well as payment acceptance through Ruralnet.

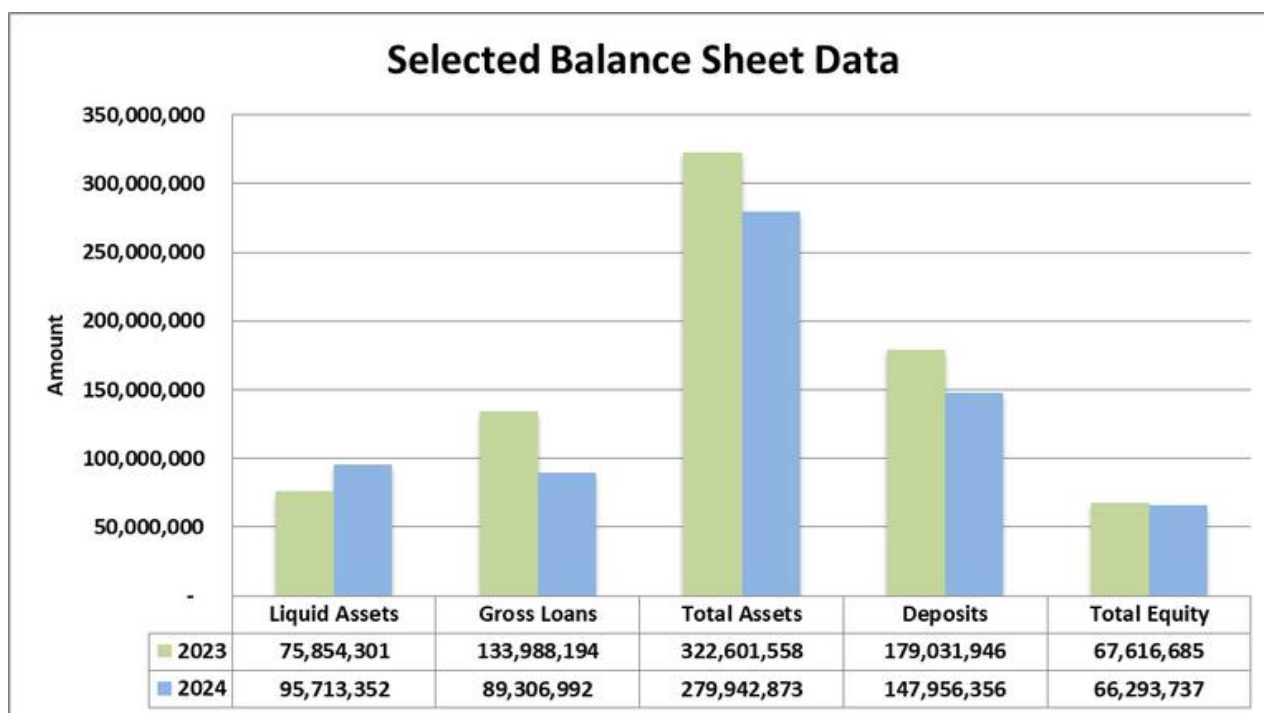
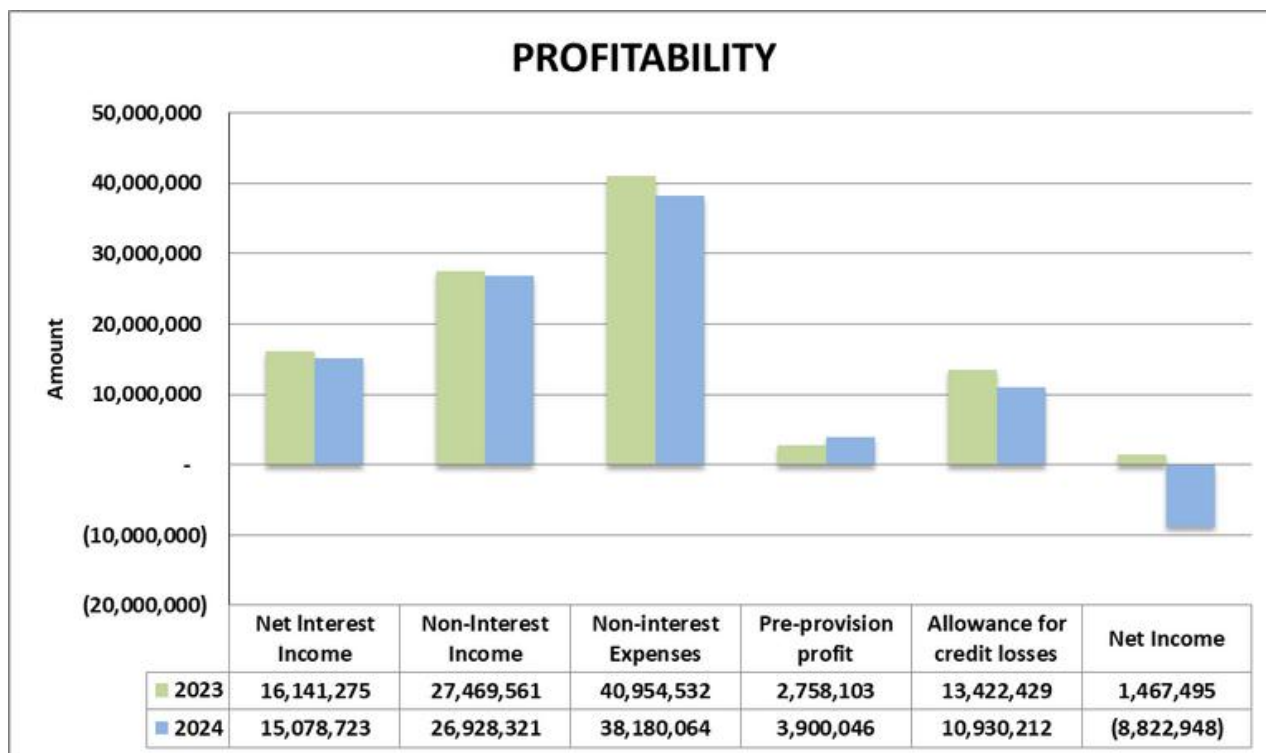


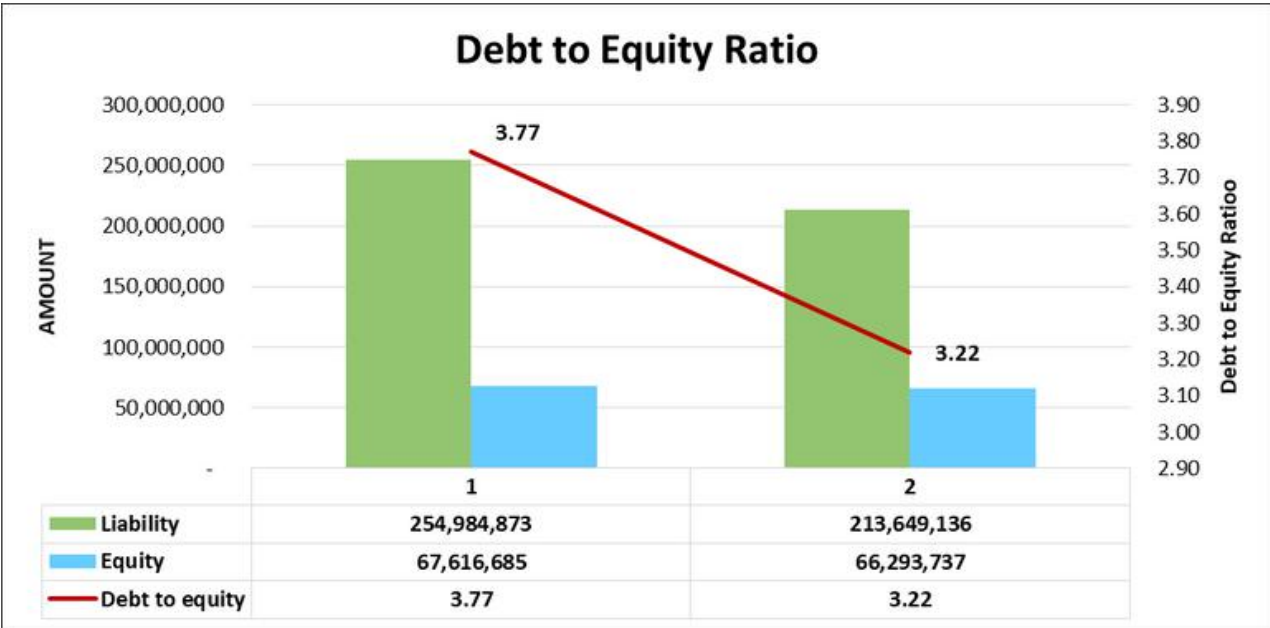
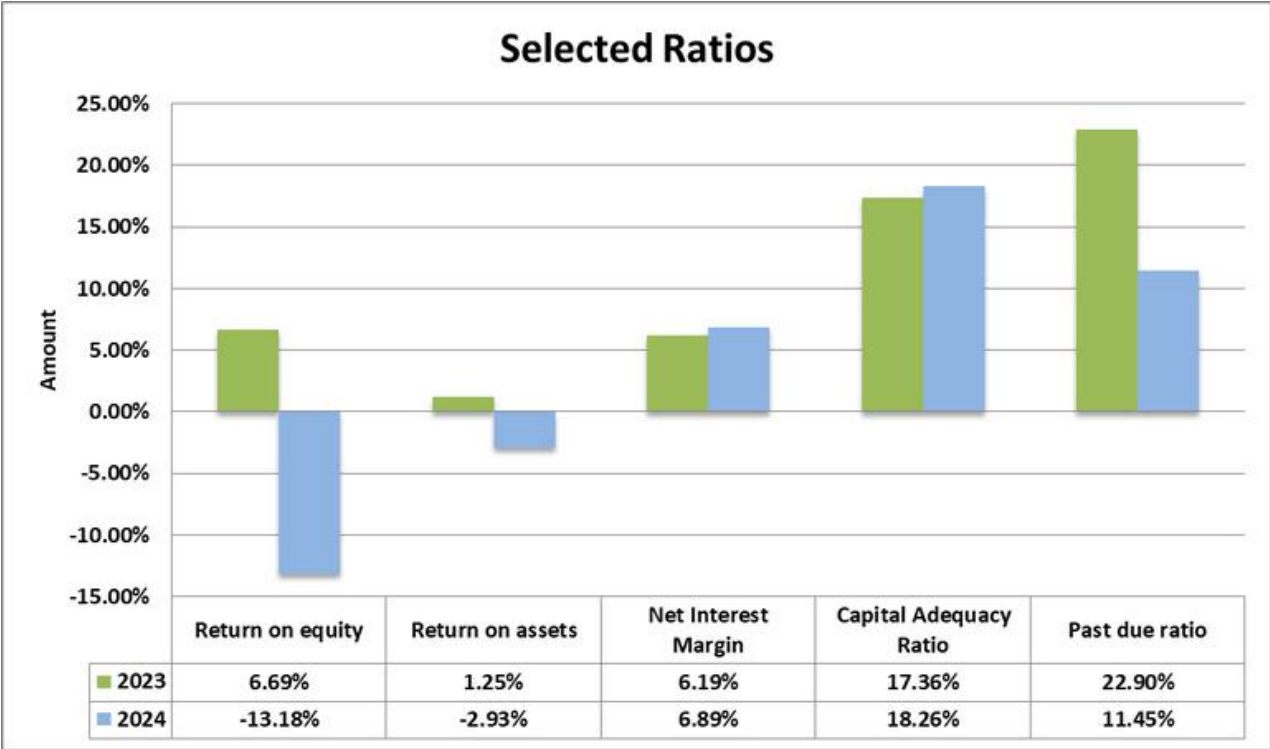
CONCLUSION

Golden Rural Bank of the Philippines' value proposition is to provide high-quality customer service as outlined in its five-year plan. The bank's tagline, **"Madaling Lapitan, Maaasahan"** reflects its commitment to offering superior customer service and financial solutions.

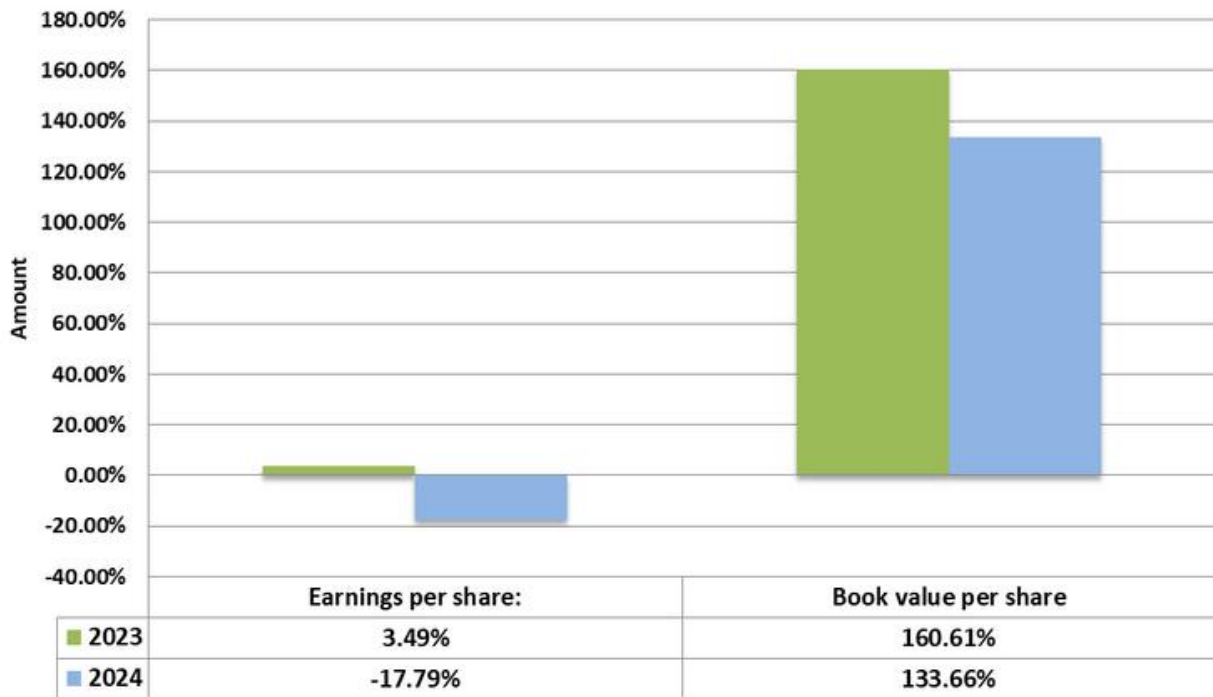
GRBP's financial operations encompass deposit taking, lending, remittance, bill payment, all delivered through in-branch personal and corporate assistance, with the support of key partners including Bangko Sentral ng Pilipinas, Rural Bankers Association of the Philippines, and various financial service providers. Key resources needed to sustain GRBP's operations include loan assets, capital, brand image and trust, and human resources. The bank serves a diverse range of market segments, including farmers, fisherfolk, MSMEs, government and private institution employees, medical doctors, students, and tricycle and drivers associations, utilizing branch banking, ATMs, and online platforms to meet their needs. Cost structures primarily consist of operational expenses, interest expenses, regulatory/legal expenses, and requisitions, while income is generated through interest income, insurance income and commissions, income from the disposal of real and other property assets, and other fee-based income.

GOLDEN RURAL BANK OF THE PHILIPPINES, INC. COMPARATIVE FINANCIAL HIGHLIGHTS AS OF DECEMBER 31, 2024 AND 2023

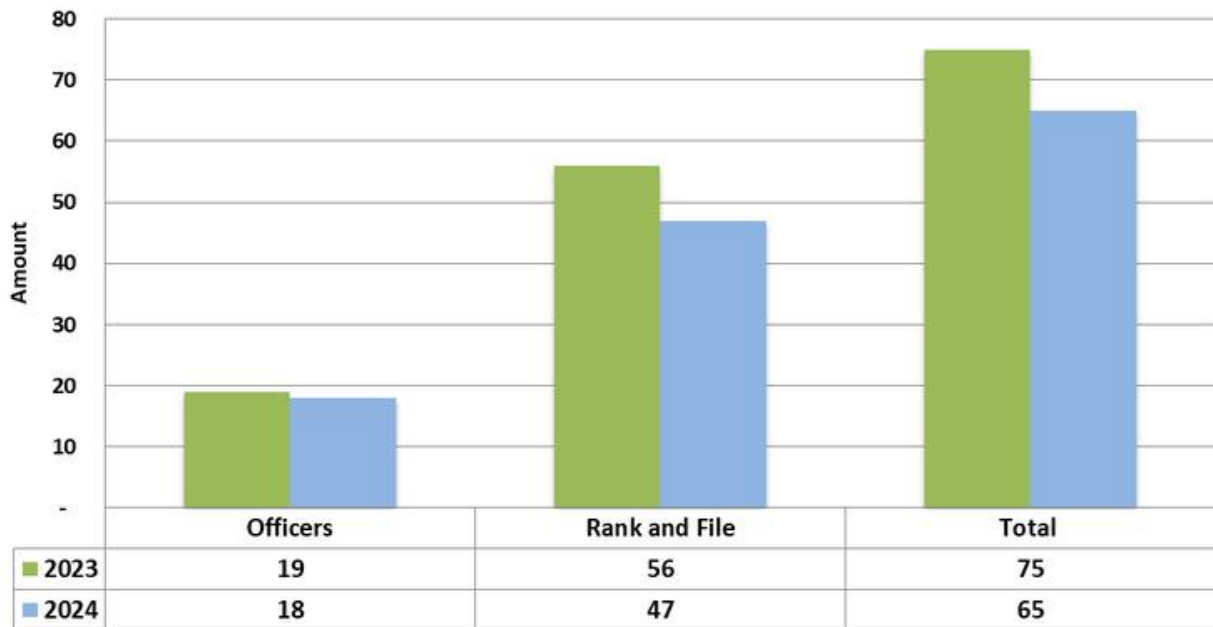




Per common share data



Number of Officers and Employees



FINANCIAL CONDITION AND RESULT OF OPERATIONS

REVIEW OF BANK’S OPERATIONS AND RESULT OF OPERATIONS

PROFITABILITY

Net Profit/Loss

2024 operations resulted in bank wide Net Loss of P (8,822,949). The bank's profits were significantly reduced by the recognition of additional Provision for Credit Losses as a result of the BSP examination in 2024. Bank's Non-Interest Income amounted to P26.9 million or 52% of total revenue, which surpassed Interest Income with an amount of P25.1 million or 48% of total revenue. The bank's total revenue in 2024 decreased by 9% or P4.9 million compared to 2023, while total Expense, excluding Provisions, declined by 11% or by P6.1 million. The favorable pre-provision expense net income variance was significantly negated by the booking of BSP required additional Allowance for Credit Losses.

The bank's Net interest Income (NII) decreased by 7% or by P1.06 million compared to last year. This is primarily due to a 15% or P4.4 million decline in Interest Revenue from its core lending operations. This contraction in earnings is directly linked to the P44.7 million decline in the gross loan portfolio during 2024. This reduction resulted from full payments, pre-terminations, and the transfer of non-performing loans to Real and Other Properties Acquired (ROPA) and write-offs, which collectively exceeded new loan generation. Reduction in higher-cost liabilities on the other hand, specifically P43 million in Time Deposits and P31.8 million in Bills Payable, led to a significant P3.3 million decline in Interest Expense.

Non- Interest Income

In 2024, Non-interest Income, which consists of Fees and Commissions, Gain from Real and Other Properties Acquired (ROPA,) and Penalty Income from loans, significantly constituted 52 % of the bank's total gross income. While this revenue segment declined by 2% compared to 2023, the underlying drivers varied. Fees income, largely derived from loan generation, declined by 18% or P1.17 million due to the lower loan generation in 2024. Notably, the Gain on Sale of ROPA provided a crucial offset to the decline in core earnings related to Net Interest Income. This gain reached P16.8 million for the year, exceeding the 2023 figure by P1.3 million.

Non- Interest
Expense

Non-interest Expense makes up the majority of the bank's total expenses, amounting to P38.2 million or 73%. Positively, this represented a significant decrease of P2.8 million or 7% compared to 2023. The reduction in bank-wide operating expense is mainly attributable to Compensation and Fringe benefit, Taxes and Licenses, and Other Administrative expenses, each with distinct underlying factors.

Compensation and Fringe Benefit Expense declined by P1.2 million, largely due to a substantial P944k Provision for Retirement expense booked in 2023, resulting from an actuarial valuation, which was not repeated in 2024 as the bank anticipates no significant impact from a new valuation. Additionally, CFB-Salaries, Allowances, Contributions also decreased collectively by P347k. The decrease in revenue, as well as loans and deposits, led to a P1 million decline in Taxes and Licenses expenses, as these are variable and linked to income, loans, and deposits activity. Other Administrative Expenses were also reduced by P557k; a significant driver of these expense savings was attributable to the bank's conversion of 5 branches to Branch Lite Units.

SELECTED BALANCE SHEET

Liquid
Assets

Liquid Assets, consisting of the bank's cash and other cash items, due from BSP and other banks, and investment securities, represented a significant 34% of the bank's total assets. At year-end, these liquid assets amounted to P95.7million, a significant increase of P19.8 million from 2023. This growth was primarily driven by Due from Other Banks (DFOB), specifically the remaining P17.7 million credit fund from ACPC, which is still pending for loan release to eligible ACPC borrowers in the subsequent period. Even after excluding these ACPC funds, the bank's liquid assets still showed a healthy increase of P2.18 million. Consequently, the bank posted a Minimum Liquidity Ratio of 72.64 % in 2024 significantly higher than 2023's 58.02%. The bank was able to maintain a strong liquidity position despite a substantial decline in funds from Deposits and Bills Payable, as cash inflows from loan collections, sales contract receivables, and proceeds from ROPA disposal adequately covered outflows.

For the year 2024 bank's Loans Receivables (excluding ACPC Loans), decreased by P44.7 million. While new loan originations occurred, they were significantly offset by outflows from collections, particularly full payments and pretermination of loans. Further contributing to this decrease were the transfer of P10.8 million non-performing loans to ROPA and write-offs amounting to P6.5 million.

Assets

Assets of the bank decreased by 13% or P42.6 million in 2024. The bank's assets are comprised largely of Liquid Assets, or 34% of the bank's P279.9 million assets as of 2024, followed by Loans with a net carrying amount of P77.4 million or 28%. ROPA with a net book value of P64.5 million decreased by P10 million compared to 2023, mainly due to the sale/disposal thereof. Bank Premises, Furniture, Fixtures and Equipment with a net carrying amount of P4.8 million comprised 2% of assets and 7% of capital. The substantial decrease in assets was contributed by the P44.7 million decline in Loans.

Liabilities

Liabilities of the bank also decreased by P41.3 million. This large decline was mainly contributed by decrease in Deposits by P31 million and by Bills Payable by P31.8 million. While Savings deposits had a considerable growth of P11.9 million, Time Deposits experienced a substantial net decrease of P43 million. Despite new placements, withdrawals and account closures significantly surpassed these inflows. This reduction stemmed primarily from clients' personal fund requirements, compounded by the bank's strategic decision to decline higher interest rate counter-offers from large depositors to protect net interest margins. Payments also outpaced availment of additional credit from Bills Payable, resulting to the substantial net decrease. The bank's reduced funding requirements stemmed from lower loan growth for the year and the bank also proactively utilized available funds to retire higher-cost Bills Payable to improve its net interest spread. On the other hand, Other Liabilities increased by P21.6 million which is mainly attributable to the remaining credit fund from ACPC booked as Accounts Payable to ACPC.

Equity

The bank's **Equity** at the close of 2024 was P66.3 million, equivalent to 24% of total Assets. The bank experienced a net loss of P8.8 million during the year, which was mainly attributable to the BSP-required booking of Provision for Credit Losses on loans. Despite the current year's net loss, a substantial P7.5 million capital infusion from existing shareholders significantly mitigated its negative impact on capital. Consequently, total Equity experienced only a modest decrease of P1.3 million, from P67.6 million in 2023, and remained well above the BSP required minimum capitalization.



SELECTED RATIOS

Return on Equity
and Return on
Assets

The bank posted a negative **Return on Equity** of (13.18%) and Return on Assets of (2.93%) in 2024. Compared to the P1.4 million net profit in 2023, the bank's net loss of P8.8 million in 2024 led to a substantial decrease in both ROE and ROA. Conversely, the bank's Capital Adequacy Ratio (CAR) improved to 18.26% from 17.36% in 2023. Despite a significant decrease in qualifying capital, a larger decline in risk-weighted assets had a greater positive impact on the ratio. The reduction in risk-weighted assets was mainly attributable to the decrease in total assets, especially non-performing assets with high risk-weight, like ROPA and non-performing loans. Minimum Liquidity Ratio also improved from 58.02% to 72.64% mainly due to an increase in Liquid Assets and a decrease in Liabilities.

Debt to
Equity Ratio

Debt to equity ratio decreased to 3.22 from 3.77 in 2023. The decline in D/E ratio was mainly driven by the decline in Liabilities.

Net Interest
Margin

Net Interest Margin in 2024 increased to 6.89% compared to 6.19% in 2023, although the bank's net interest income declined, the bank's average earning assets which comprises of Loans Receivable, Due from Banks and Investments, also declined, driving the NIM to increase (net interest Income as a percentage of average earning assets.)

Past due
Ratio

The bank's **Past Due Ratio** improved to 11.45% by year-end 2024, down from the previous year. The loan portfolio decline reflects the removal of past due loans through P6.5 million in write-offs and the transfer of P10.8 million in non-performing loans to Real and Other Properties Acquired (ROPA), alongside loan repayments.



GRBP MAJOR STRATEGIES 2024



FINANCIAL PERSPECTIVE



Growth Strategies



Broaden Revenue

Market Penetration Strategies



Productivity Strategies



Improve Asset Utilization

Cost Improvement Strategies

CUSTOMER VALUE PERSPECTIVE



Market Penetration Strategies



Intensify Marketing Efforts



INTERNAL BUSINESS PROCESS PERSPECTIVE



Operations Business Process



Cost/Business Process Improvement Strategies



Innovation Process



Product Development Strategies



Operations Management Processes



Cost/Business Process Improvement Strategies



Regulatory and Social Process



Cost/Business Process Improvement Strategies

LEARNING AND GROWTH PERSPECTIVE



Cost Improvement Strategies



Increase Employee Productivity



CHALLENGES AND RESPONSES

CHALLENGES

1. Substantial decrease in loan portfolio.

- The substantial decrease in the bank's loan portfolio was due to full payments, pre-terminations, and the transfer of non-performing loans to Real and Other Properties Acquired (ROPA) and write-offs, which surpassed new loan generation.

2. Unattained Loan Targets

- Marketing of collateralized loans has been limited due to the unresolved issues of burned titles in the Registry of Deeds, Ilagan City.

3. Extreme changes in weather conditions are causing significant disruptions and uncertainties

- The agricultural sector in the region may be impacted by unfavorable weather conditions, as farmers are hesitant to take on the risk of borrowing from the bank.
- Also, some businesses are experiencing severe disruptions due to extreme weather changes, which may lead them to adjust their current operations.

4. Level of Past Due Ratio

- As businesses faced difficulty recovering from the calamities, borrower defaults increased due to slow and limited income generation.
- Occurrence of inflation or the rise of prices of goods, commodities, and/or services where borrowers prioritized the provision /meeting of the standard cost of living (e.g. food, medicines, education etc.) ahead of allocating funds towards their repayment of their loans, dues or borrowings in time.

OPPORTUNITIES

- The decline in regular agricultural loan applications created an opening for boosting commercial loan products and the introduction of other loan products, including motorcycle and car loans, allowing the bank to boost lending activity and shift focus toward commercially oriented products.

RESPONSES

- Management raised both the target and concentration limit for commercial loans, allocating 60% of the total loan portfolio to industries engaged in business operations. This strategic shift aims to boost commercial lending through products such as car and motorcycle loans, and to sectors including construction, wholesale, and retail.

CHALLENGES

- Termination of Large Exposure Time Deposit: The Treasury Department faced difficulties in the unexpected or scheduled termination of a significant time deposit from a single depositor, leading to a substantial liquidity outflow

OPPORTUNITIES

- The termination allowed the bank to reduce interest expenses associated with high-cost funding, thereby improving net interest margins. The bank could realign its asset-liability strategy to improve profitability and reduce reliance on expensive wholesale deposits.
- ACPC Loan: An opportunity arose in the form of a loan from the Agricultural Credit Policy Council (ACPC). This loan will likely provide the Treasury Department with an alternative source of funding or liquidity support. Loans from organizations like the ACPC may offer more favorable terms and conditions compared to traditional sources of financing, enabling the Treasury Department to address its funding needs more effectively and bridge the gap left by the challenges in renewing the rediscounting line from LBP.

RESPONSES

- The Treasury Department explored alternative funding sources, optimized its liquidity management strategies, and negotiated more favorable terms for credit facilities and financing arrangements. It has also promoted lower-cost funding alternatives through low-cost deposit generation campaign initiatives.



CHALLENGES

- The Bank's goals and targets were adversely impacted by a shortage of personnel caused by a high attrition rate.
- High employee turnover leads to gaps, particularly in fulfilling training needs, often resulting in inadequate knowledge and skills.

RESPONSES

- The HR department delegated additional tasks to skilled employees as required and provided staff members with the necessary training.
- The bank is continuously implementing a comprehensive recruitment strategy that employs various methods to fill these roles. This includes internal job postings, promotions for qualified bank employees, referrals, participation in job fairs, scheduled university visits to recruit recent graduates, advertising job openings on our social media platforms, and other relevant recruitment pages on Facebook



RISK MANAGEMENT FRAMEWORK ADOPTED

OVERALL RISK MANAGEMENT CULTURE AND PHILOSOPHY

Golden Rural Bank (GRBP) is committed to delivering value to its shareholders while fulfilling its mission of supporting rural communities in meeting their financial needs. To realize these objectives, GRBP must identify, assess, manage, and monitor the risks that could obstruct its goals. Risk management is therefore not just the responsibility of a single department—it requires the active participation of all stakeholders within the organization.

All business transactions carry an inherent level of risk to a company's financial position, operational requirements, and reputation. These risks can be carried between subsidiaries of a company, to its parent, and its business partners and stakeholders. That is why a comprehensive and integrated approach to risk management is vital to sustaining the long-term stability and success of Golden Rural Bank.

GRBP's risk management system brings all risks to the forefront of any anticipated business transaction for consideration by key stakeholders. This will assist the bank to:

- Minimize negative financial and operational results;
- Strengthen business partner relations;
- Execute more efficient and effective processes;
- Satisfy the legal and regulatory requirements imposed on it by the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR), local government units (LGU), etc.
- Improve individual accountability and give greater transparency to decision making; and
- Exploit business opportunities quickly with full appreciation of the risks involved



RISK APPETITE AND STRATEGY

The bank's risk appetite/threshold refers to its ability to absorb risks associated with business, expressed in terms of pesos. The risk threshold is linked to the residual risk rating, where the level of exposure is balanced against the potential business opportunity.

The basis for setting the risk threshold or appetite may be a percentage of the total resources of the Bank, based on the professional and intelligent judgment of the Board of Directors. It is the responsibility of the Board (on recommendation from the Audit, Risk Management and Compliance Oversight Committee or ARMCO Committee) to set the bank's risk threshold and review it on an annual basis. The Board has given a delegation to management to conduct business activities within this Risk Threshold and the accepted bank's business plan, and has delegated the review of those functions to the RMC. An acceptable risk threshold will be documented and will be the basis for selecting, planning, and implementing internal controls to mitigate the risks. The risk threshold will be regularly reviewed by the ARMCO Committee.

The risk threshold of the bank also depends upon its risk maturity. Risk maturity is the level of effectiveness or status of the risk management system of the bank.

The following factors are taken into consideration when determining the bank risk threshold:

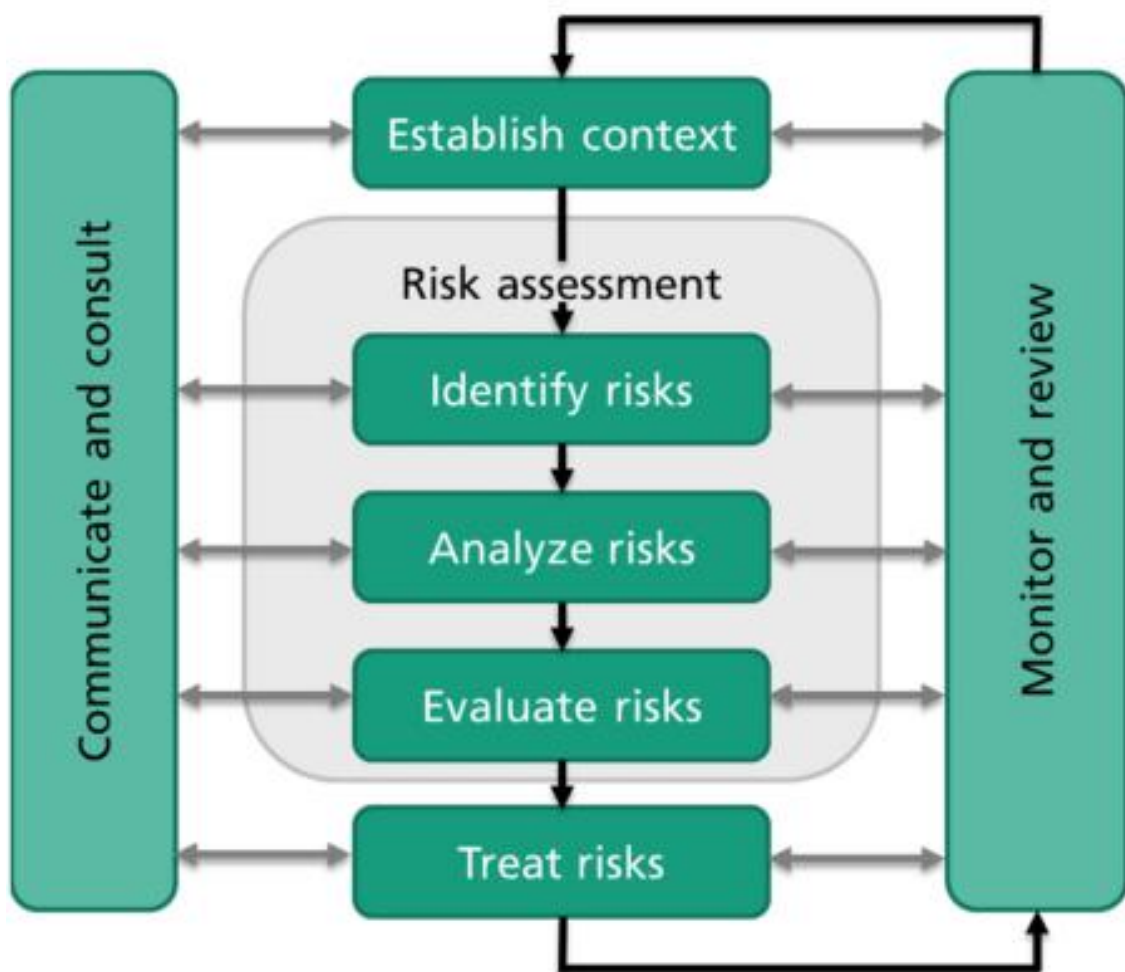
1. The Bank's position in the rural bank industry, with particular emphasis on its key business divisions as a rural bank.
2. The conditions imposed on Golden Rural Bank by the BSP, SEC, BIR, and the LGU.
3. The capital that may be required to support expanding the Risk Threshold, and The medium-long term strategic goals of the Bank.



BANK-WIDE RISK GOVERNANCE STRUCTURE AND RISK MANAGEMENT PROCESS

THE RISK MANAGEMENT PROCESS

The following diagram provides a visual representation of the bank's risk management process:



REPORTING HIERARCHY

Board of Directors

The Board has overall responsibility for ensuring that management has developed and implemented an effective risk management system. It has delegated the oversight of risk management to the Risk Management Committee and Audit Committee. Nevertheless, the Board remains responsible for:

- (a) Setting company goals and business strategies (with the assistance of executive management);
- (b) Maintaining appropriate corporate governance structures; and
- (c) Ensuring appropriate risk managements systems are in place (including ensuring this Policy is maintained).

The Board is to receive bi-annual reports on risk management, to be prepared by the RMO

President

With overall responsibility for the operations of the Bank, the President plays an active role in setting the direction of the Bank and determining which transactions to enter into (thus impacting on the Risk Threshold). The President will:

- (a) Drive the establishment of business strategies and objectives;
- (b) Ensure there are appropriate controls in place to manage all risks;
- (c) Ensure all employees are aware of the Bank's risk management obligations and that risk management is embedded within the Bank's risk management obligations and that risk management is embedded within the Bank's culture; and

Use his business knowledge and acumen to determine what activities can be absorbed as part of the Risk Threshold.

Audit, Risk Management and Compliance Oversight Committee (ARMCO Committee)

The ARMCO Committee shall be delegated the oversight of risk management. The Board considers this appointment important in providing focus and oversight on risk management and internal controls on risk management. It is the ARMCO Committee's task to:

- (a) Review, recommend and oversee implementation of the risk management process;
- (b) Provide assistance and guidance on risk management;
- (c) Monitoring and review the risk management process;
- (d) Review the efficacy of internal controls generally, including the interaction between risk management and internal audit.
- (e) Provide advice to the Board on any non-compliance to the risk management framework; and
- (f) Ensure risk management is promoted within the Bank, particularly to executive managers and their direct reports to ensure it is embedded within the overall Bank culture.

Internal Auditor (IA)

An Internal Auditor (IA) has been appointed to perform the internal audit function. It is the IA's role to:

- (a) Assist the Risk Officer and Corporate Secretary in monitoring risk management;
- (b) Review the risk matrix annually;
- (c) Ensure compliance with this Policy;
- (d) Provide guidance on existing controls and their adequacy to the respective risk; and
- (e) Monitor in particular all risks within the Bank.

Risk Management Officer (RMO)

The Bank may appoint an RMO who is responsible for overseeing the implementation of the risk management function at Golden Rural Bank. He shall have day-to-day responsibility for the implementation of the risk management function, with ultimate responsibility resting with the Corporate Secretary and Legal Counsel.

The Board has determined that such a division, which incorporates compliance and legal oversight within the Bank, is best served to maintain this Policy's currency and accuracy in light of legal, operational and regulatory developments. The RMO Officer has a broad responsibility to:

- (a) Challenge executive management and the Board to demonstrate appropriate risk management systems and controls for all risks;
- (b) Conduct regular reviews of the organization to identify new risks, remove old risks and re-rate current risks;
- (c) Coordinate the risk management process;
- (d) Provide a report on risk management issues to the RMC at each meeting and to the Board twice annually;
- (e) Maintain the Risk Register;
- (f) Maintain this Policy; and
- (g) Ensure there is adequate coverage of risk management across the entire business.

The RMO is recognized as a senior employee within the Bank is to be given the necessary access to people, information, systems and resources to ensure the proper discharge of the risk function. This may require access to past records, research, financial statements and analyses, and expert opinion. The Board supports the role of the RMO and will direct management to provide resources and access commensurate to the proper performance of the risk function.

Executive /Senior Management

With assistance from their department managers and staff, executive management has the task of:

- (a) Ensuring risks are managed and considered on a daily basis;
- (b) Conducting annual business reviews to address inherent and residual risks;
- (c) Determining appropriate controls to risks identified relating to their business function; and
- (d) Embedding the culture of risk management within their department.

In order to ensure the appropriate level of commitment to risk management practices, executive officers at the corporate and branch levels are to be enjoined to promote and adhere to this Policy and to the risk management framework generally. Success will be measured on a number of bases including but not limited to:

- (a) Tasks completed
- (b) Percentage of tasks completed on time
- (c) Compliance with treatment control plans

Risk Champion (RC)

With assistance from their department managers and staff, executive management has the task of:

- (a) Ensuring risks are managed and considered on a daily basis;
- (b) Conducting annual business reviews to address inherent and residual risks;
- (c) Determining appropriate controls to risks identified relating to their business function; and
- (d) Embedding the culture of risk management within their department.
- (e) Assist the RMO in conducting annual reviews and risk projects as specified; and
- (f) Embed the culture of risk management in their business unit.

Risk Champions will receive additional training and be provided with the necessary time and resources to implement effective risk strategies identified by the company.

Operating Staff

Staff performing daily operations has a responsibility to implement the risk management process as it relates to their business function. Generally speaking, all employees must:

- (a) Report on any instances of non-compliance with this Policy or the risk management process in general;
- (b) Inform management of any new risks as the result of a business activity; and
- (c) Ensure controls in place over a risk are operating properly. Ensure controls in place over a risk are operating properly.

AML GOVERNANCE AND CULTURE, AND DESCRIPTION OF THE OVERALL MONEY LAUNDERING (ML)/TERRORIST FINANCING (TF) RISK MANAGEMENT FRAMEWORK TO PREVENT THE USE OF THE BANK FOR ML/TF ACTIVITIES

The Golden Rural Bank of the Philippines, Inc. (GRBP) adopts the policies of the State to (a) protect and preserve the integrity of the Philippine financial system, including the confidentiality of bank accounts; (b) ensure that the Philippines, in general, and the bank, in particular, shall not be used, as money laundering sites and conduit for the proceeds of unlawful activities as herein defined; (c) protect life, liberty and property from acts of terrorism and to condemn terrorism and those who support and finance it and reinforce the fight against terrorism by criminalizing the financing of terrorism and related offenses; (d) recognize terrorism and terrorist financing as inimical and dangerous to national security and the welfare of the people; and make the financing of terrorism a crime against the Filipino people, against humanity and against the law of nations; and (e) adhere to international commitments to combat financing of terrorism, specifically the International Convention for the Suppression of the Financing of Terrorism, as well as other binding terrorism related resolutions of the United Nations Security Council, pursuant to Chapter 7 of the United Nations Charter.

“KNOW YOUR CUSTOMER” shall be strictly adopted before establishing relationship to any client and before they can avail of the bank’s facilities with emphasis on big financial transactions. Also a risk-based approach of **“CUSTOMER DUE DILIGENCE”** is undertaken depending on the type of customer, business relationship or nature of the product, transaction or activity. In this regard, the bank maintains a system that will ensure the conduct of customer due diligence.

GRBP has developed a clear, written and graduated customer acceptance and identification policies and procedures. The bank also formulates a risk-based and tiered customer acceptance, identification and retention policy that involve reduced CDD for potentially low risk clients and enhanced CDD for higher risk accounts.

CRITERIA FOR TYPE OF CUSTOMERS: low, normal and high risk; Standards for applying reduced, average and enhanced due diligence.

GRBP has specified the criteria and description of the types of customers that are likely to pose low, normal or high ML/TF risk to their operations, as well as the standards in applying reduced, average and enhanced due diligence, including a set of conditions for the denial of account opening or services.

Enhanced due diligence shall be applied to customers that are assessed by the bank or by these rules as high risk for ML/TF. For customers assessed to be of low risk such as small account balance and transactions, the bank may apply reduced due diligence. Some entities may likewise be considered as low risk clients, e.g., banking institutions, trust entities and QBs authorized by the Bangko Sentral to operate as such and publicly listed companies subject to regulatory disclosure requirements.

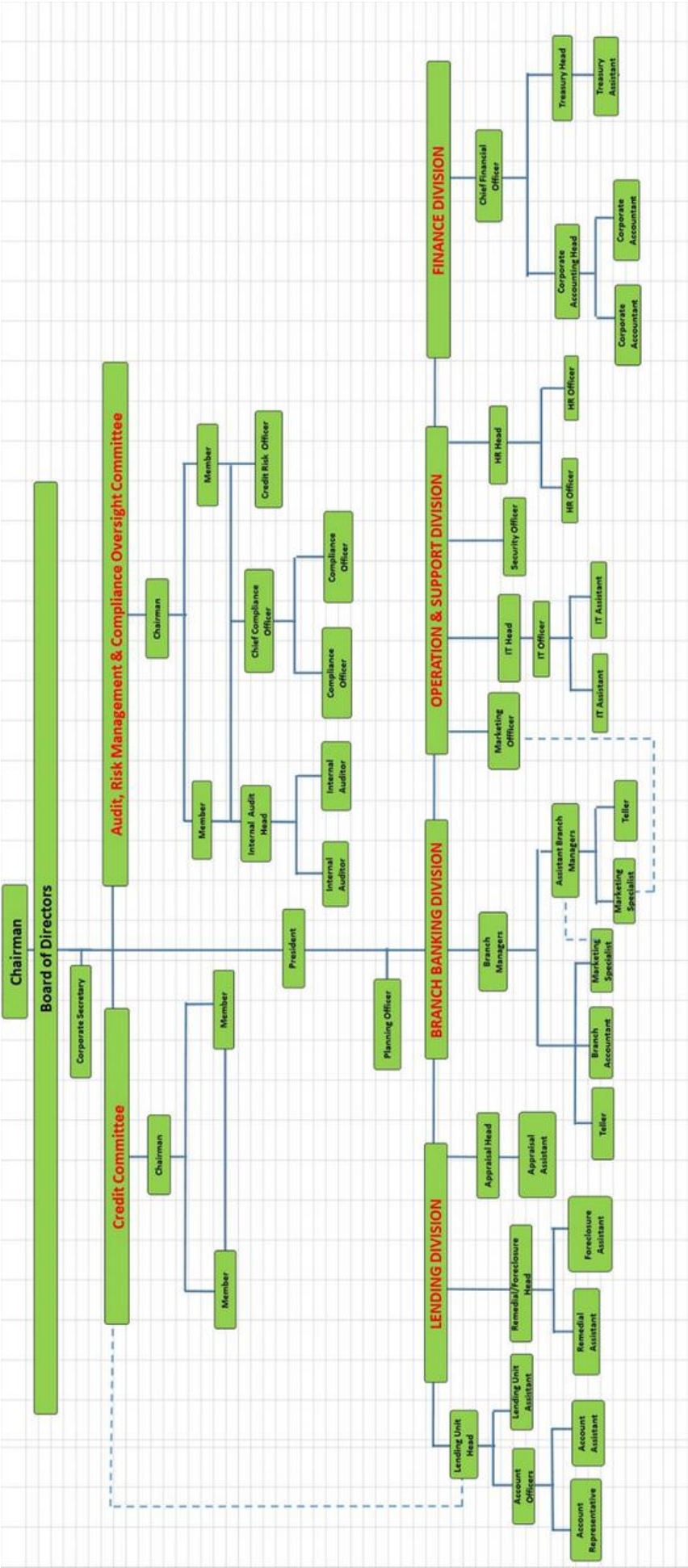
“In designing a customer acceptance and risk profiling policy, the following criteria relating to the product or service, the customer, and geographical location, at a minimum, shall be taken into account:

1. The nature of the service or product to be availed of by the customers and the purpose of the account or transaction;
2. Source of funds/nature of business activities;
3. Public or high-profile position of the customer or its directors/trustees, stockholders, officers and/or authorized signatory;
4. Country of origin and residence of operations or the fact that a customer came from a high-risk jurisdiction;
5. The existence of suspicious transaction indicators;
6. Watch list of individuals and entities engaged in illegal activities or terrorist-related activities as circularized by the Bangko Sentral, AMLC, and other international entities or organizations such as the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury and United Nations Sanction List; and
7. Such other factors, e.g., the amount of funds to be deposited by a customer or the size of transactions, and regularity or duration of the transaction, as the bank may deem reasonable or necessary to consider in assessing the risk of a customer to ML/TF.
8. Type of Transaction (if second endorsed check)

In assessing the risk profile of customers which are juridical entities, the bank should also consider the financial profile and other relevant information of the active authorized signatories. GRBP has established a Risk Profiling System to document the risk profiling results as well as how a specific customer was profiled (Low, Normal or High) and what standard of CDD (Reduced, Average or Enhanced) was applied.



CORPORATE GOVERNANCE



PRACTICES



Chairman of the Board

- Preside over Board meeting
- See to it that all policies lay down by the board and rules and regulations and orders of the president are carried out



Board of Directors

- To approve and monitor the implementation of strategic objectives.
- To approve and oversee the implementation of policies governing major areas of banking operations.
- To approve and oversee the implementation of risk management policies.
- To oversee selection and performance of senior management.
- To consistently conduct the affairs of the institution with a high degree of integrity.
- To define appropriate governance policies and practices for the bank and for its own work and to establish means to ensure that such are followed and periodically reviewed for ongoing improvement.
- To constitute committees to increase efficiency and allow deeper focus in specific areas. To effectively utilize the work conducted by the internal audit, risk management and compliance functions and the external auditors.
- In group structures, the board of directors of the parent company banks shall have the overall responsibility for defining an appropriate corporate governance framework that shall contribute to the effective oversight over entities in the group.



Audit, Risk Management and Compliance oversight Committee

INTERNAL CONTROL

- Evaluate whether Management has established and appropriately maintained processes to assure the reliability and integrity of internal accounting policies and financial reporting and disclosure practices of GRBP.
- Review and recommend to the Board the appointment, reassignment, or dismissal of the general auditor selected to develop and carry out the annual internal audit plan.
- Review the internal audit, risk management and compliance department's budget and staffing levels to ensure that the resources provided are adequate to allow successful completion of the departments' responsibilities.
- Evaluate the scope, effectiveness, and significant findings of the internal audit process for GRBP's operations.
- Review the internal auditor's report on the results of the annual audit plan.
- Evaluate whether recommendations for improved internal controls are effectively implemented by Management.
- Evaluate, annually, the adequacy of the ARMCO Committee Charter and the performance of the Committee thereunder



Financial Reporting/ Disclosure

- Annually review the significant risks GRBP is exposed to and evaluate Management's plan to manage these uncertainties.
- Review and evaluate Management's interpretation and implementation of mandated changes to accounting and reporting requirements.
- Review the annual financial statements for accuracy and completeness.
- Evaluate the accounting treatment of unusual and non-recurring transactions such as restructuring charges and acquisitions.
- Evaluate significant income statement and balance sheet items which require Management judgment.
- Review and approve the process for preparing interim, unaudited (quarterly) financial statements.
- Resolve any differences in financial reporting between management and the external auditors.



Risk Management

- Discuss with Management and Board all risk exposures and the steps Management has taken to monitor and control such exposures, including result of risk assessment and risk management policies.
- Oversee the establishment and maintenance of internal risk management framework throughout the bank.
- Identify, assess and measure risks arising from the firm's activities Oversee risk functions



Compliance with Laws, Regulations and Company Policies

- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Review the effectiveness of compliance risk assessment and the result of compliance testing.
- Recommends appropriate actions to be taken on non-compliance with laws and regulations.
- Establish procedures for the handling of complaints received by GRBP regarding accounting, internal controls, or auditing matters. In addition, such procedures will also protect the confidentiality and anonymity of any individual submitting concerns related to questionable accounting or auditing matters.
- Ensure that GRBP's policy statements are kept up to date and are accessible to and adhered to by the entire organization.
- Engage and determine funding for independent legal counsel, accounting and other advisors as it deems necessary to carry out its duties



Relation with External Auditor

- Oversee the external audit coverage – GRBP's Independent Financial Statement Auditor (external auditor) is ultimately accountable to the ARMCO Committee, which has the sole authority to select, evaluate and, when appropriate, replace the external auditors. The external auditor must be an independent public accountant.
- Have sole authority to approve the engagement letter and the fees to be paid to the external auditors.
- Review and approve the scope of the external audit to be performed each fiscal year, including the matters required relating to the conduct of the audit, and pre-approval of all audit services.

- Pre-approve, prior to execution of engagement agreements, all non-audit related engagements with GRBP's external auditors and all engagements with other firms. Approvals can be delegated to the Chairman or any two other members of the Committee with ratification at the next Committee Meeting.
- Meet with the external auditors to review the accuracy, completeness, and overall quality of GRBP's accounting principles and internal controls as applied in its annual financial reporting.
- The Committee Chairman, or any two other members, shall meet with the external auditor to discuss and review significant events, transactions, and changes in accounting estimates deemed by the external auditor to affect the quality of GRBP's financial reporting and related internal controls prior to the filing of GRBP's financial statements
- Obtain confirmation and assurance as to the external auditors' independence, including ensuring that they submit on a periodic basis (no less than annually) to the ARMCO Committee a formal written statement delineating all relationships between the external auditors and GRBP. The ARMCO Committee is responsible for actively engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external accountants and for taking appropriate action in response to the external auditor's report to satisfy itself of their independence.



Internal Auditor Head

- Plans, completes and reports on internal control programs undertaken within agreed time frame
- Conducts investigations into all matters as may be directed by the Board of Directors
- Makes recommendations for improvements in internal control procedures and programs
- Provides guidance to branches of the Bank on control procedures
- Verifies that the Bank's operational and accounting controls are in place and working properly
- Monitors control findings and follow-up on remedial actions
- Debriefs management on branches control findings and to ensure procedures are in place to safeguard the Bank's assets
- Investigates frauds and irregularities and make recommendations to prevent recurrence
- Conducts inspection at the Bank's agencies
- Contributes to the control of risks and operational efficiency
- Conducts a periodic formal review of the effectiveness of the Bank's system and internal controls governing RPTs to assess consistency with the board-approved policies and procedures. The resulting audit reports, including exceptions or breaches in limits, shall be communicated directly to the audit committee.





Credit Risk Officer

- Conduct the independent validation of the accuracy of risk ratings on the Borrowing Risk Rating (BRR), Facility Risk Rating (FRR), and packaging of loan.
- Provides recommendations regarding risk identification, underwriting, and risk management practices.
- Develops strategic credit risk assessments that determine the risk review plans.
- Participates in new product development initiatives to ensure that appropriate credit risk issues are adequately addressed.
- Identifies and communicates potential policy and/or operational improvements that will enhance credit quality to mitigate credit risk exposure.
- Understand pertinent regulatory issues and impact on credit risk. Monitors compliance with bank policies/procedures and laws and regulations.
- Researches, analyzes, and prepares various loan quality information reports for the ARMCO Committee.
- Conduct an independent review of provisions for credit losses.
- Conduct independent review of loan portfolio and loan documents.
- Acts as a consultant to the lending unit on credit risk issues and concerns.
- Responsible for assisting the board in defining the bank's risk tolerance and translating it into a structured framework of risk limits.
- Develops annual strategic credit risk assessments that determine the annual risk review plans based on the result of the periodic risk assessment of Lending Unit Head.
- Conduct loan validation to check utilization as per stated loan purpose.
- Assess credit risk register and provide recommendations to mitigate high risk.



Chief Compliance Officer

- Identify and assess the compliance risks associated with the organization's current and proposed future business activities.
- Identify and keep an inventory available to all staff of essential laws and regulations pertinent to the organization.
- Advise management on the applicable laws, regulations, rules and standards and inform them about any developments in these areas.
- Establish written guidelines to staff on the appropriate implementation of the laws, regulations, rules and standards through policies and procedures (Compliance Manual, Code of Conduct).
- Maintain and review the risk register on an annual basis.
- Validates the stress testing except for credit stress testing
- Track the progress of remediation of control weaknesses identified by Internal Audit, self-testing, or controls assessment.
- Assists in the execution of the bank compliance, fraud, and risk assessments by identifying the key risks and assessing mitigating control to determine the risk profile for the bank.
- Assists in the development and monitoring of key risk indicators (KRIs) that are mapped to various risks to determine elevations in risk and proactively implement risk mitigation measures
- Facilitate the identification of emerging risks that present new regulatory, operational or money laundering risks. These include risks associated with new products and services, customers, geographies/locations, and channels
- Coordinate the collection of risk information from source systems, departments, and reporting. Analyses the data and apply to various key risk areas to update the risk profile

- Provides assistance in developing and updating policies and procedures based on the result of the conducted risk assessment.
- Overseeing the development and implementation of the bank's risk management function.
- Assess the appropriateness of internal policies, procedures and guidelines, ensure a follow-up of any identified deficiencies, make recommendations for amendments, where necessary, and supervise the implementation of corrective measures to mitigate the identified deficiencies.
- Monitor compliance with internal policies, procedures and guidelines by performing regular and comprehensive compliance risk assessments and testing; report the results on a regular basis and promptly where deemed necessary to executive management and, if necessary, the Board of Directors.
- Centralize all information on compliance-related issues.
- Educate staff with respect to compliance with the applicable laws, rules and standards and act as advisor on compliance queries from staff members.
- Coordinate with relevant external bodies and regulators on compliance matters; exercise any specific legal responsibilities such as reporting suspicious transactions related to money laundering and the fight against terrorism financing.



Credit Committee

- Reports directly to the Board of Directors
- Advises the Board in the establishment of a loan portfolio that will assure the safety of Bank depositor's money and earns sufficient income to provide an adequate return on capital
- Monthly reviews of large loan made within the Bank's lending limits
- Reviews the loan policy and compliance with that policy
- Monitors loan quality through quarterly problem loan reports, past due reports, loan charge-offs and potential loss predictions
- Monitors loan loss reserve adequacy
- Looks for concentration or industry trends in the portfolio
- Keeps management informed of economic and industry trends that Committee members are aware of
- Determines what peso limit is appropriate for review and may change that limit periodically
- Fulfills its statutory, fiduciary and regulatory responsibilities



Credit Review Officer

- Monitors the line-driven grading system by reviewing both loan requests and re-grade memos; validates the accuracy of risk ratings.
- Provides advisory assistance regarding risk identification, underwriting and risk management practices.
- Develops strategic credit risk assessments that determine the risk review plans. Participates in new product development initiatives to ensure that appropriate credit risk issues are adequately addressed.
- Identifies and communicates potential policy and/or operational improvements that will enhance credit quality.
- Monitors and evaluates problem loan statistics to ensure that appropriate reporting of activity is occurring.
- Understands pertinent regulatory issues and impact on credit risk. Monitors compliance with bank policies/procedures and State laws and regulations.
- Researches, analyzes and prepares various loan quality information reports for senior management.

- Determines whether follow-up risk reviews, target reviews, special investigations, or additional communications with examined business units are required based on credit issues identified.
- Assists in the analysis to determine the adequacy of the reserve for credit losses.
- Benchmarks “best practices” with peer institutions and makes recommendations to incorporate them into the company’s risk management processes, as appropriate.



President

- Establishes and carries out the bank's vision and mission
- Plans, establishes and develops bank policies and procedures in accordance to BSP rules and regulations.
- Establishes the bank's main objectives and goals
- Ensures the bank's growth and development
- Manages and coordinates banking administration
- Handles internal and external communication
- Establishes and ensures implementation of high-quality customer care services
- Establishes long-term relationships with the bank's staff, client and business partners
- Assists and supports in designing bank's products and services
- Monitors the bank's performance, anticipate problems and protect the investments
- Makes sure all banking operations are functional and all customers are satisfied



Chief Financial Officer

- Reports directly to the President.
- Provides executive leadership for significant financial growth
- Establishes financial policies, practices and procedures for the Bank according with the BSP regulations
- Establishes appropriate business controls to engender an appropriate result in decision making
- Understands and analyze financial performance as it relates to forecasted profitability
- Improves profit dictated by annual business plans
- Coordinates expenditure programs to coincide with forecasted cash flow
- Participates with Management team preparing financial presentations for Bank executives, investors and financial institutions
- Approves/overrides withdrawal transactions above P30,000
- Overrides transactions of high-risk clients.



Corporate Accounting Head

- Reports directly to the Chief Financial Officer.
- Obtains and maintain a thorough understanding of the financial reporting and general ledger structure
- Ensures an accurate and timely monthly, quarterly and year end close
- Ensures the timely reporting of all monthly financial information
- Ensures the monthly and quarterly Bank Compliance activities are performed in a timely and accurate manner
- Supports budget and forecasting activities
- Collaborates with Treasury Head to support over all department goals and objectives
- Monitors and analyzes department work to develop more efficient procedures and use of resources while maintaining high level of accuracy
- Responds to inquiries from Chief Financial Officer, President and other managers regarding financial results, special requests and the like



Treasury Head

- Reports directly to the Chief Financial Officer. Understands, manages and supervises all aspects of cash flow.
- Forecasts daily cash requirements and execute daily financing decisions
- Manages all aspects of investment portfolios.
- Manages long-term and short-term investment strategies.
- Prepares or monitors Bank's various cash flow forecasts.
- Manages, directs and develops Treasury staff.
- Recommends, implements and maintains process improvements.
- Reviews, approves and signs NAC.
- Elicit and analyze proposals for banking and financing services.
- Provide everyday cash position, estimate and analysis.
- Maintain correct estimate of cash balances.
- Supervise and manage all cash balances efficiently.
- Present monthly cash along with accounting reports to Accounting personnel.
- Manage collaterals.
- Ensure to check outsourcing as well as electronic payments.
- Manage international credit lines, letters of credit and corporate guarantees.
- Supervise maintenance and update signatories on every bank account.
- Assists compliance testing for entire Treasury Department.
- Develop, monitor and upgrade Treasury department budget.
- Develop everyday cash position report comprising of forecasting every week cash receipts plus disbursements.
- Support to manage short-term investment balances along with interest recording.



Information Technology Head

- Reports directly to the Vice President for Administration
- Manages information technology and computer systems
- Ensures technology is accessible and equipped with current hardware and software
- Monitors maintain technology to ensure maximum access



Human Resources Head

- Reports directly to the ePresident..
- Act as the face of the HR for the Bank
- Responsible for senior level decision making both day to day management and strategic direction of the Bank
- Develops and implements an annual plan for HR in line with the business plan
- Ensures that HR plans support the needs of the business but with flexibility to cope with changes in the Bank
- Provides advice on statutory leaves
- Ensures all staff receive appraisals in accordance with Bank policy and monitor probationary periods
- Ensures all job descriptions are kept up to date, create new JDs when necessary
- Ensures all policies and procedures are up to date and legally compliant
- Ensures payroll is completed accurately and to deadline



Foreclosure Head/ Remedial Officer

- Assist Branches to implement preventive measures to minimize non performing loans Maximize collection efforts of branches in managing the recovery of written off and hardened accounts.
- Acts as main verification specialist on all documents received in relation to the litigation files, working closely with the litigation department to ensure the accuracy of the documents prior to execution.
- Reviews, processes and communicates among all parties in regards to the validity of document execution.
- Initiates the valuation and maintenance of investment properties foreclosed or to be foreclosed.
- Determines bid price to be submitted to sheriff upon application for foreclosure if amount is P500, 000 Or below. Else, the Credit Committee or Board of Directors shall intervene.
- Assist branches in the foreclosure process, and correspondingly check all necessary documents for the processing of every foreclosure application.
- Monitors and tracks the progress of all foreclosure proceedings.
- Monitor the complete record of all documents and transactions pertaining to the foreclosure of mortgage real estate properties including the subsidiary ledger of the loan, litigation, foreclosure and maintenance expenses.
- Monitors and recommends foreclosure of non-performing loans.
- Represent the banks together with the Branch Managers in filling legal cases in court against delinquent clients and other cases



Appraisal Head

- Performs collateral appraisal
- Re- appraises existing collaterals, collateral for foreclosure and ROPA



Security Officer

The security officer shall be responsible for:

- The development and administration of a security program acceptable to Bangko Sentral.
- The conduct of continuing security awareness program among all bank employees to highlight that security is a common concern;
- Investigation of bank robberies/hold-ups, recommending the filing of appropriate charges in court as the evidence may warrant and assisting in the prosecution of the perpetrator(s) thereof;
- The establishment of an effective working relationship with the BSP, PNP, and other law enforcement agencies in the prevention of bank crimes and other natural and man-made hazards;
- The conduct of continuing research and studies on new techniques, methods and equipment to enhance bank protection measures.



Branch Manager

- Reports directly to the President
- Approves loan applications up to the amount delegated to him
- Sees to it that all books of accounts are up-to-date and balanced and reconciled
- Approve all tickets and proof sheets before they are posted to books and ledgers
- Sees to it that an effective internal control system is installed and maintained in order to prevent errors and fraud
- Goes to the field to determine the actual credit needs of borrowers and actual conditions in the locality
- Check whether all accountable employees are properly bonded
- Approves/overrides withdrawal transactions amounting to more than P2, 500.00 but less than to P30, 000.
- Overrides transactions of high-risk clients.
- Sees to it that all exceptions noted in the audit and examinations of the books and operations of the bank conducted by the BSP examiners are corrected in accordance with the instructions received
- Oversees that all required reports are prepared and submitted on time to the different agencies
- Directly supervise the Assistant Branch Manager of his attached BLU Monitor all transactions of his attached BLU



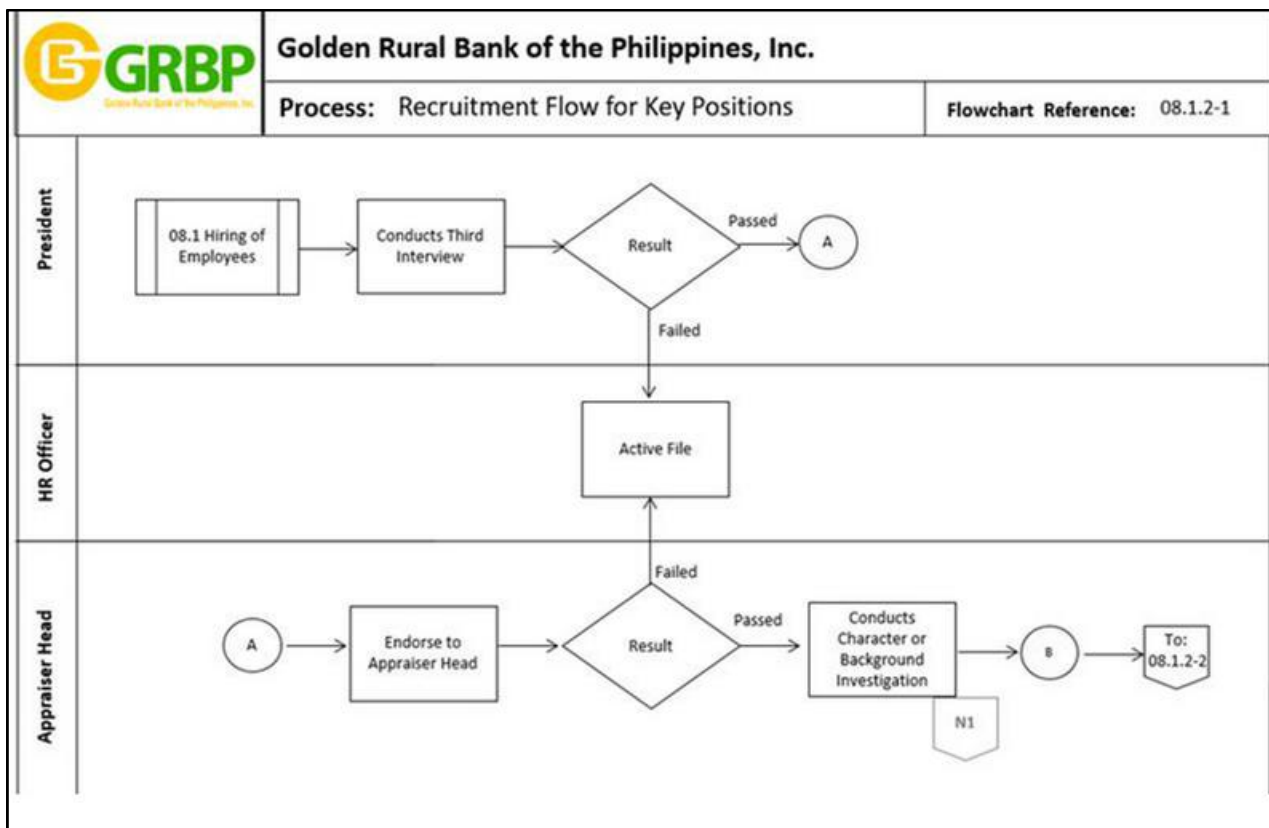
SELECTION PROCESS FOR THE BOARD AND SENIOR MANAGEMENT

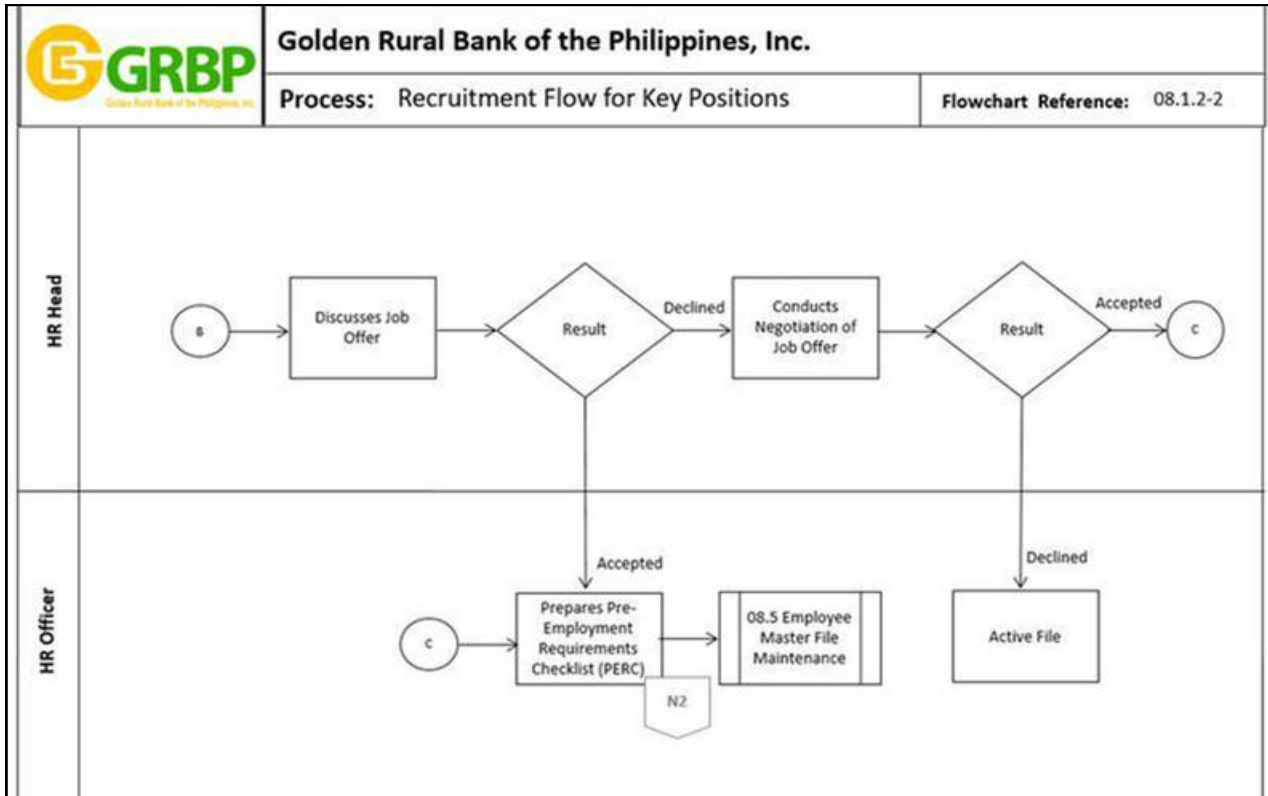
Board of Directors

Selection of Board of Directors happens annually during the annual stockholders' meeting through election. Prior to the election, the candidates are subjected to the fit and proper assessment to ensure their integrity/probity, education/training, knowledge and experience, skills, and diligence. The HR department is responsible for the assessment. The nomination will happen during the annual stockholders' meeting facilitated by the Corporate Secretary. Each nominated stockholder has to garner a majority of votes from all stockholders in attendance during the meeting. The Bank's stockholders shall elect a new set of Board of Directors for the year. The board of directors must be properly fit during the duration of his term. In case the elected BOD member resigns from his position/seat, a special BOD meeting will be conducted to elect a new member of the Board. Meanwhile, in the case of an Independent Director, the interested applicant has to submit his resume and supporting documents for his qualification. He has to have banking experience. The assessment of the interested independent director shall be conducted by the incumbent members of the Board and HR Head, and to be led by the Chairman of the Board.

The approval of the election is certified by a duly signed Board Resolution

Senior Management/Key Officers





 Golden Rural Bank of the Philippines, Inc.			
Process: Recruitment Flow for Key Positions			Narrative Reference: 08.1.2-1
Process Owner/s	Process	Control	Documents
This process is preceded by 08.1 Hiring of Employees			
President	1. Conduct third interview for key positions only. (If passed, endorse to Appraiser Head. If failed, endorse to HR Officer to file on active file).	The President signs and approved the employment contract with negotiated JO	
Appraiser Head	2. Endorse to Appraiser to Conducts Character or Background Investigation.		• BI (Appendix 08 -II)
HR Head	3. Discusses Job Offer. (If JO is accepted, endorse to HR Officer. If declined, conducts negotiation of JO), if offer is declined again, file on active file).		• JO (Appendix 08 - III) • EC (Appendix 08 - IV)
HR Officer	4. Prepares Pre-Employment Requirements Checklist (PERC) and proceeds to 08.5 Employee Master File Maintenance		• PERC(Appendix 08 - IV)

BOARD'S OVERALL RESPONSIBILITY

1. Acts within the scope of power and authority of the Bank and the Board as prescribed in the Articles of Incorporation, By-laws and in existing laws, rules and regulations
2. Exercises their best care, skill, and judgment and observe utmost good faith in the conduct and management of the business and affairs of the Bank.
3. Acts in the best interest of the Bank and for the common benefit of Bank's stockholders and other stakeholders
4. Install a process of selection to ensure a mix of competent Directors and Officers each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, and adopt an effective succession planning program for Management.
5. Elects the President and other Officers
6. Adopts a professional development program for Officers and succession planning for the Bank Executives
7. Determines or validates the Bank's purpose, its vision, mission and strategies to carry out its objectives
8. Ensures that the Bank complies with all relevant laws, rules and regulations and codes of best business practices.
9. Identifies the Bank's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program
10. Adopts a system of internal checks and balances and regularly evaluate applicability thereof under changing conditions
11. Identifies key risk areas and key performance indicators and monitor these factors with due diligence.
12. Ensures the continuing soundness, effectiveness and adequacy of the Bank's internal control environment.
13. Properly discharge Board functions by meeting regularly, and give due consideration to independent views during Board meetings, which meetings shall be duly minuted.
14. Adopts procedures for the Directors, either individually or as a group, in furtherance of their duties, to take independent professional advice and to have access to management.
15. Approves items reserved to the Board, such as, but not limited to
 - Annual Report and Financial Statements
 - Dividends
 - Financial Policies
 - Budget
 - Retirement Plan and selection/appointment of Trustees
 - Safety / Asset Integrity Matters
 - Others

Board of Directors (BOD)



DESCRIPTION OF THE MAJOR ROLE AND CONTRIBUTION OF THE CHAIRMAN OF THE BOARD

The Chairman of the Board is responsible to:

1. Preside over Board Meetings;
2. See to it that all policies lay down by the Board and all rules and regulations and orders of the MB of the BSP are carried out.

Corporate power resides in the Board of Directors as a Body. The Chairman of the Board of Directors is vested with authority to:

1. To approve and monitor the implementation of strategic objectives.
2. To approve and oversee the implementation of policies governing major areas of banking operations.
3. To approve and oversee the implementation of risk management policies.
4. To oversee selection and performance of senior management.
5. To consistently conduct the affairs of the institution with a high degree of integrity.
6. To define appropriate governance policies and practices for the bank and for its own work and to establish means to ensure that such are followed and periodically reviewed for ongoing improvement.
7. To constitute committees to increase efficiency and allow deeper focus in specific areas.
8. To effectively utilize the work conducted by the internal audit, risk management and compliance functions and the external auditors.
9. In group structures, the board of directors of the parent company banks shall have the overall responsibility for defining an appropriate corporate governance framework that shall contribute to the effective oversight over entities in the group.



BOARD COMPOSITION

Name of Directors	I. Type of Directorship	ii. The principal stockholder represented if nominee	iii. The number of years served as director	iv. Number of direct and indirect shares held	v. Percentage of shares held to total outstanding shares of the bank
Carlo Esteban A. Guinto	Chairman	N/A	24 years	59,533	12.00%
Arturo E. Guinto	Director	N/A	37 years	131,487	26.51%
Enrico Arturo E. Guinto	Director	N/A	22 years	59,533	12.00%
Rona Lissa A. Guinto	Director	N/A	12 years	77,533	15.63%
Julie Ann A. Guinto	Director	N/A	22 years	82,533	16.64%
Renato P. Guinto	Director	N/A	3 years	1,688	0.34%
Aleli P. Guinto	Director	N/A	19 years	10	0.002%
Rodrigo P. Narag	Independent Director	N/A	2 years	3	0.0006%
Elinor N. Javier	Independent Director	N/A	2 years	3	0.0006%

BOARD QUALIFICATION



RONA LISSA A. GUINTO

POSITION: PRESIDENT

AGE: 40 Y/O

NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

President- May 2022- present
Director- 2012 to present
Strategic Planning Head- 2020-2022
Marketing & Planning Head- 2011-2020

Holcim Philippines, Inc

Procurement Analyst- 2007-2009

Collins International Corporation

Marketing Assistant- 2006-2007

PLDT, UK

Marketing Executive- 2005-2006

Present position-Other Private Institution

Director- Golden Land Development Corporation



ARTURO E. GUINTO

POSITION: DIRECTOR

AGE: 74 Y/O

NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

President- 1987- May 2022
Director- 1987 to present

Rural Bank of Naguilian

Manager 1977-1986

Rural Bank of Cauayan

Supervised Credit Technician 1971-1977

Present position-Other Private Institution

Retailer- Golden Trading Shell Service

Chairman- Golden Land Development Corporation



CARLO ESTEBAN A. GUINTO

POSITION: CHAIRMAN

AGE: 46 Y/O

NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Chairman of the Board March 2019- Present
Vice President- Admin 2012-2019
Director 2002- present Officer-in-charge 2022-2011

San Miguel Corporation

Account Executive 2001-2002

Present position-Other Private Institution

Director- Ranch Oro Corporation
Director- Golden Land Development Corporation



ENRICO ARTURO A. GUINTO

POSITION: DIRECTOR
AGE: 45 Y/O
NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Director 2003– present
SVP 2012–2019
OIC 2005–2011
Liason Officer 2001–2002

PNB Head Office

Internal Auditor 2002–2003

UNIONBANK

Accountant Sept.–Dec 2001

Present position-Other Private Institution

Chairman– Ranch Oro Corporation
Retailer– Golden Trading Shell Station
Director– Golden Land Development Corporation



JULIE ANN A. GUINTO

POSITION: DIRECTOR
AGE: 43 Y/O
NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Director 2002– present
Asst. Manager 2002–2008
OIC 2009–2011

Present position-Other Private Institution

Director– Golden Land Development Corporation



ALELI P. GUINTO

POSITION: DIRECTOR
AGE: 46 Y/O
NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Director 2019– present and 2004–2018
Corporate Secretary 2018–2019
VP Finance 2014–2019
Corporate Accounting Head 2012–2014

Chevron Holdings, Inc

Financial Analyst 2004–2006

Ayala Property Management Corporation

Corporate Accountant 2000–2004

Present position-Other Private Institution

Director– Ranch Oro Corporation
Director– Feather Land Corporation
Director– El Rancho Pollo Corporation



RENATO E. GUINTO

POSITION: DIRECTOR
AGE: 72 Y/O
NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Director 2021- present
Director 2010-2015

Fe Cruz Corporation

AVP Finance 2010-2015



ELINOR N. JAVIER

POSITION: INDEPENDENT DIRECTOR
AGE: 73 Y/O
NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Independent Director 2022-present

Small Business Corporation

Consultant 2010-2019

The Manila Banking Corporation

Assistant Manager 1973-1988

Asia Trust Bank

Senior Manager 1988-1994

Bank of Commerce

Vice President 1994-2009



RODRIGO P. NARAG

POSITION: INDEPENDENT DIRECTOR
AGE: 62 Y/O
NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

Independent Director 2022-present

LBP Head Office

Mgt. and Audit Officer 2012-2017

Chief Mgt.& Audit Specialist 2008-2012

Senior Mgt. Specialist 2004-2008

Management Specialist 2003-2004

LBP Tuguegarao

Account Mgt. Specialist 2001-2003

Property Appraiser 2000-2001

LBP Cauayan

Property Appraiser 1992-2000

DENR LMB Tuguegarao

Utility Worker I 1991-1992

Survey Mancartographer 1989-1990

BOARD-LEVEL COMMITTEES AND FUNCTIONS

AUDIT, RISK MANAGEMENT AND COMPLIANCE OVERSIGHT COMMITTEE

MEMBERS



RODRIGO P. NARAG
CHAIRMAN



ELINOR N. JAVIER
MEMBER



ALELI P. GUINTO
MEMBER

FUNCTIONS

1. Evaluate whether Management has established and appropriately maintained processes to assure the reliability and integrity of internal accounting policies and financial reporting and disclosure practices of GRBP.
2. Review and recommend to the Board the appointment, reassignment, or dismissal of the general auditor selected to develop and carry out the annual internal audit plan.
3. Review the internal audit, risk management and compliance department's budget and staffing levels to ensure that the resources provided are adequate to allow successful completion of the departments' responsibilities.
4. Evaluate the scope, effectiveness, and significant findings of the internal audit process for GRBP's operations.
5. Review the internal auditor's report on the results of the annual audit plan.
6. Evaluate whether recommendations for improved internal controls are effectively implemented by Management.
7. Evaluate, annually, the adequacy of the ARMCO Committee Charter and the performance of the Committee thereunder.

Financial Reporting/ Disclosure

1. Annually review the significant risks GRBP is exposed to and evaluate Management's plan to manage these uncertainties.
2. Review and evaluate Management's interpretation and implementation of mandated changes to accounting and reporting requirements.
3. Review the annual financial statements for accuracy and completeness.
4. Evaluate the accounting treatment of unusual and non-recurring transactions such as restructuring charges and acquisitions.
5. Evaluate significant income statement and balance sheet items which require Management judgment.
6. Review and approve the process for preparing interim, unaudited (quarterly) financial statements.
7. Resolve any differences in financial reporting between management and the external auditors

INTERNAL CONTROL**Risk Management**

1. Discuss with Management and Board all risk exposures and the steps Management has taken to monitor and control such exposures, including result of risk assessment and risk management policies.
2. Oversee the establishment and maintenance of internal risk management framework throughout the bank.
3. Identify, assess and measure risks arising from the firm's activities
4. Oversee risk functions

Compliance with Laws, Regulations and Company Policies

1. Review the effectiveness of the system for monitoring compliance with laws and regulations.
2. Review the effectiveness of compliance risk assessment and the result of compliance testing.
3. Recommends appropriate actions to be taken on non-compliance with laws and regulations.
4. Establish procedures for the handling of complaints received by GRBP regarding accounting, internal controls, or auditing matters. In addition, such procedures will also protect the confidentiality and anonymity of any individual submitting concerns related to questionable accounting or auditing matters.
5. Ensure that GRBP's policy statements are kept up to date and are accessible to and adhered to by the entire organization.
6. Engage and determine funding for independent legal counsel, accounting and other advisors as it deems necessary to carry out its duties.

Relation with External Auditor

1. Oversee the external audit coverage – GRBP's Independent Financial Statement Auditor (external auditor) is ultimately accountable to the ARMCO Committee, which has the sole authority to select, evaluate and, when appropriate, replace the external auditors. The external auditor must be an independent public accountant.
2. Have sole authority to approve the engagement letter and the fees to be paid to the external auditors.
3. Review and approve the scope of the external audit to be performed each fiscal year, including the matters required relating to the conduct of the audit, and pre-approval of all audit services.
4. Pre-approve, prior to execution of engagement agreements, all non-audit related engagements with GRBP's external auditors and all engagements with other firms. Approvals can be delegated to the Chairman or any two other members of the Committee with ratification at the next Committee Meeting.
5. Meet with the external auditors to review the accuracy, completeness, and overall quality of GRBP's accounting principles and internal controls as applied in its annual financial reporting.
6. The Committee Chairman, or any two other members, shall meet with the external auditor to discuss and review significant events, transactions, and changes in accounting estimates deemed by the external auditor to affect the quality of GRBP's financial reporting and related internal controls prior to the filing of GRBP's financial statements
7. Obtain confirmation and assurance as to the external auditors' independence, including ensuring that they submit on a periodic basis (no less than annually) to the ARMCO Committee a formal written statement delineating all relationships between the external auditors and GRBP. The ARMCO Committee is responsible for actively engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external accountants and for taking appropriate action in response to the external auditor's report to satisfy itself of their independence.

BOARD-LEVEL COMMITTEES AND FUNCTIONS

CREDIT COMMITTEE

MEMBERS



ENRICO ARTURO A. GUINTO
CHAIRMAN



RONA LISSA A. GUINTO
MEMBER



JULIE ANN A. GUINTO
MEMBER

FUNCTIONS

1. Reports directly to the Board of Directors
2. Advises the Board in the establishment of a loan portfolio that will assure the safety of Bank depositor's money and earns sufficient income to provide an adequate return on capital
3. Monthly reviews of large loan made within the Bank's lending limits
4. Reviews the loan policy and compliance with that policy
5. Monitors loan quality through quarterly problem loan reports, past due reports, loan charge-offs and potential loss predictions
6. Monitors loan loss reserve adequacy
7. Looks for concentration or industry trends in the portfolio
8. Keeps management informed of economic and industry trends that Committee members are aware of
9. Determines what peso limit is appropriate for review and may change that limit periodically
10. Fulfill its statutory, fiduciary and regulatory responsibilities.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Name of Director	Board Number of Meetings	ARMCO Number of Meetings	CRECOM Number of Meetings
Carlo Esteban A. Guinto	100%	41.67%	–
Arturo E. Guinto	100%	–	–
Enrico Arturo E. Guinto	82.35%	–	54.55%
Rona Lissa A. Guinto	100%	–	100%
Julie Ann A. Guinto	88.24%	–	88.64%
Renato P. Guinto	100%	–	–
Aleli P. Guinto	94.12%	100%	–
Rodrigo P. Narag	100%	100%	–
Elinor N. Javier	100%	33.33%	45.45%
Total Number of Meetings Held During the Year	17	12	44

EXECUTIVE OFFICERS / SENIOR MANAGEMENT



RONA LISSA A. GUINTO

POSITION: PRESIDENT

AGE: 40 Y/O

NATIONALITY: FILIPINO

EXPERIENCE/S:

Golden Rural Bank of the Philippines, Inc.

President- May 2022- present

Director- 2012 to present

Strategic Planning Head-
2020-2022

Marketing & Planning Head-
2011-2020

Holcim Philippines, Inc

Procurement Analyst- 2007-
2009

Collins International Corporation

Marketing Assistant- 2006-
2007

PLDT, UK

Marketing Executive- 2005-
2006

Present position-Other Private Institution

Director- Golden Land
Development Corporation

PERFORMANCE ASSESSMENT PROGRAM

GRBP regularly conducts review of its employee's job performance and overall contribution to the bank. All employees have to conduct a performance self-assessment base on their balance scorecard then submit it to their immediate superior for review and validation of rating. The immediate superior assesses his staff individually in relation to the achievement of his performance goals and organizational objectives. Once validated, they have to set a meeting to discuss the result of the performance evaluation. Both parties should agree with the rating and sign on the documents. The result of the performance appraisal is submitted to the HR Department within Ten (10) banking days every February and August.

Meanwhile, the Bank has set performance standards to objectively measure the performance, work and attitude of the Bank's Board of Director and Committee members as a whole and toward their peer. As required by regulatory authorities and as a matter of good corporate governance practice, the Board of Directors shall conduct at least on a semi-annual basis, a review of its performance against established criteria, for purposes of assessing its effectiveness and as a tool in its efforts to improve its structure, composition, and practices and procedures.

PERFORMANCE EVALUATION PROCEDURE FOR BOARD OF DIRECTORS AND COMMITTEES

1. On a semi-annual basis of the presented year, the HR Department shall facilitate the conduct of the Board's and Committees' Performance Appraisal (as individual and as a collegian body) determine performance and work attitude of the members from the board of directors and committees.
2. The performance evaluation shall be conducted every month of August of the current year covering performance for the 1st semester (January to June of the presented year) and every February of the following year covering the performance for the 2nd semester (July to December of the presented year).
3. Directors and committee members are required to complete all sections of the Evaluation Forms. The Board's Performance Evaluation Form is composed of 3 parts:

Part I – The Board (as a body) - Overall assessment of the quality of board oversight.

Part II – The Chairman - This is an assessment for evaluation of the Chairperson of the board.

Part III – Individual Director (Peer Assessment) - This is an assessment for evaluation of individual director toward other members of the Board.

On the other hand Committees' Performance Evaluation Forms only have 1 part each.

4. The HR Department shall collate all duly accomplished performance evaluation forms and tabulate the ratings given by each directors and committee members

5. The result of the tabulation shall be submitted to the Chief Compliance Officer for independent validation.
6. The Chief Compliance Officer shall give his/her comments and reports to the board during regular BOD meeting, the result of the performance evaluation and result of his/her independent validation. Only the result of the Board's performance evaluation as a body shall be reported to the board, the Chairman's, and Peers' performance evaluation shall be discussed by the HR Head, directly to the Chairman and each member.
7. The identity of directors who gave a rating shall be kept confidential and shall not be disclosed to the Board during the reporting. Only the HR Department and the Chief Compliance Officer shall know and have access to the individual rating given to/by each director.
8. The Corporate Secretary shall take the minutes of the discussion.
9. After reporting to the Board, the Chief Compliance Officer shall keep the result of his/her independent validation and give a copy to the HR Department, together with the accomplished Performance Evaluation Form for filing and ready reference.
10. The HR Department shall give each director a copy of the summary of their rating for their reference.

ORIENTATION AND EDUCATION PROGRAM

All GRBP employees, including the BODs shall have a defined training and development program that serves as their guide to determine the training gap and improvement that the employee must focus on to make them feel confident about improving efficiency and productivity, as well as finding new ways towards personal development and success. The Human Resource Department is in-charge in conducting orientation and in finding appropriate trainings/seminars for all employees. They are consolidating all training of employees per position to easily track the training of each employee. This will serve as the basis in identifying competencies prior to identifying the potential successors for critical positions. The training calendar is prepared annually for the training plans for the year to address the training needs of employees and equip them with proper skills set needed on their job functions. The director or senior management can also initiate/recommend attending trainings that they think they needed.

All employee who attends outsourced training/seminar/webinar will be required to submit a course outline report and shall cascade to all concerned employees within a month after the completion of the said training/seminar/webinar. However, in consideration of the cost of training/seminar/webinar provided by the company to employees, concerned employees shall continue working at the company until the end of lock in period.

RETIREMENT AND SUCCESSION POLICY

Retirement Policy

Golden Rural Bank of the Philippines' retirement policy covers the bank employees' normal retirement, early retirement, late retirement, and disability retirement benefit. The normal and late retirement employee eligibility is adopted from the provision on Republic Act No.7641, "An Act Amending Article 287 of Presidential Decree No. 442, As Amended, Otherwise Known as The Labor Code of the Philippines, By Providing for Retirement Pay to Qualified Private Sector Employees in the Absence of Any Retirement Plan in The Establishment". Meanwhile, the early retirement policy and disability retirement policy are established by the bank as an act of goodwill for employees who have served the company for a longer period in order to encourage retention and ensure employee protection in the event of an accident during duty

Normal Retirement

- The normal retirement date of an employee shall be the first day of the month coincident with or next following his/her sixtieth (60th) birthday provided he has served the bank for at least five (5) years of credited service.
- The normal retirement benefit shall be equivalent to the 1-month current salary of the employee multiplied by the no. of years of credited service.

Early Retirement

- With the consent of the management, an employee may elect to retire prior to his/her normal retirement.
- The employee's early retirement benefit shall be a percentage of the 1-month current salary of the employee multiplied by the no. of years of credited service

Late Retirement

- An employee who is allowed by the management to continue to work on a case-to-case and yearly extension basis beyond his/her normal retirement date shall continue to work up to his/her late retirement date. The late retirement date of an employee shall be the first day of any month after attaining his/her normal retirement date.
- The employee's late retirement benefit shall be equivalent to the 1-month current salary of the employee multiplied by the no. of years of credited service, including the extension of service.
- The employee is eligible for late retirement pay provided that he served at least five (5) years of credited service with the bank but not beyond the age of 65

Disability Retirement Benefit

- In the event that an employee is retired by the bank due to permanent total incapacity or disability, as determined by the attending physician, his/her disability retirement benefit shall be equivalent to the 1-month current salary of the employee multiplied by the no. of years of credited service

Succession Policy

Golden Rural Bank of the Philippines, has adopted a succession policy to identify the critical positions and highlight the potential vacancies in the bank, to select key competencies and skills necessary for the bank's continuity and to focus on the development of individuals to meet future bank's needs.

The Bank's succession planning covers all its employees including the function of President and all department heads. This is to assess the leadership needs of the company to ensure the selection of qualified leaders that are diverse and a good fit for the organization's mission and goals and have the necessary skills for the organization.

GRBP considers 5 factors in identifying potential successor in every positions.

This includes:

1. **Vacancy Impact** - helps to determines the impact of the vacant positions that need to be filled in.
2. **Growth Potential** - helps in the organization's assessment of the potential successors ability to assume the position.
3. **Performance Appraisal**- are used to review the job performance of an employee over some period of time. These reviews are used to highlight both strengths and weaknesses in order to improve future performance.
4. **Tenure in the bank**- refers to the period of time an employee works at a particular job.
5. **Training needs**- Is the process in which the bank identifies training and development needs of its employees so that they can do their job effectively.

REMUNERATION POLICY

Golden Rural Bank of the Philippines Inc. endeavors to come up and implement its Remuneration Policy as fair, competitive consistent program of financial compensation for all employees of the company together with the responsibilities that have been undertaken. This Policy embraces all managers and employees at all levels within Golden Rural Bank of the Philippines, Inc.

The salaries are paid to managers and employees at all levels of the company shall be compatible with internal balances , strategic targets and market conditions.

A general increase in salaries is to be implemented twice a year. A two stage process is followed in the determination of the rate of yearly wage increase: first, the general corporate wage increase rate shall be determined, and then personal wage increase rates shall be specified. Determination of wages in duty changes and recruitments and yearly general wage increases are arranged through Remuneration Management Procedures and announced to all employees

Performance-based incentive payments are determined in order to have a positive effect on employee work results according to objective work conditions, taking into account the company's performance without a predetermined, guaranteed amount.

Incentives are correlated with the duties employees perform as well as high performance. The performance factors for yearly premiums are designed in order to harmonize the interests and benefits of employees and shareholders and to promote high performance.

The upper limit of premiums and the total yearly premium budget is determined by the Board of Directors in line with the company's financial performance and budget.

Benefit	Concern Employees	Conditions
Car Rental	BM/OIC's	Php. 4,000 will be given every month to cover car allowance
Gas Allowance	Field Work employees	Gas allowance is applicable to employees whose work mainly involves field activities. They should have a motor/car vehicle for fieldwork, which will serve as the basis for granting the gas allowance
Per Diem	All Employees	Snacks and Lunch Meals will be provided every meeting. Exceptions: Training outside Isabela, Quirino and Cagayan.
Relocation Allowance	All Employees	Provided that the employees will be designated at least two (2) towns away from home and to stay to the said area for elongated time required for his job function
Boarding Allowance	All Employees	Provided that attachment (O.R) will be submitted for review and future reference.

Corresponding allowances will be granted depending on the frequency of fieldworks activities. This is in replacement of P.O for gasoline. In the event that Marketing Specialist/ Account Representative/Account Officer/Appraisal Head/I.T exceeds the gas allowance, provided justified and with complete attachments it will be reviewed for approval.

Concern Employees	Motor Rental	Gas Allowance
Branch Manager/ OIC/ Assistant Branch Manager	P2,000.00/month	P2,000.00/month
Marketing Specialist	P1,500.00/month	P1,500.00/month
Account Representative	P1,000.00/month	P1,500.00/month
Appraisal Head	P2,000.00/month	P3,000.00/month
Account Assistant, Appraisal Assistant, Remedial Assistant & Foreclosure Assistant	P2,000.00/month	P2,000.00/month
Lending Unit Head	P4,000.00/month	P2,000.00/month
Collection Officer	P2,000.00/month	P2,000.00/month
Security Officer	-	P4,000.00/month

Board of Directors Compensation

The directors shall not receive any compensation in their capacity as such, except for reasonable per diem for actual attendance of meetings: Provided however, that the stockholders representing at least a majority of the outstanding capital stock or majority of the member may grant directors with compensation and approve the amount thereof at a regular or special meeting.

In no case shall the total yearly compensation of directors exceed ten (10%) percent of the net income before tax of the corporation during the preceding year.

Directors shall not participate in the determination of their own per diems or compensation.

Board of Directors Per Diem

The directors are given reasonable per diem for actual attendance of BOD meeting as follows:

- Directors are given per diem during regular board meeting
- Per Diem during special board meeting will be computed prorate on the approved per diem of regular board meeting
- In case that the directors did not attend the meeting, the director will be given half of his/her approved per diem.
- In case that the director did not appear in two(2) or more consecutive meetings, the director shall not receive any per diem.

The directors are given reasonable per diem for actual attendance of Committee meeting as follows:

- Directors with Committee functions will be given per diem up to four (4) meetings in a month.
- In case that the directors with committee function did not appear or attend the committee meeting shall not be given per diem.

POLICIES AND PROCEDURES ON RELATED PARTY TRANSACTIONS

OVERARCHING POLICIES AND PROCEDURES FOR MANAGING RELATED PARTY TRANSACTIONS

All branches/departments are required to identify/determine and report to the ARMCO/RPT Committee all their proposed transactions/arrangements with the bank's related parties for review.

The ARMCO /RPT Committee will be provided with all relevant material information of RPTs, including the terms of the transaction, the business purpose of the transaction, the benefits to the bank and to the related party, and any other relevant matters. They evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. They also evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. They ensure that E appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the bank's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosures shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of the bank's affiliation or transactions with other related parties. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

The following factors to the extent relevant to the RPT in conducting an independent review:

1. The identities of the parties involved in the transaction or relationship;
2. The terms of the transactions are fair and on arm's length basis to the Bank;
3. The impact on Director's or Senior Officer's independence; and
4. Whether the RPT would present an improper conflict of interest for any Director, Stockholder or Officer of the bank

Transactions that were entered into with an unrelated party that subsequently becomes a related party will be initially excluded from the limits and approval process required in this policy. However, any alteration to the terms and conditions, or increase in exposure level related to these transactions, renewal of contract after the non-related party becomes a related party shall subject the RPT to the requirements of the policy. The prospective treatment should, however, be without prejudice to supervisory actions that may be enforced for transactions noted to have not been conducted on an arm's length basis. In the event that the unrelated party becomes related party, all existing transactions will be subjected to reporting to the BSP.

The Board of Directors approves and confirms all RPTs endorsed by the ARMCO Committee. Any member of the Board or ARMCO Committee who has interest in the transaction must abstain from participation in the review and approval of any RPT.

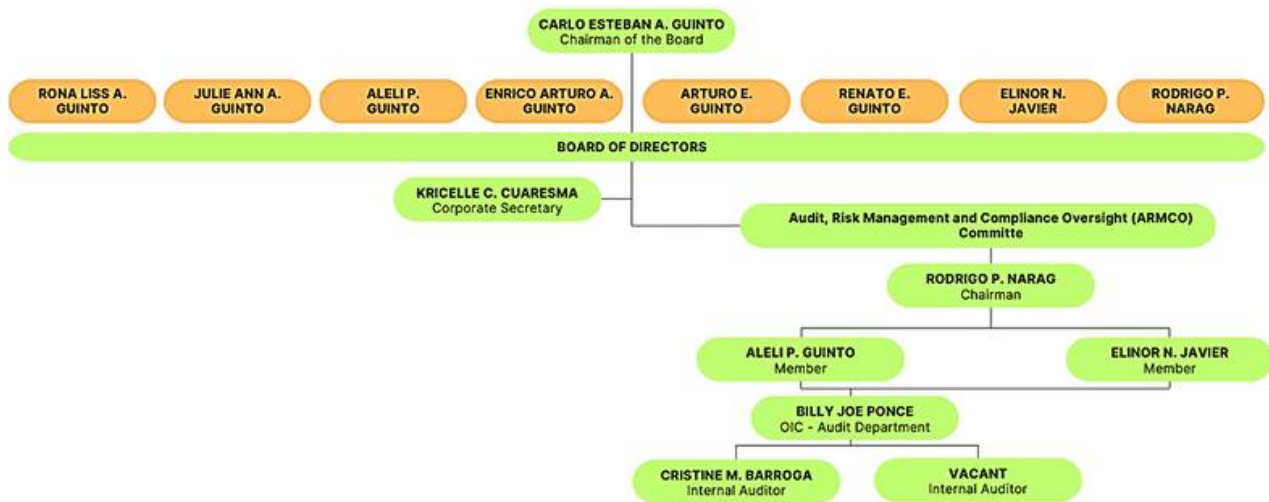
Directors and officers with personal interest or known to have conflicting interest in the transaction shall refrain/abstain from recommendation, discussion, evaluation, approval and management of such transaction or matter affecting the Bank. As such, the involved transaction shall not be processed and maintained in the jurisdiction of the related officer. It should be automatically transferred to other branch to avoid possible special treatment and ensure proper implementation of the policy

Details of Material RPT's for the year 2024

Related Counterparty	Relationship Between the Parties	Type of Transaction	Aggregate Amount for 2024
Guinto Land Development Corp.	Related Interest	Rent Expense	304,312.38
Guinto Land Development Corp.	Related Interest	Rent Expense	305,104.32
Guinto Land Development Corp.	Related Interest	Rent Expense	406,805.76
Guinto Land Development Corp.	Related Interest	Rent Expense	308,360.67
Mr. G. D. Alingog	Related Interest	Loan transfer to ROPA	4,393,346.67
Mr. G. D. Alingog	Related Interest	Loan transfer to ROPA	11,273,134.90
Mr. G. D. Alingog	Related Interest	Loan transfer from ROPA to SCR	16,266,627.77
Mr. E. G. Cabauatan	Related Interest	Loan payment	58,187.50
Golden Trading Shell Service Station	Related Interest	Fuel Consumption	624,612.77
Golden Trading Shell Service Station	Related Interest	Fuel Consumption	159,130.57
Golden Trading Shell Service Station	Related Interest	Fuel Consumption	139,239.48

SELF-ASSESSMENT FUNCTION

Internal Audit Structure



Role of Internal Audit

Internal Audit looks at the organization's objectives and then focuses on those risks that are identified by management that may hinder their achievement.

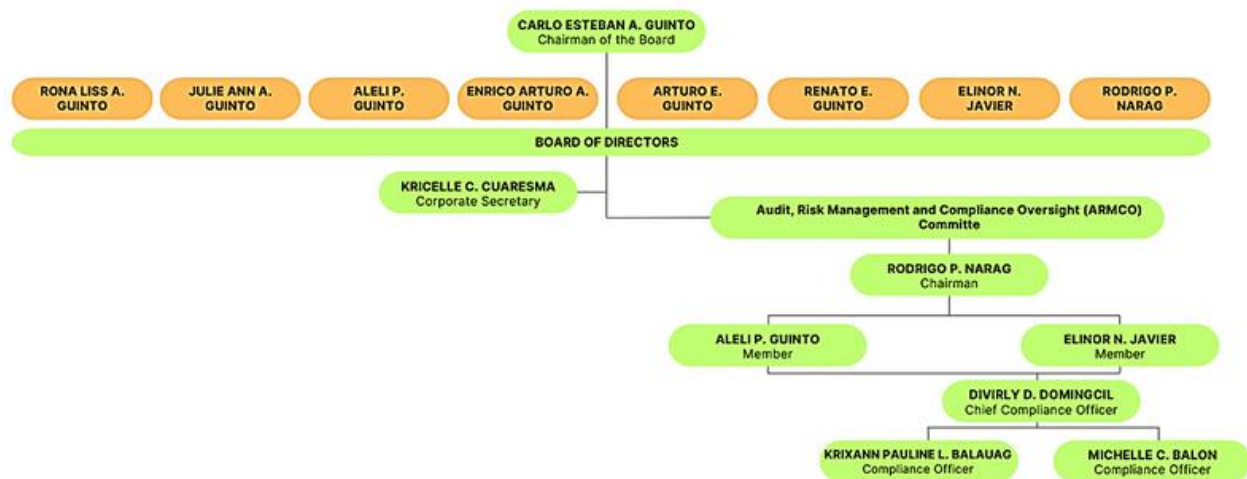
Internal Auditor:

1. Plans, completes and reports on internal control programs undertaken within agreed time frame.
2. Conducts directly spot cash count, regular audit to branches.
3. Conducts investigations into all matters as may be directed by the Board of Directors.
4. Makes recommendations for improvements in internal control procedures and programs
5. Provides guidance to branches of the Bank on control procedures
6. Verifies that the Bank's operational and accounting controls are in place and working properly
7. Monitors control findings and follow-up on remedial actions
8. Debriefs management on branches control findings and to ensure procedures are in place to safeguard the Bank's assets
9. Investigates frauds and irregularities and make recommendations to prevent recurrence
10. Conducts inspection at the Bank's agencies
11. Contributes to the control of risks and operational efficiency
12. Conducts a periodic formal review of the effectiveness of the Bank's system and internal controls governing RPT'S to assess consistency with the board approved policies and procedures. The resulting audit reports, including expectations or breaches in limits, shall be communicated to the ARMCO Committee.

Reporting Process

Process Owner/s	Process	Remarks
Internal Auditor	1. List and print initial audit findings and give copy to Branch Employees. Discuss audit findings with the Branch employees. After discussion, make final audit report, give copy to ARMCO/BOD, and issues Personal Memorandum. The branch receives and sign initial findings copy and participate in the discussion.	This is the time discussing and communicating audit findings, comments and performances thru Exit Conference
ARMCO Committee	2. Receive and read Final Audit Report 3. During ARMCO Committee Meeting, the members shall review and assess the Audit Report	ARMCO Committee will receive the final audit report on the fifth(5th) day from exit conference
BOD	4. Receive and read Final Audit Report	BOD will receive the final audit report on the fifth(5th) day from exit conference
HR Head/ Assistant	5. Receives copy and issued personnel memorandum	

Compliance Structure



COMPLIANCE FUNCTION

The Compliance Function shall have a formal status within the organization. It shall be established by a charter or other formal document approved by the Board of Directors that defines the compliance function's standing, authority and independence, and addresses the following issues:

- Measures to ensure the independence of the compliance function from the business activities of the bank
- The organizational structure and responsibilities of the unit or department administering the compliance program;
- The relationship of the compliance unit /department with other functions or units of the organization; including the delineation of responsibilities and lines of cooperation;
- Its right to obtain access to information necessary to carry out its responsibilities; Its right to conduct investigations of possible breaches of the compliance policy;
- Its formal reporting relationships to senior management , the Board of Directors, and the appropriate board-level Committee; and
- Its right to direct access to the Board of Directors and the appropriate board- level Committee.
- The charter or other formal document defining the status of the compliance function shall be communicated throughout the organization.

REPORTING PROCESS

Process Owner/s	Process	Remarks
Compliance Office	1.Prepare reports 2.Presents and discusses reports to the ARMCO Committee 3.Secures Committee Approval if needed 4.Presents and discusses reports to the Board 5.Secures Board Approval if needed	The compliance office has regular agendas that need to be reported to the ARMCO Committee. All compliance report shall be reported first to the ARMCO before reporting to the Board.
ARMCO Committee	1.Reviews compliance reports 2.Issues directives and decisions	The compliance office is functionally reporting to the ARMCO Committee and administratively reporting to the President
Management Committee	1.Reviews compliance reports 2.Discusses action plans to address noted compliance issues 3.Addresses issues/concerns	The compliance office is reporting to the Management Committee to discuss compliance issues concerning the operations.
BOD	1.Reviews compliance reports 2.Issues directives and decisions	

DIVIDEND POLICY

GRBP's Board of Directors shall be responsible for issuing all resolutions on the declaration and payment of Dividends. The decision to declare and pay Dividends, including the procedure for making Dividend payments on each type and class of shares (as applicable) shall be made at the Annual Stockholders Meeting (ASM), upon the recommendation of the Board of Directors shall be presented in the form of a recommendation to the Stockholders; The decision on whether to declare and pay Dividends shall be a separate item of agenda at the ASM. Dividend amount payable and the payment procedures shall be made by the Board of Directors and recommended to the Stockholders for approval. Any declaration to pay Dividends must provide the: i. Type and class of shares on which the dividends have been declared; ii. The amount of dividends per share of each type and class; iii. The period for payment and iv. The form of payment.

The decision to declare dividends on common shares may be only after a decision has been made to declare dividends on all classes of preferred shares and in the full amount, as determined in the articles of Incorporation. If GRBP has classes of preferred shares, a decision to declare dividends on the preferred shares shall be made pursuant to item V.6 and in accordance with GRBP's Articles of Incorporation. Where there is an inconsistency between item V.6 and GRBP's Article of Incorporation with the respect to the order of priority of Dividends, the provisions set forth in GRBP's Articles of incorporation shall be adhered to. 9. The amount of dividend to be declared shall comply with the limits set forth under Section 124 of the MORB.

GRBP shall not declare any Dividends:

a) Where, at the time of the declaration.

1. Its Clearing account with the Bangko Sentral Pilipinas is overdrawn;
2. Its liquidity floor requirement for government funds is not complied with the (as applicable);
3. Its minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework are not complied with;
4. Is not compliant with the Minimum Liquidity Ratio of 20% required under Section 145 of the MORB ; or
5. The capital conservation buffer requirement as defined in Appendix 62, Part II.C for stand-alone TBs, RBs and Coop Banks is not complied with.
6. Has committed any unsafe or unsound banking practice as defined under existing regulations and/or major acts or omissions as may be determined by the Bangko Sentral to be ground for suspension of dividend distribution, unless this has been addressed by GRBP as confirmed by the Monetary Board or the Deputy Governor, FSD as may be applicable, upon recommendation of the appropriate department of the BSP.

b) If, after dividend payment, it will be;

1. Unable to pay its liabilities or discharge its obligations as and when they become due or comply with the Minimum Liquidity Ratio of 20%; or
2. Unable to comply with the minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework;

Dividends Payment

1. Dividends shall be paid out of GRBP's distributable profits which shall not exceed the limit provided for under item 9, and shall be allocated among Stockholders on a pro rata basis according to the number of each type and class of shares held.
2. The form of payments for dividends on common shares may be in cash or stocks as recommended by Board of Directors and approved by the stockholders during the ASM. Dividends on preferred shares be in cash.
3. The date on which dividends are to be paid shall be determined by the outcome of the ASM.
4. No interest shall accrue on unclaimed dividends

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES



Every year, GRBP eagerly participates in a tree planting event in Cauayan City as part of its corporate responsibility initiative. This annual commitment reflects GRBP's dedication to environmental stewardship and sustainability. By actively engaging in tree planting activities, GRBP not only contributes to the beautification and preservation of natural landscapes but also demonstrates its commitment to fostering a greener future for the community. Through these efforts, GRBP exemplifies its corporate values of social responsibility and environmental consciousness, making a positive impact on both the local environment and the broader community.

GRBP enthusiastically participates in the annual fire drill awareness campaign held every Fire Prevention Month. By actively engaging in fire drill exercises, GRBP demonstrates its commitment to safety and emergency preparedness. These drills serve as invaluable opportunities for employees to familiarize themselves with proper fire safety protocols, evacuation procedures, and the use of firefighting equipment. Through its involvement in this initiative, GRBP not only prioritizes the well-being of its workforce but also underscores its dedication to fostering a safe and secure workplace environment.



By promoting fire safety consciousness, GRBP contributes to building a culture of preparedness and resilience within the organization and the broader community.



GRBP participated in the job fair organized by the Public Employment Service Office (PESO) on August 30, 2024, at the Provincial Capitol in the City of Ilagan, Isabela. This event provided an excellent opportunity for GRBP to connect with potential candidates and contribute to the local employment efforts in the region.



The job fair was attended by a diverse group of job seekers, ranging from recent graduates to experienced professionals, all looking for career opportunities in various sectors. By being part of this event, GRBP aimed to raise awareness of available job openings, particularly in the banking sector, and to provide potential employees with the necessary information to apply.

Participation in the job fair also allowed GRBP to strengthen its presence in the community, demonstrating its commitment to helping individuals find meaningful employment while also sourcing talented professionals for its own workforce. Overall, the event was a success, fostering valuable connections between the company and the local job market.

GRBP attended the public hearing on minimum wage adjustments held at the Isabela Convention Center (ICON) in Cauayan City, Isabela, on September 3, 2024. The event offered a platform for various stakeholders, including employers and employees, to discuss and provide feedback on proposed changes to the region's minimum wage. Through its engagement, GRBP actively contributed to the conversation, gaining insights into the potential effects on both the workforce and the business community. The company is dedicated to upholding fair labor standards while maintaining operational sustainability. This involvement underscores GRBP's commitment to influencing key discussions that impact the economic development of Isabela.



CONSUMER PROTECTION PRACTICES

ROLES AND RESPONSIBILITIES OF OVERSIGHT BODIES

BOARD OF DIRECTORS

The Board of Directors (BOD) holds the ultimate responsibility for the level of customer risk assumed by GRBP. Accordingly, the Board approves the Bank's overall business strategies and significant policies, including those related to managing and taking customer risks.

The Board of Directors provides clear guidance regarding the level for customer protection risk acceptable to the Bank and ensures that senior management implements the procedures and controls necessary to comply with the adopted policies. Furthermore, the Board is responsible for developing and maintaining a robust Consumer Protection Risk Management System integrated into the overall framework for the entire product and service life-cycle.

The Board reviews and approves appropriate customer protection policies to limit risks inherent in the Bank's significant business lines, activities, or products, including ensuring effective oversight of any third-party providers that provide products and services for the iBank.

Additionally, the Board periodically reviews and approves customer protection risk exposure limits to align with any changes in the Bank's strategies and assesses the extent of protection assumed by the customers when new products are introduced.

SENIOR MANAGEMENT

Senior management is responsible for implementing a program to manage customer compliance risks associated with the Bank's business model, including ensuring compliance with laws and regulations on both a long-term and day-to-day basis. Consequently, management should be fully involved in its activities and possess sufficient knowledge of all major products to ensure that appropriate risk controls are in place, and that accountability and lines of authority are clearly delineated.

Moreover, senior management is responsible for establishing and communicating a strong awareness of, and need for, effective customer protection risk controls and maintaining high ethical standards.

CONSUMER PROTECTION PRACTICES

THE CONSUMER PROTECTION RISK MANAGEMENT SYSTEM OF THE BANK

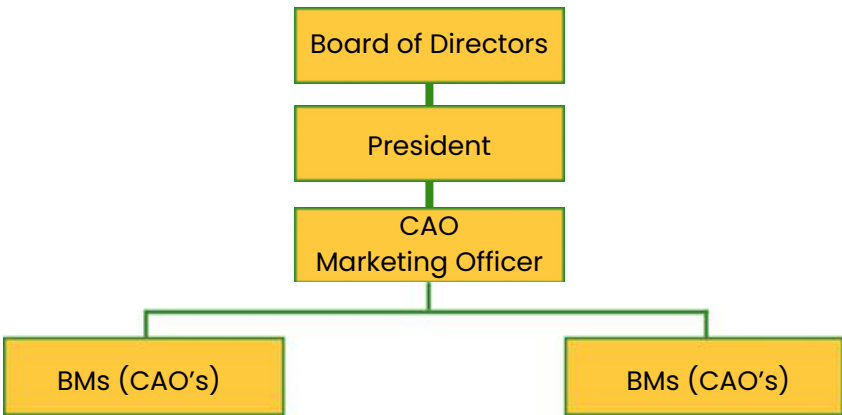
The Consumer Protection Risk Management System (CPRMS) employed by the Bank serves as a framework for identifying, assessing, monitoring, and mitigating risks associated with customer protection within its operations. These risks pertain to both the financial well-being of the customers and the Bank itself. Tailored to the scale, composition, and intricacy of the Bank's operations, GRBP's CPRMS forms the bedrock for upholding standards of conduct and ensuring compliance with laws and regulations governing customer protection. Its primary objective is to avert risks to the Bank while safeguarding customers from potential harm or financial losses.

The CPRMS entails a comprehensive risk management approach. It begins with the identification of customer protection risks across various principles, evaluating their impact on both the Bank and its customers. Risk measurement and analysis involve two distinct methods to gauge the repercussions of failing to adhere to prescribed protection standards/principles. Risk control mechanisms entail oversight by the Board and the ARMCO Committee, who supervise the CPRMS and mandate regular reporting from senior management on customer complaints and their resolution status.

Furthermore, the system incorporates robust risk monitoring and management information systems, necessitating the identification and management of significant risk exposures, including compliance risk, throughout the Bank's operations. This proactive identification is crucial for adapting the compliance management program in response to internal or external changes affecting the institution. Supported by appropriate Management Information Systems (MIS), risk monitoring activities furnish senior management and directors with timely insights into the Bank's exposure to compliance risks related to customer protection, while also providing line managers with the necessary information for day-to-day operations management.

CORPORATE STRUCTURE OF THE BANK'S CONSUMER ASSISTANCE MANAGEMENT SYSTEM

GRBP adheres to its established operational channel for managing customer complaints and has implemented the Customer Oriented Response Dimension System (CORDS). CORDS functions as GRBP's Customer Assistance Management System (CAMS). In this system, Branch Managers are assigned the role of Consumer Assistance Officers (CAOs), with the Marketing Head appointed as the Head of Consumer Assistance Officers. Subsequently, the Marketing Head reports to the President, who presents and deliberates on the complaint report with the Board. The Board then takes action based on recommendations provided by the CAOs (Marketing Head). The structural chart for CORDS is presented below:

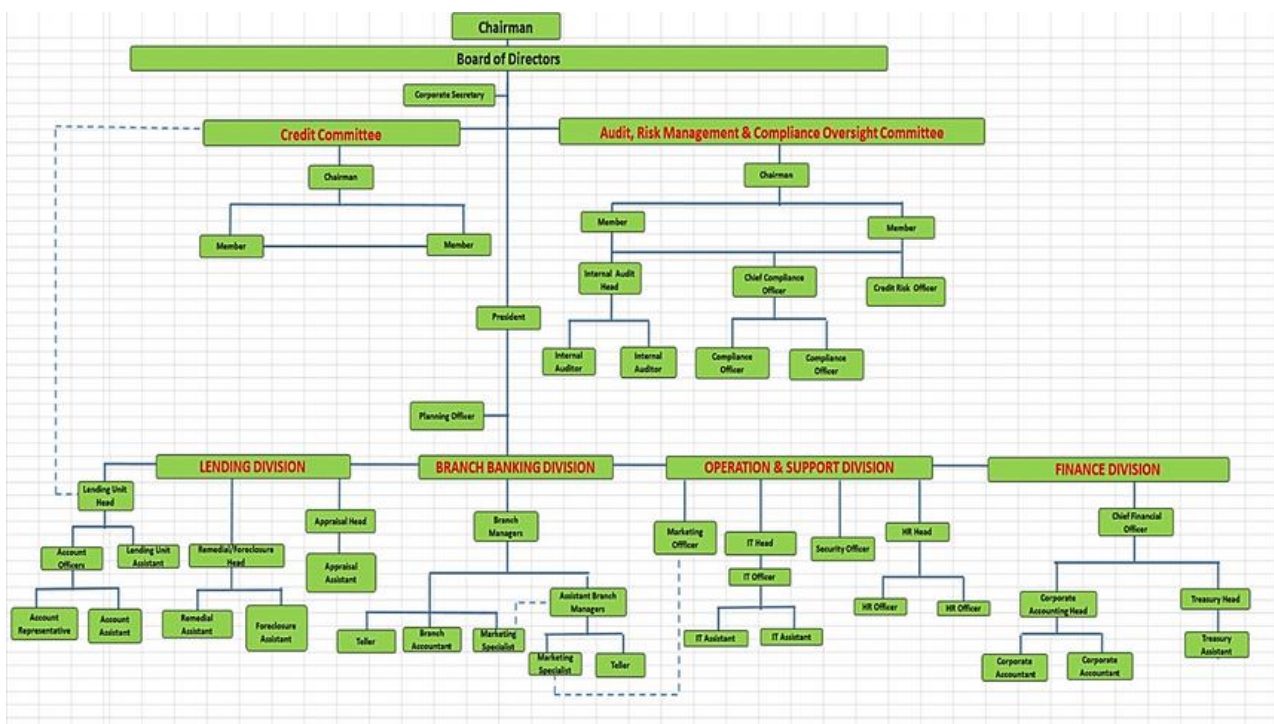


Customers may lodge their complaints or requests to any of the Bank's channels:

1. walk-in or personal visit
2. letter or e-mail
3. Telephone

Each branch of the Bank shall maintain Customer Assistance Help Desk with a hotline dedicated to customer concerns and service. The Consumer Assistance Officers (Branch Managers) shall be in charge of the Customer Help Desk. The Bank shall post to all lobbies of branches a poster where customers know how and where to lodge their concerns. Any simple concern (complaint or request) shall be processed by the Bank within seven (7) days and the reply shall be issued within two (2) days after the resolution is completed. However, if the complaint/request of the customer is complex and requires third-party intervention in the investigation process the resolution could be done within not exceeding forty five (45) days. Thereafter, the resolution shall be issued within two (2) days.

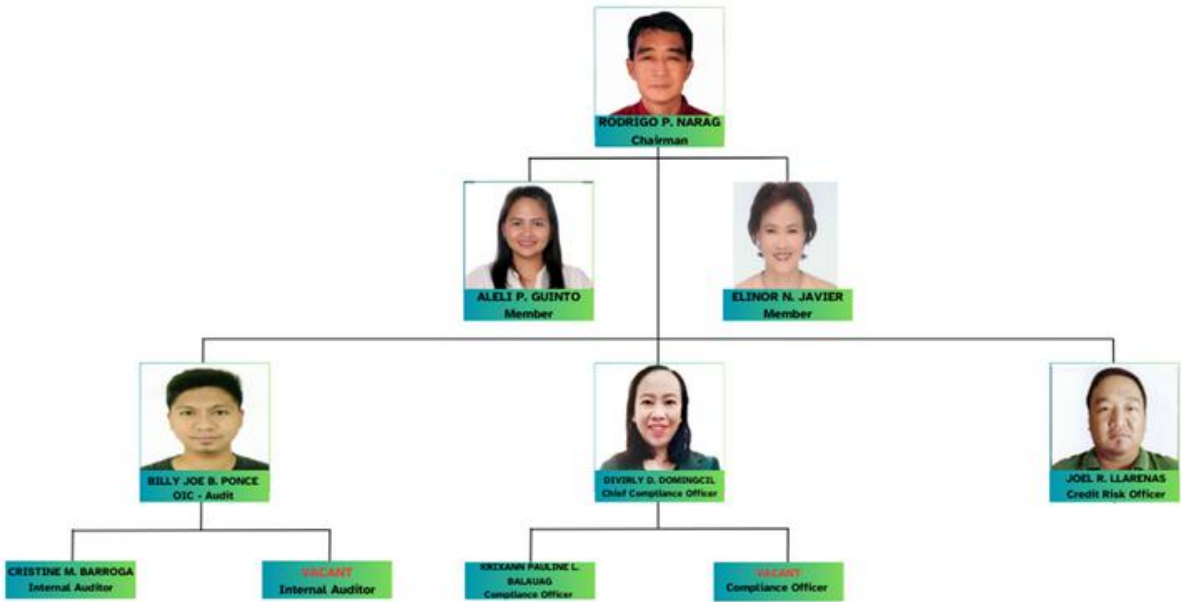
CORPORATE INFORMATION



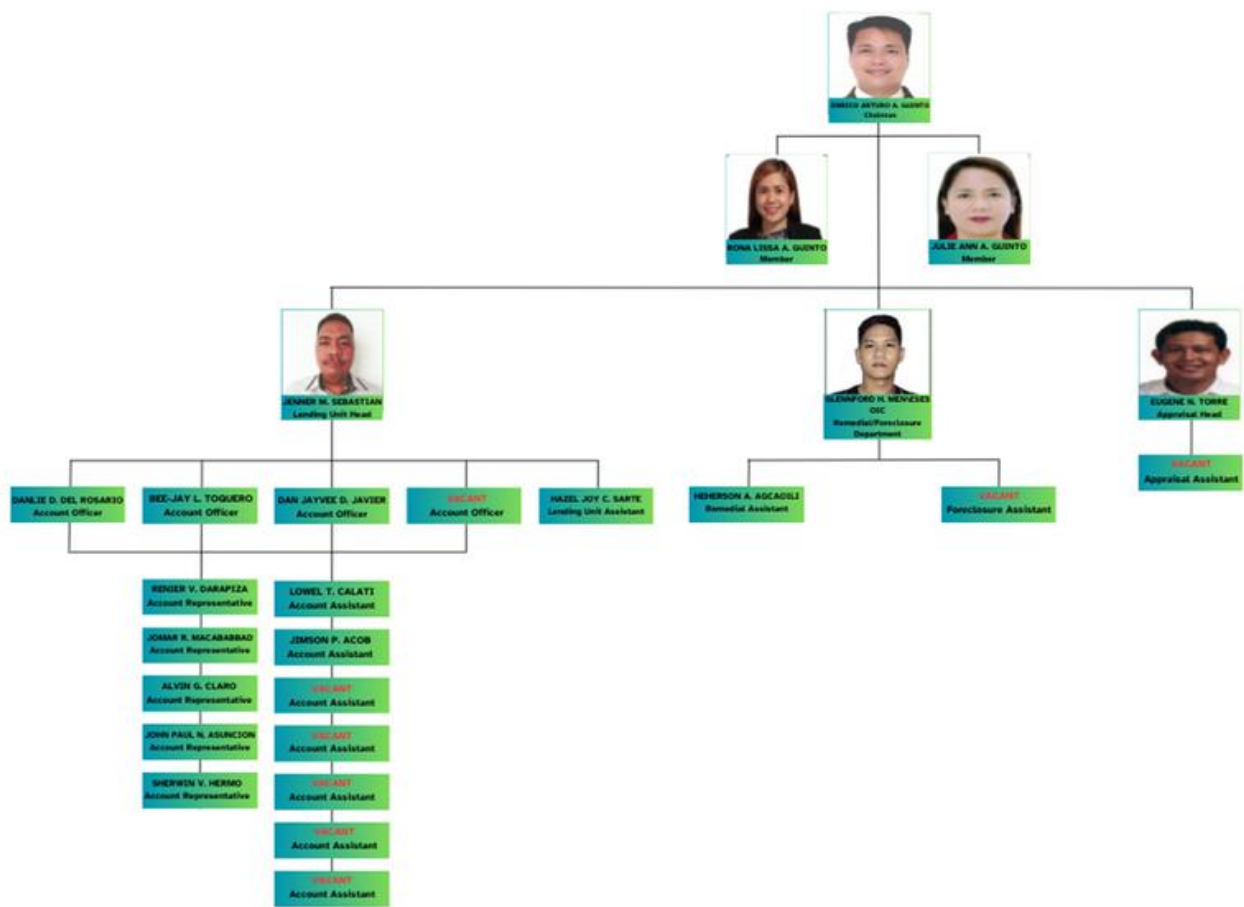
Board of Directors (BOD)



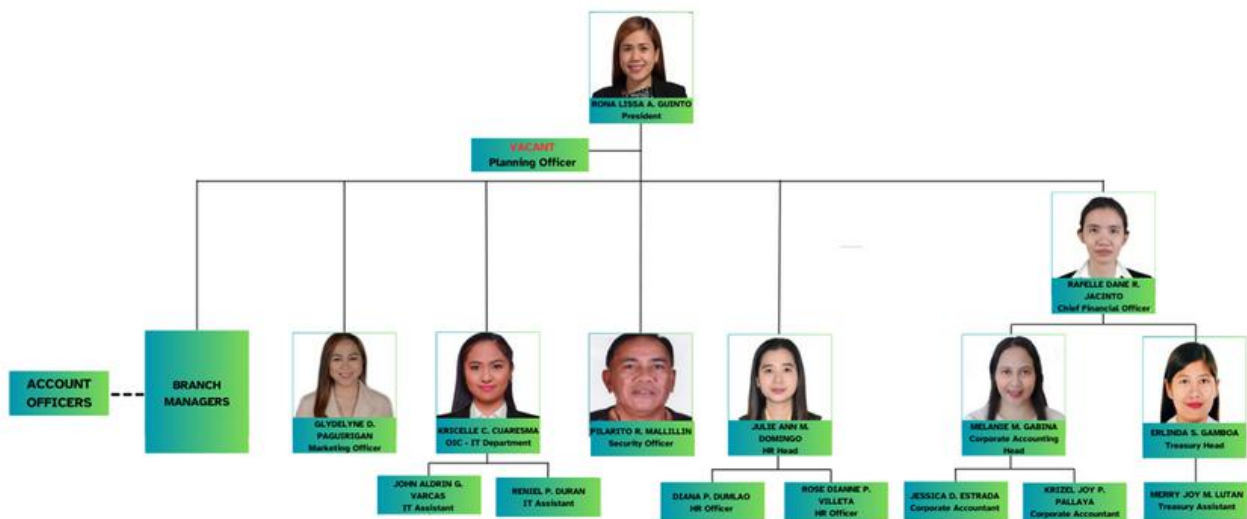
Audit, Risk Management and Compliance Oversight (ARMCO) Committee



Credit Committee (CRECOM)



Operations



Branches and BLUs



LIST OF MAJOR STOCKHOLDERS

Name of Stockholder	Nationality	Percentage of Stockholdings	Voting Status
Arturo E. Guinto	Filipino	26.5095%	YES
Carlo Esteban A. Guinto	Filipino	12.0026%	YES
Enrico Arturo A. Guinto	Filipino	12.0026%	YES
Rona Lissa A. Guinto	Filipino	15.6317%	YES
Julie Ann A. Guinto	Filipino	16.6397%	YES
Vanessa Lou A. Guinto	Filipino	16.8413%	YES

PRODUCTS AND SERVICES OFFERED

DEPOSIT PRODUCTS

01

SAVINGS DEPOSIT

- an interest bearing account withdrawable anytime and evidenced by passbooks.

- **Start-Up Savings Passbook Account**
- **Step-Up Savings Passbook Account**
- **Regular Savings Passbook Account**
- **Abot-Kaya Savings Passbook Account**
- **Partner Savings Passbook Account**
- **Impok pangarap**



02

TIME DEPOSIT

a. Special Savings Deposit Account

- an interest bearing account (with interest higher than regular savings account) placed for a stipulated period of time and evidenced by passbooks

- **Golden Money Maximizer Special Savings Account**

b. Certificate of Time Deposit

- with fixed interest rate for a fixed stipulated period of time evidenced by certificate.

- **Golden Protect Time Deposit Account**
- **Golden Time Deposit Classic Account**
- **Flexi-Gold Time Deposit Account**
- **Golden Time Max Deposit Account**



LOAN PRODUCTS

01

AGRICULTURAL LOAN

- Regular Agricultural loan
- Golden Agri Easy Loan
- Flexi-pig Raiser Loan
- Golden Asenso Loan (GOAL) ACPC
- Golden Agri-Negosyo Loan (GANEL) SME's ACPC
- Golden Agri-Negosyo Loan (GANEL) SFF's ACPC



02

COMMERCIAL LOAN

- Regular Commercial Loan
- Market Vendor Loan
- Sari-sari Store Loan



03

PERSONAL LOAN

- ArangToda Loan
- Salary Loan

OTHER SERVICES

01

REMITTANCE

- Cebuana Lhuillier (Domestic)
- Western Union (Int'l and Domestic)



02

BILLS PAYMENT

- Bayad Center
- CashKO



03

ATM FACILITY

- Ramon Branch
- San Mariano BLU



SAVINGS DEPOSIT PRODUCTS

START-UP SAVINGS PASSBOOK ACCOUNT

Available to elementary and high school students aged 7 to 18 years old, with a relatively lower minimum initial deposit and maintaining a daily balance of 50 pesos. Offers a high-interest rate per annum. Interest is credited monthly based on the Average Daily Balance (ADB) and can be deposited or withdrawn over the counter during banking hours.

STEP-UP SAVINGS PASSBOOK ACCOUNT

Available to college students who are no older than 23 years old, with a relatively lower minimum initial deposit and a daily balance requirement of 100 pesos. Offers a high-interest rate per annum. Interest is credited monthly based on the Average Daily Balance (ADB) and can be deposited or withdrawn over the counter during banking hours.

REGULAR SAVINGS ACCOUNT

Relatively lower initial deposit and maintaining balance of 500 pesos. Interest is credited and compounded monthly based on Average Daily Balance (ADB). It can be deposited and withdrawn over the counter during banking hours.

ABOT-KAYA SAVINGS PASSBOOK ACCOUNT (BASIC DEPOSIT ACCOUNT)

There are no maintaining balance requirements and no dormancy charges. The account has a maximum capacity of 50,000 pesos. The minimum initial deposit is 25 pesos, and there is no maintaining balance.

IMPOK PANGARAP

A Savings Bond is available for small, medium, and large companies. Deductions are made based on the salary pay dates of the client's company, and clients must have filled out or signed the GRBP Enrollment form. Interest is credited and compounded monthly based on Average Daily Balance (ADB). Deposits and withdrawals can be made over the counter during banking hours.

PARTNER SAVINGS ACCOUNT

This is a savings account required for loan borrowers where 1,000 or 1% of the loan approved amount whichever is higher shall be held as deposit. The account can be utilized as a regular Savings Account generating an equivalent rate of 0.25% lower than Regular Savings Account.



TIME DEPOSIT PRODUCTS

GOLDEN TIME DEPOSIT CLASSIC ACCOUNT

A regular time deposit account offers a high interest rate, with both interest and principal only available for withdrawal upon maturity of the term. The account requires a minimum deposit of P10,000 and offers terms ranging from 3 months to 5 years. Additionally, the deposit can serve as collateral for borrowing from the bank.



GOLDEN PROTECT TIME DEPOSIT ACCOUNT

This Time Deposit Product is designed for individuals seeking investment opportunities with complimentary accident insurance coverage. Both the product's interest and principal can only be withdrawn upon maturity of the term. The account requires a minimum deposit of P25,000 and allows deposits up to a maximum of P499,999. The term of deposit ranges from 1 year to 5 years.



GOLDEN MONEY MAXIMIZER SPECIAL SAVINGS ACCOUNT

This investment option is ideal for individuals seeking medium-term investment opportunities (1-3 years) with a relatively high interest rate. The principal amount can be withdrawn upon maturity, while there is flexibility to withdraw the interest earned on a monthly basis. The account requires a minimum deposit of P100,000.



FLEXI-GOLD TIME DEPOSIT ACCOUNT

This is designed for individuals seeking for long-term investments (5 years) for a high-interest rate where the principal amount can only be withdrawn upon maturity but with varying flexibility to withdraw the interest earned on a semi-annual basis.

GOLDEN TIME MAX DEPOSIT ACCOUNT

This product offers FREE LIFE INSURANCE. The product and interest can only be withdrawn upon maturity. Minimum of 10,000 and Maximum of 1,000,000.00 shall only allowed as the minimum placement.

LOAN PRODUCTS

AGRICULTURAL LOAN

A. REGULAR AGRICULTURAL LOAN

This loan product is available for farmers, fisherfolk, and livestock raisers, offering loan amounts starting from P10,000 with interest rates as low as 1.33% per month. It is designed to finance various agricultural activities, including the purchase of farm inputs, acquisition of machinery and equipment, work animals, and other similar items for the production of crops such as rice, corn, coconut, livestock, poultry, etc. The loan term ranges from 3 months to 1 year, and payment options include lump sum or installment payments with guaranteed easy payment schemes.

B. GOLDEN AGRI EASY LOAN

This product is designed to assist small farmers by providing loans for use as capital in farming operations. Borrowers can access loan amounts of up to P150,000, with an interest rate of 23% for a duration of 5 months. Collateral is required for amounts exceeding P50,000, which will be held in safekeeping. Fast loan release is guaranteed, along with easy payment schemes.

C. FLEXI- PIG RAISER LOAN

This loan is tailored to support former backyard raisers and contract growers who lack financial resources but are eager to raise hogs. Each account can accommodate a minimum of 15 and a maximum of 50 hogs, with a minimum loan amount starting from 100,000 pesos. Payment is made in lump sum, with a flexible interest rate and a term ranging from 120 to 180 days.



COMMERCIAL LOAN

A. REGULAR COMMERCIAL LOAN

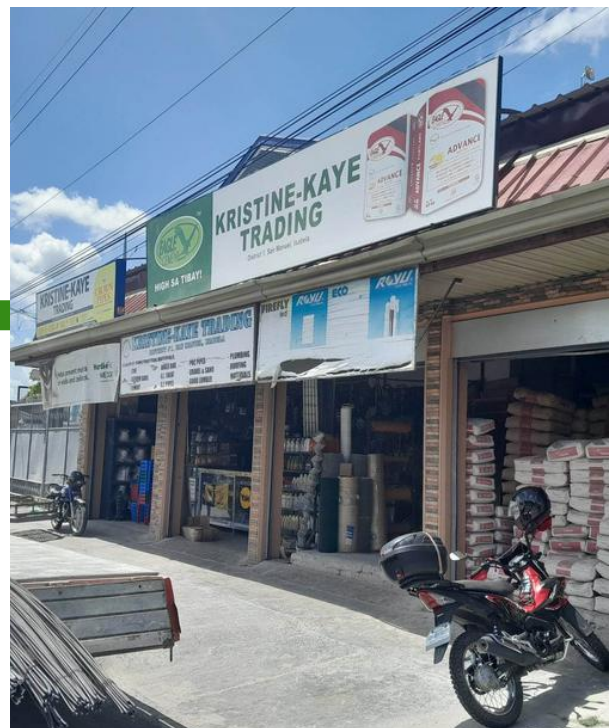
A commercial loan is provided to market vendors, sari-sari store owners, medium-sized business enterprises, and traders to support the expansion and maintenance of their businesses. It can be either a secured or unsecured loan and can be used for various purposes such as business capital, additional working capital, business expansion, purchase of heavy motor vehicles for business operations, or any other business-related needs.

B. MARKET VENDOR LOAN

The Market Vendor Loan offers a loanable amount ranging from P10,000 to a maximum of P50,000, with an interest rate between 30% to 36% per annum. The minimum term for repayment is three (3) months, extendable up to six (6) months. Payment options are flexible, allowing borrowers to choose from daily, weekly, monthly, lump sum, or installment basis. Payments can be conveniently made through over-the-counter transactions. Notably, no collateral is required for this loan, although a co-maker is necessary to secure the loan.

C. SARI-SARI STORE LOAN

The Sari-Sari Store Loan offers a loanable amount ranging from P10,000 to a maximum of P50,000, with an interest rate between 30% to 36% per annum. The minimum term for repayment is three (3) months, extendable up to six (6) months. Payment options are flexible, allowing borrowers to choose from daily, weekly, monthly, lump sum, or installment basis. Payments can be conveniently made through over-the-counter transactions. Notably, no collateral is required for this loan, although a co-maker is necessary to secure the loan.



PERSONAL LOANS

A. SALARY LOAN

The Salary Loan is extended to regular and permanent employees, or groups of employees, to assist in financing their personal needs, whether they work in the private or public sector (such as teachers, bank employees, etc.). The loan serves various purposes, including debt consolidation, moving costs, home remodeling, emergency expenses, appliance purchases, and more

B. ARANG-TODA LOAN

The Arangtoda Loan is specifically designed to support tricycle drivers and operators by providing financial assistance for their business and operational needs. With loanable amounts of up to P30,000 per borrower, the loan features an interest rate ranging from 30% to 36%, along with a 3% service charge per annum. Payment options are flexible, allowing borrowers to choose from daily, weekly, or monthly installments. Payments can be conveniently made through over-the-counter transactions or through authority to deduct from a savings account. The loan term ranges from three (3) to six (6) months. While collateral is required for safekeeping, a co-maker is also necessary to secure the loan



OTHER LOANS

A. GOLDEN ASENSO LOAN(GOAL)- ACPC

Extend capital (working capital and/or acquisition of machinery/equipment facility) required for the start up or with existing agri-based projects for young agri-preneurs. Agri-Fishery entrepreneurs who are 18-30 years old; Agri Fishery graduates of either formal or non formal schooling including but not limited to graduates of agriculture and fishery related degrees from higher education institutions ;Registered/enrolled in the Registry System for Basic Sectors in Agriculture (RSBSA) or Farmers and Fisherfolk enterprise development information system (FFEDIS). Loanable amount up to P500,000 maximum per borrower with 0% interest rate; Mode of payment is Lump sum, Semi Annual or Annual

B. GOLDEN AGRI-NEGOSYO LOAN (ACPC – AGRI NEGOSYO LOAN PROGRAM)

This program offers loan to finance capital requirements of agri-fishery based micro and small enterprises to individuals/sole proprietors, partnership, corporations and cooperative whose owners or members are marginalized, small farmers and fisherfolks (MSFF)

- **SFF Agri-Negosyo Loan** – Loan purpose is to finance income-generating activities such as production, processing or marketing of agri-fishery income generating activity and non-farm micro enterprise.
- **SME Agri-Negosyo Loan** – Loan Purpose is to finance working capital requirements of small agribusiness enterprise and/or fixed asset acquisition.

OTHER SERVICES

REMITTANCE

We accept domestic and international remittances through our partners.

GCASH - Loan payment and Cash in



BILLS PAYMENT

We accept Bills Payment thru Rural Net (all branches) and Bayad Center (Alicia, Roxas and Tuguegarao).



ATM FACILITY

ATM service (on site machine)
Ramon and San Mariano

Convenience Fee differs on the amount starts at P28.00

- Cash Advance
- Withdrawal
- Balance Inquiry



ATM service (MPOS) San Mateo, Cabagan and Echague

BANK WEBSITE AND SOCIAL MEDIA ACCOUNTS



In the year 2014, the Board of Directors approved the publishing of the corporate website of Golden Rural Bank of the Philippines, Inc. which can be visited at www.grbp.com.ph. GRBP recognizes the corporate website as a valuable tool for advertising its products and services online. In order to make sure that the public will get the latest updates about the bank. GRBP's marketing team consistently works for the betterment of the website to make it more informative and somehow will be able to provide answers to customers' queries by simply taking a visit to the online site.

The content of the site includes the bank's vision and mission, products, and services, corporate social responsibilities, properties for sale, careers, branches/ATM locators and contact us. With this information, customers will get to know more about the bank's services easily anytime, and anywhere. GRBP envisions the website as a means of connecting people in a way that both parties the bank itself, its clients, and its customers will be able to build a great relationship by helping one another to make a better future. And at the same time the bank will be able to attend to its customer's needs at its best with just a few clicks of a mouse or taps on their mobile phone in connection with its tagline "Madaling Lapitan, Maasahan" and at the end satisfies them.



<https://www.facebook.com/GoldenRuralBankofthePhilippinesInc>



https://www.facebook.com/golden_rural.bank



Golden Rural Bank

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Posts

Photos

Details

grbp.com.ph



@grbp_1979



GRBP BANKING UNITS



GRBP Head Office

Nat'l Highway Cabaruan
Cauayan City, Isabela
0917-532-8027



GRBP San Mariano BLU Branch Lite Unit

Zone 1
San Mariano, Isabela
0917-504-4963



**GRBP Ramon Branch
Mother Branch**

79Nat'l Highway Bugallon
Ramon, Isabela
0917-532-7993



**GRBP Diffun BLU
Branch Lite Unit**

Nat'l Hway Andres Bonifacio,
Diffun Quirino
0917-503-3959



**GRBP San Mateo BLU
Branch lite Unit**

Nat'l Highway Barangay I,
San Mateo Isabela
0917-861-9028



**GRBP Echague Branch
Mother Branch**

Nat'l Highway Ipil
Echague, Isabela
0917-532-7982



**GRBP Alicia BLU
Branch Lite Unit**

Nat'l Highway Magsaysay
Alicia, Isabela
0917-702-5894



GRBP Tuguegarao Branch Mother Branch

Diversion Rd Ugac Norte,
Tuguegarao City, Cagayan
0917-532-8028



GRBP Cabagan BLU Branch Lite Unit

Nat'l Highway Ugad,
Cabagan, Isabela
0917-585-2807



GRBP Roxas Branch

San Bernabe St. Luna
Roxas, Isabela
0917-532-8030

AUDITED FINANCIAL STATEMENTS (AFS) WITH AUDITORS OPINION

Alas Oplas & Co., CPAs

INDEPENDENT AUDITORS' REPORT

To the Stockholders and the Board of Directors
GOLDEN RURAL BANK OF THE PHILIPPINES, INC.
 Barangay Cabaruan, Cauayan City
 Isabela, Philippines

Alas Oplas & Co., CPAs

7/F Philippine AXA Life Centre
 1286 Sen. Gil Puyat Avenue
 Makati City, Philippines 1200
 Phone: (632) 7116-4366
 Email: aocheadoffice@alasoplas.com
 Website: www.alasoplascpas.com

Independent Member of

B K R International

Opinion

We have audited the financial statements of **GOLDEN RURAL BANK OF THE PHILIPPINES, INC.** (the "Bank") which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of comprehensive income (loss), statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our 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 Bank 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 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.

Other Matter

We draw attention to Note 5 to financial statements which describes the basis used by the Bank in setting up allowance for credit losses. As stated in Bangko Sentral ng Pilipinas (BSP) Circular 1011, BSP-supervised financial institutions with credit operations that may not economically justify adoption of simple loan loss estimation methodology that is compliant with PFRS 9, shall, at a minimum, be subject to regulatory guidelines in setting up allowance for credit losses prescribed under Appendix 15 of the Manual of Regulations for Banks. Following the guidance of BSP Circular 1011 in adopting PFRS 9 impairment requirements, the Bank assessed the ECL in accordance with the said standard and based on management judgement, it was determined that the amount recognized as allowance based on Appendix 15 of the MORB is reasonable. Our opinion is not modified in respect of this matter.

In 2023, the Bank has unbooked allowance for credit losses on loans receivable amounting to ₱7,888,419, based on the provisions of Appendix 15 of the BSP Manual of Regulations for Banks. Should the Bank recognize the said amount, the Bank's profit and equity for the year ended December 31, 2023 will be reduced by ₱7,888,419 and capital adequacy ratio (CAR) as of December 31, 2023 will be reduced to 15.65%.

In our audit of 2024 financial statements, the Bank already recognized the deficiency in allowance for credit losses as disclosed in Note 10 to the financial statements. Accordingly, our 2024 opinion is not qualified with respect to this matter.

Alas Oplas & Co., CPAs

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

Management is responsible for the preparation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Alas Oplas & Co., CPAs

The Supplementary Information Required under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 and Revenue Regulation No. 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BSP Circular No. 1074 in Note 32 and Revenue Regulation No. 15-2010 on taxes, duties and license fees paid or accrued during the taxable year in Note 31 to the financial statements are presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of **GOLDEN RURAL BANK OF THE PHILIPPINES, INC.** The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs

BOA Registration No. 0190, valid from February 19, 2025, to February 18, 2028

BIR A.N. 08-001026-000-2024, issued on January 5, 2024; effective until January 4, 2027

SEC A.N. (Firm) 0190-SEC, Group A, issued on October 21, 2021; valid for 2021 to 2025 audit period

TIN 002-013-406-000

By:



RYAN A. SABUG

Partner

CPA License No. 0111183

BOA Registration No. 0190/P-004, valid from February 19, 2025, to February 18, 2028

BIR A.N. 08-001026-004-2023, issued on February 9, 2023; effective until February 8, 2026

SEC A.N. (Individual) 111183-SEC, Group A, issued on February 4, 2021; valid for 2020 to 2024 audit period

TIN 232-158-286-000

PTR No. 10466283, issued on January 2, 2025, Makati City

April 28, 2025
Makati City, Philippines

GOLDEN RURAL BANK OF THE PHILIPPINES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
In Philippine Peso

	Notes	2024	2023
ASSETS			
Cash and other cash items	8	2,930,418	5,276,228
Due from Bangko Sentral ng Pilipinas	8	100,000	2,123,352
Due from other banks	8	71,404,148	47,994,518
Investment securities at amortized cost	9	21,278,786	20,460,202
Loans and other receivables – net	10	102,680,042	157,240,875
Bank premises, furniture, fixtures and equipment – net	11	5,102,595	5,989,410
Investment properties – net	12	62,983,197	72,872,145
Non-current assets held for sale	13	1,519,463	1,702,795
Deferred tax assets	25	6,858,460	3,215,486
Other assets	14	5,085,763	5,726,545
TOTAL ASSETS		279,942,872	322,601,556
LIABILITIES AND EQUITY			
LIABILITIES			
Deposit liabilities	15	147,956,356	179,031,946
Bills payable	16	31,176,223	63,066,661
Accrued and other liabilities	17	31,883,585	10,371,445
Retirement benefit obligation	18	2,280,214	2,280,214
Income tax payable		352,757	234,604
Total Liabilities		213,649,135	254,984,870
EQUITY			
Common stock	19	49,600,000	42,100,000
Surplus free	20	15,985,687	24,808,636
Surplus reserve	20	120,000	120,000
Actuarial gain on defined benefit obligation – net	18	588,050	588,050
Total Equity		66,293,737	67,616,686
TOTAL LIABILITIES AND EQUITY		279,942,872	322,601,556

See Notes to Financial Statements.

GOLDEN RURAL BANK OF THE PHILIPPINES, INC.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
In Philippine Peso

	Notes	2024	2023
INTEREST INCOME			
Due from other banks	8	32,985	46,251
Investment securities at amortized cost	9	957,085	834,044
Loans and other receivables	10	24,130,117	28,640,158
		25,120,187	29,520,453
INTEREST EXPENSE			
Deposit liabilities	15	(5,543,056)	(7,131,998)
Bills payable	16	(4,498,408)	(6,247,180)
		(10,041,464)	(13,379,178)
NET INTEREST INCOME		15,078,723	16,141,275
OTHER INCOME	21	27,001,387	27,571,360
TOTAL OPERATING INCOME		42,080,110	43,712,635
OPERATING EXPENSES	22	(38,180,064)	(40,954,532)
NET OPERATING INCOME BEFORE PROVISION		3,900,046	2,758,103
PROVISION FOR CREDIT LOSSES	23	(15,878,966)	(1,048,768)
PROFIT (LOSS) BEFORE TAX		(11,978,920)	1,709,335
INCOME TAX BENEFIT (EXPENSE)	25	3,155,971	(241,839)
PROFIT (LOSS)		(8,822,949)	1,467,496
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit obligation – net	18	–	2,907,799
TOTAL COMPREHENSIVE INCOME (LOSS)		(8,822,949)	4,375,295

See Notes to Financial Statements.

GOLDEN RURAL BANK OF THE PHILIPPINES, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
In Philippine Peso

	Common Stock (Note 19)	Surplus Reserve (Note 20)	Surplus Free (Note 20)	Actuarial Gain (Loss) on Defined Benefit Obligation (Note 18)	Total
Balance at December 31, 2022	42,100,000	120,000	23,341,140	(2,319,749)	63,241,391
<i>Comprehensive income:</i>					
Profit	—	—	1,467,496	—	1,467,496
Actuarial gain on defined benefit obligation — net of tax	—	—	—	2,907,799	2,907,799
	—	—	1,467,496	2,907,799	4,375,295
Balance at December 31, 2023	42,100,000	120,000	24,808,636	588,050	67,616,686
<i>Transaction with owners:</i>					
Issuance of share capital	7,500,000	—	—	—	7,500,000
<i>Comprehensive income:</i>					
Loss	—	—	(8,822,949)	—	(8,822,949)
Balance at December 31, 2024	49,600,000	120,000	15,985,687	588,050	66,293,737

See Notes to Financial Statements.

SUSTAINABLE FINANCE FRAMEWORK

GRBP Risk Appetite Statement:

GRBP is committed to (i) managing the risks of climate change, both transition and physical risks, that we are facing today and will face under future scenarios; and (ii) managing the risks associated with the strategic commitment to help the Philippines to transition to a low-carbon economy.

As such, we will monitor our exposure levels as follows:

On Transition Risk

- 5 % limit on exposures or investments in high transition risk industries

On Alignment and Strategy:

- 5% portfolio increase that is focus on renewables/sustainable financing

PRODUCTS/SERVICES

GRBP has already conducted an in-depth feasibility study on solar water pumps, which have significant potential to benefit our clients, the majority of whom are farmers. The study included conducting surveys with our farmer clients to assess the demand and potential impact of solar water pumps on their agricultural productivity, identifying and evaluating various suppliers to ensure the availability of high-quality and cost-effective solar water pumps, and exploring the feasibility of implementing solar water pumps on agricultural lots versus residential areas to maximize efficiency and benefits. The proposal has been presented to the Board of Directors twice. However, the Board requested additional studies

KEY FOCUS AREAS

Climate Change

GRBP was not spared of the impact of climate change, and it understands the urgency to address this issue. The environmental and social risk brought about by climate change was very clear in the past years when our country experienced different super typhoons. To be specific, because of the extreme weather condition, the physical risks became so evident, as it created a material impact to the Bank's portfolio and consequently created losses to the Bank's financial chain. Although the Bank's main service is to provide financial products and services, it cannot deny that it has a role to play in addressing the issue of climate change.

Commitments:

- The Bank commits to identify and determine thoroughly if it has any exposure from its portfolio, activities or businesses that contributes to climate change or that are carbon extensive.
- If determined to have exposure, it will measure its extent or assess its total impact to its portfolio.
- The Bank's threshold or appetite for a carbon extensive portfolio should not increase by 5% from its current exposure.

Strategies:

To achieve above commitments, the bank will implement a risk- categorization according to their environment and social impact in all its accounts. GRBP will also include in its interview sheet the possible environment and social risk exposure of a client.

GRBP will consider in its due diligence the Physical Risk associated with climate risk. Factors to be considered under this risk criteria are as follows:

- Geographical location of the business operation and the collateral being offered by the client.
- Extreme weather conditions and events experienced by the client in the past.
- Any social issues that the client was involved in the past.

Lastly, GRBP will:

- Continuously empower the capability of its Board of Directors, senior management, and employees to assess E&S risks, and clearly articulate the Bank's policies and approaches to stakeholders;
- Regularly review its exposures to carbon-intensive sectors;
- Better understand the impacts of climate change by properly identifying and managing the Bank's E&S risk exposures in its operations and supply chain (i.e., vendors/suppliers); Ensure compliance to applicable environmental laws and regulations;
- Advocate and support its stakeholders (i.e. supply chain, clients) in their transition to a low-carbon economy;
- Disclose initiatives that the Bank is taking or has taken, and report the progress to its internal and external stakeholders in a timely manner; and
- Keep up-to-date with the latest developments from regulatory agencies



KEY FOCUS AREAS

Environment

In a rapidly changing world fueled by accelerated economic growth and globalization, environmental issues, such as excessive water and energy consumption, and waste pollution, are becoming more destructive to the natural ecosystem and are considered to be one of the most pressing global concerns alongside climate change. This is exacerbated by the fact that the Philippines is a developing country and ranked among the world's highest risk and most vulnerable to the impacts of environmental disasters.

GRBP recognizes that it plays an important role in mitigating environmental impacts and developing adaptive communities by embedding sustainability principles in its governance, risk management, business strategy, operations, and corporate social responsibility.

Commitments:

To help preserve and protect the environment, the Bank will:

1. Continue to transition to a sustainable finance framework that embeds environmental impact management, mitigation, and adaptation in its governance, lending, risk management, business strategy, and operations;
2. Identify, develop and promote financial products towards programs that protect and conserve the environment;
3. Manage and reduce the carbon footprint of the business and its operations;
4. Manage and reduce its energy, water, and fuel consumption;
5. Minimize the production of all types of waste, especially paper. Drive the reuse and recycling of non-hazardous waste, and the safe and proper disposal of hazardous waste in all its offices and branches.
6. Support healthy ecosystems and the biological diversity through participation in tree planting activities and other environmental rehabilitation program of the government
7. Improve resource efficiency, reduce waste and pollution in the bank's operation
8. Offering loans for green businesses/purposes
 - a) Energy management (turn-off lights, air condition, when not in use)
 - b) Water management
 - c) Plan for paperless transactions
 - d) Promote financial literacy and inclusion
 - e) Support community development projects

Strategies:

1. GRBP will continue to find projects and expand its financing, address safe water supply, water scarcity, wastewater management and infrastructure that prevent environmental pollution, preserve clean water resources, and disaster resilience while supporting the country's climate goals.
2. GRBP will also welcome any partnership with organizations that promote any of our identified scope under this area, especially those that focus on renewable energy projects.
3. GRBP will also explore shifting to renewable energy sources for its operations to the extent possible and where renewable sources are available. It will be part of our plan to equip our offices with technologies designed for improved efficiencies that reduce water and energy consumption and ensure that effluents are well-managed.
4. Enhance existing environmental considerations such as materials, water, energy, waste, and effluents management in key business decisions and operations and employ leading practices, where applicable
5. Continuously minimize consumption of natural resources, such as water and energy, to the extent that it is economically feasible to do so;
6. Prioritize sourcing of materials from local providers, with consideration for the environmental impact criteria in the selection process;
7. Provide training and awareness programs to our internal and external stakeholders on the environmental impacts of the Bank's operations down to the branches;
8. Improve collection and analysis of relevant environmental data (e.g., historical data on water and energy consumption and amount of waste produced).
9. Monitor, evaluate, and report on the Bank's most significant environmental impacts and set goals, objectives and targets comparable to its peers;
10. Use science-based and data-driven information in decision-making;
11. Ensure compliance to applicable environmental laws and regulations;
12. Communicate to internal and external stakeholders its commitments, strategies, targets and objectives related to minimizing environmental impacts;
13. Incorporate environmentally friendly initiatives in product design to educate and raise awareness on ecosystem services to clients or customers;
14. Invest in clients or customers that exhibit good practices in areas of environmental, social and governance;
15. Incentivize clients or customers that are shifting to more sustainable practices through sustainable financing; and
16. Pursue continuous improvement related to environmental performance.



KEY FOCUS AREAS

Human Rights

GRBP recognizes its responsibility to respect human rights in line with the Principles for Business and Human Rights. The Bank seeks to proactively manage and mitigate human rights-related risks in its business practice and operations, abide by the UN Guiding Principles, and support international human rights principles enshrined in the Universal Declaration of Human Rights and the UN Global Compact.

Strategies:

To ensure adherence to these commitments, GRBP has practiced inclusivity in the workplace and embodied sensitivity towards other people. All employees have ensured that there is always a safe workplace for everyone as evident by the strict implementation of the Bank's Code of Discipline.

1. Ensure Board oversight and senior management responsibility in implementation of the Human Rights policy
2. Partner with the Philippine Commission on Human Rights (PCHR) to generate greater awareness and understanding of human rights in the workplace and the role of business
3. Create a Human Rights Impact Assessment report on the Bank's initiatives.
4. Build greater awareness and understanding of business and human rights in the workplace among employees and how the Bank manages its social impact
5. Create a Supply Chain Ethical Code that mirrors the Bank's Code of Discipline, reinforces E&S-related practices and application of human rights principles in expectations for the supply chain (i.e. partners, vendors, contractors)
6. Ensure that any breaches of our Code of Discipline are properly investigated and resolved in a timely manner
7. Conduct a human rights (Appendix D-2) due diligence to identify, prevent or mitigate human rights impacts in our operations, risk management, and governance, to create a human rights impact assessment in collaboration with the Philippine Commission on Human Rights (CHR)
8. Regularly review and update the progress on these efforts
9. Communicate the results of our human rights impact assessment in the Bank's Sustainability Report and other communication tools
10. Ensure that where the Bank may have caused or directly contributed to adverse human rights impacts, to engage in appropriate and timely remediation processes internally, or in cooperation with other stakeholders.
11. Promotes gender equality through accessible credit, and safe and accepting workplace for all
12. Support economic empowerment of women through the provision of accessible, affordable and flexible loans for strengthening livelihood initiatives
13. Support employment generation through Micro, Small and Medium Enterprises (MSME) financing



KEY FOCUS AREAS

Disaster Response

In identifying disaster response as one of its key focus areas, the Bank drives mitigation and adaptation initiatives to address physical risks associated with the geographical location of the Philippines that makes it vulnerable to climate change. Disasters critically impact the safety and well-being of the Bank's employees, customers, and communities, as well as pose disruption and damage to the Bank's assets, operations, and facilities.

Strategies:

To best mitigate and adapt to the environmental and social impact of disasters brought about by climate change and human activities, the Bank will focus its resources on the aftermath of such events to immediately provide relief, fund rehabilitation, help advance recovery, and strengthen adaptive capabilities of disaster-stricken communities.

GRBP will closely coordinate with local government units (LGUs), government agencies (National Disaster Risk Reduction and Management Council, Department of Social Welfare and Department, Department of Education, Department of Health,) non-government organizations (NGOs), Rural Bankers Association of the Philippines (RBAP), Federation of Cagayan Valley Rural and Cooperative Banks (FCVRCB), humanitarian agencies, and other corporate foundations to deliver the services by immediately responding to the needs of the affected local community.

1. Help ease the suffering of victims of natural and man-made disasters through a timely distribution of relief assistance for basic needs such as food, hygiene, and well-being;
2. Help communities recover from calamities by providing assistance in the rebuilding of essential community facilities such as shelter, health centers, and school buildings;
3. Help improve the local health delivery system, especially the provision of primary health care, by rehabilitating Rural Health Units in the municipal and city levels, including, but not limited to, overall renovation, creating of special spaces for children and the elderly, provision of additional furniture and fixtures, and other facilities;
4. Help in community recovery by improving the capacity of government agencies and other organizations in the delivery of financial education to their respective constituencies through the development of content and modules, the design and production of materials, and training of trainers;
5. Grow and nurture the Foundation's partnerships through open dialogue, transparency, and accountability, resources development, accounting, compliance with regulatory requirements, and others.
6. Support disaster recovery through creation of credit program for rehabilitation and provision of budget for relief activities



KEY FOCUS SECTOR

Energy Sector

The energy sector includes interrelated companies that are involved in the power generation, transmission and distribution of electric power. Energy companies in power generation are typically categorized based on the sources of energy which are from either renewable (e.g., solar, hydroelectricity, hydropower, wind power and geothermal energy) or non-renewable sources (e.g., coal, oil and gas, and nuclear). The environmental risk is mainly impacted by potential high-risk exposure due to harmful greenhouse gas (GHG) emissions from non-renewable sources of energy such as coal and oil and gas that contributes to climate change. For social risk, there is a potential high risk due to possible health and safety concerns of employees or workforce working in power generation plants and repairs and maintenance of power transmission and distribution lines. Power generation and infrastructure projects might also expose local communities to increased risks and adverse impacts related to worksite accidents, hazardous materials, spread of diseases, or interactions with private security personnel.

Commitments:

GRBP is committed to transition finance towards the development of more sustainable sources of energy in the Philippines. The bank recognizes that the banking industry plays a critical role in the Philippines' commitment to transition to a low-carbon economy, a transition that will require providing access to affordable, reliable, sustainable and clean energy.

GRBP believes that this transition is a journey that requires adopting a balanced approach, which must acknowledge the difficult trade-offs that need to be made along the way between national economic development that depends on affordable and reliable energy, and the relentless pursuit of the broader goal of climate sustainability.

Strategies:

Coal-fired power

The E&S risks for coal-fired power energy generation includes GHG emission, large volumes of water extraction for cooling operations which affects water flow and quality and health and safety concerns for employees working in the plants.

- GRBP will not lend to coal-fired power plant capacity.
- GRBP will promote best practices with its clients and will require clients to demonstrate:
 - Compliance with applicable environmental and social regulation and permit requirements
 - Compliance with regulations that address mitigants related to pollution and greenhouse emissions, impacts on biodiversity and community health and safety related issues.



KEY FOCUS SECTOR

Energy Sector

Renewable energy

Energy from renewable sources such as solar, wind, hydropower, and geothermal energy are cleaner forms of electric power generation, considered to be essential in transitioning to a low-carbon economy. As a renewable energy source, biomass offers huge clean energy capacity opportunities for the Philippines, where there is an abundant supply of biomass resources from agricultural waste products.

GRBP will expand its Sustainable Finance initiatives, towards funding new and existing renewable energy projects to increase their capacity, and contribute to the country's avoidance of GHG emissions.

Other High Potential E&S Risks Sectors

a. Transportation and Storage Sector

The transportation and storage sector stand at the forefront of ensuring that mobility is inclusive, efficient, clean, and safe for everyone. With global standards and agreements opting for the shift to more sustainable forms of transportation, the Bank acknowledges the importance of this transition as an avenue to combat climate change, expand access to essential services, and foster inclusive growth.

The environmental risk for the transportation and storage industry is mainly impacted by high consumption of energy and carbon dioxide emissions from transportation vehicles, which contributes largely to global warming and eventually, to climate change. For social risk, potential high risks can come from health and safety (e.g., vehicle incidents and health issues on exposure to smoke from vehicle emission), child labor (e.g., minors working in public transport), modern slavery (e.g., employees might be forced to work), and labor rights (e.g., possible lack of compensation and benefits).

b. Construction Sector

The construction industry is one of the largest users of global natural resources, and therefore, has a responsibility in ensuring sustainability in its operations. The GRBP recognizes the role and potential of the construction industry in literally building a world with better quality of life for people, while also ensuring responsible use of natural resources and conservation of the environment in the long term.



c. Construction Sector

The environmental risk for this industry is mainly impacted by potential high-risk exposure from construction projects and activities. The climate change risk is potentially high for construction projects due to possible increase in severity and occurrence of extreme weather events such as flooding, cyclones and heat wave where the construction project is located. Deforestation and biodiversity loss could also arise from construction site clearing. For social risk, potential high risks are can come from health and safety (e.g., possible accidents in construction sites), child labor (e.g., minors might be working in construction projects), labor rights (e.g., possible lack of compensation and benefits and overworked) and human rights (e.g., possible physical harm to workers).

d. Mining and Quarrying Sector

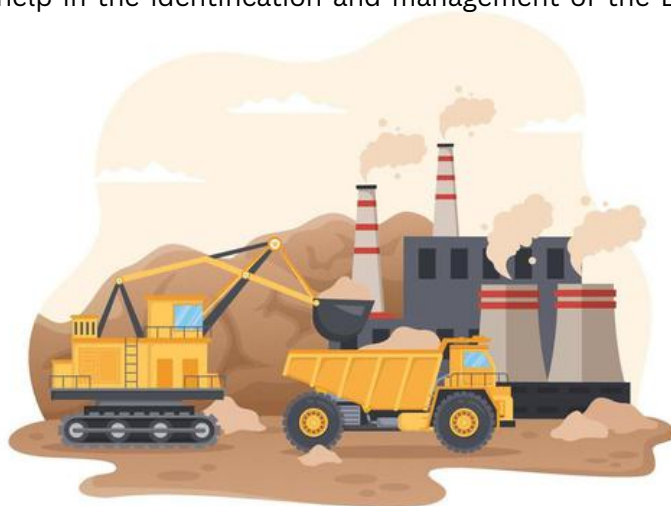
The mining and quarrying sector face key challenges: meeting the needs for mineral products that will support the development of technology for the energy transition, and quarrying of construction materials that support the development of sustainable cities and economic growth, while at the same time minimizing the cost to environment damages and community welfare. To resolve these challenges, the E&S impacts associated with the mining and quarrying sector must be closely assessed and managed for each client.

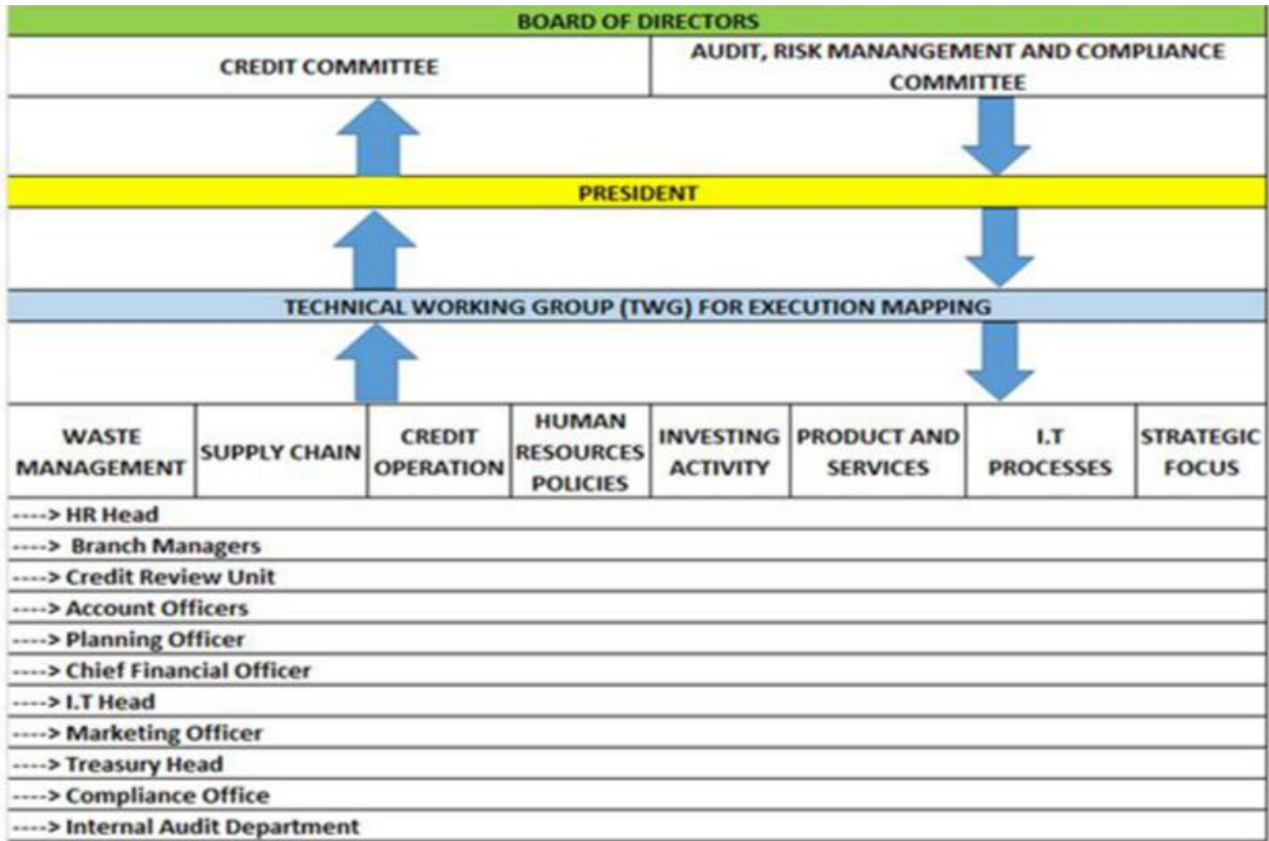
The industry has a high-risk exposure from climate change, deforestation for open-pit mining, biodiversity loss and high energy and water use. For social risk, potential high risks can come from health and safety issues (e.g., possible accidents in mining site), child labor (e.g., minors might be working in mining), labor rights (e.g., possible lack of compensation and benefits), human rights (e.g., possible physical harm to workers), indigenous people rights (e.g., possible relocation of indigenous people for mining sites) and community rights (e.g., community might be exposed to environmental mining accidents).

Our Approach

1. Governance Structure

GRBP's commitment to sustainability is fostered at the Board level, role modelled by senior management, executed by the business units, and brought to life by its employees. The Sustainability Transition Steering Committee and Sustainability Technical Working Groups as presented in the illustration below will help in the identification and management of the Bank's E&S risks





Sustainability Transition Steering Committee

a. Audit, Risk Management and Compliance Oversight Committee – oversees E&S risks in the Bank’s risk management system and recommends to the Board for the approval of all sustainability programs across GRBP and their corresponding budgets for implementation. Also oversees compliance and internal audit reporting on sustainability programs and sustainability reporting, as well as compliance testing against regulatory mandates on sustainability.

b. Credit Committee – oversees the E&S risks in the Bank’s credit operation and ensures compliance to the sustainability framework.

c. President – provides high-level strategic direction on sustainability; from the articulation of GRBP Sustainability Strategies to key focus areas where the Bank has the most ESG impact. The President also approves the Bank’s strategic external partnerships and commitments on sustainability on global, regional, and local levels. In addition, the President, through the Technical Working Groups, oversees and drives day-to-day implementation of sustainability initiatives, manages E&S due diligence, and produces the annual Sustainability Report. Also, reports to the Board and represents the Bank in external forums.

Sustainability Technical Working Groups

Composed of representatives from operation, audit and compliance, human resources who are chosen for their expertise and experience in their respective fields. The Technical Working Groups are also assigned a key Focus Area where the Bank has the greatest E&S impact and tasked to review and enhance related policies to embed E&S impact principles and criteria, articulate practice into policy and recommend and implement sustainability programs for the Bank.

2.Credit

All clients will undergo the E&S risk customer due diligence (Appendix D) and determine the level of risk the bank is exposed to as to the client's E&S responsibility compliance. Information regarding their sustainability compliance is incorporated in the bank's interview sheet (Appendix C). Refer to the Bank's Manual of Operations under Credit Cycle for the Credit Operation's process flow

3. Operations

GRBP committed to conduct its business activities in an environmentally and socially responsible manner. To this end, we will integrate an annual environmental and social (E&S) impact evaluation process to assess the current and potential impacts of our business activities and processes on the environment, our employees, and the communities we operate.

Furthermore, to support our TWG, a vendor E&S risk assessment process that will determine the E&S risks associated with our vendor's products and services that may impact our business operations. A vendor risk score and business criticality score will be determined wherein the risk response will be determined depending on the results

a. Facilities

Our process for integrating E&S in our Facilities Group is as follows:

1. The TWG will identify all known E&S aspects and impacts of the operation/activity.
2. The TWG, will carry out an environmental aspect and impact evaluation process. They will do the risk identification and mapping using the Environmental Impact Register approach:

Environmental Impact Register

- a. All process of the Bank will be thoroughly checked for the existence of the following environmental aspects in all types of operating conditions by the TWG:

Environmental Aspects

- Energy – electricity
- Water consumption
- Waste management
- Emissions to air
- Effluents

Operating Conditions

- Normal: where the expected environmental impact is within normal operation conditions.
- Abnormal: where expected environmental impact is greater than that of during normal operations conditions
- Emergency: where the environmental aspect is relevant to the potential outcome.

b. All known environmental impacts will be identified for each aspect, whether they are current, potential, direct and indirect impacts.

c. The following will carefully be considered by the TWG when evaluating each aspect:

- Severity, scale and duration of current / potential environmental impact
- The probability that the environmental impact will occur
- The potential to exceed statutory limits or regulatory requirements
- The likely cost of changes to processes, mitigating measures/environmental reputation
- The consequences of changes to the other processes, services or activities
- Reputational risk to businesses

d. Based on the assessments, the TWG will assign an Environmental Impact Score and a Probability of Occurrence Score depending on how often the aspect may occur, including a documentation of the justification of scores.

e. Both scores are multiplied to get a Total Environmental Aspect Score.

f. Once all aspects have been evaluated, the most significant aspects will be ranked, with 1 being the aspect with the highest significance. Items ranked as 1 will be considered for inclusion in the risk register.

g. The significance of each aspect will determine the objectives, targets and programs GRBP will formulate and implement. The President will provide the current control measures in place for the environmental aspect concerned.

3. The TWG will choose a risk response based on the following: Accept: Take no action to change the severity of the risks

- Avoid: Remove the risks
- Pursue: Convert risks into opportunities
- Reduce: Take action to reduce severity of risks
- Share: Transfer the risks or collaborate externally

4. Depending on the risk response, the President will determine the sufficiency of current control measures in place. If the current control measure is insufficient, she will consider potential control measures aligned with the risk appetite, including the nature of the control measure and cost associated with its implementation, and will propose to Senior Management and Board for their approval.

3. Once the potential future control measure is approved, The President will implement it. For current control measures in place that are deemed sufficient, the Bank will continue to implement the measure as necessary.
4. Monitoring of KPIs will be performed on a quarterly basis by the TWG, where necessary, which will be reported to Senior Management for their approval.
5. The Audit/Compliance Unit should evaluate appropriateness of risk response based on quarterly monitored KPIs.

b. Procurement

Our process for integrating E&S in our Procurement is found under the Investment Properties Management Cycle of the Bank's Manual of Operations

1. The IT Officer will conduct a risk identification and mapping of our vendors' products and services.

Vendor Risk Assessment

- a. The IT Officer will assess the vendors' products and services on the following E&S issues (whichever is applicable) by accomplishing the E&S Due Diligence Questionnaire:
 - b. The IT Officer will also assess the vendors' products and services in terms of its criticality to the Bank's operations by accomplishing the Business Criticality Questionnaire.
 - c. The IT Officer will assign a Vendor Risk Scoring (Appendix G. Vendor Risk Scoring Guide) based on the accomplished E&S Due Diligence Questionnaire and the Business Criticality Questionnaire.
2. The IT Officer will determine the risk response through the Vendor Segmentation Matrix (Appendix H Vendor Segmentation Matrix) based on the scores determined from the E&S Questionnaire and Business Criticality Questionnaire.
 3. The IT Officer will then propose to the Management Committee for their approval.
 4. Once the risk response is approved, the IT Officer will implement it.
 5. Monitoring of KPIs for a vendor will be performed on a yearly basis by the TWG, where necessary, which will be reported to the Management Committee.
 6. The TWG should evaluate appropriateness of the risk response based on yearly monitored KPIs.

II. COMPLIANCE WITH APPENDIX 63C OF THE MORB DISCLOSURES IN THE ANNUAL REPORTS AND PUBLISHED STATEMENT OF CONDITION

A. Capital structure and capital adequacy

Information regarding the Bank's qualifying capital as of December 31, 2024 is shown below:

	2024
CET 1 Capital	61,495,943
AT 1 Capital	0
Tier 1 Capital	61,495,943
Tier 2 Capital	729,754
Qualifying Capital	62,225,697
Total Risk-weighted Assets	340,799,048
CET 1 Ratio	18.04%
CCB (Capital Conservation Buffer)	12.04%
Tier 1 Capital	18.04%
Total CAR	18.26%

- Tier 1 capital and a breakdown of its components;

A. Tier 1 Capital	
A.1 Common Equity Tier 1 (CET 1) Capital	
Paid up common stock	49,600,000
Retained earnings	24,928,635
Undivided profits	(8,822,948)
Other Comprehensive Income	588,050
Subtotal	66,293,737
A.2 Deductions from CET 1 Capital	4,797,794
A.3 Total CET 1 Capital [A.1 less A.2]	61,495,943
A.4 Additional Tier 1 (AT1) Capital	0
A. 5 Deductions from AT1 Capital	0
A.6 Total AT1 Capital	0
A.7 Total Tier 1 Capital [Sum of A.3 and A.6]	61,495,943

- Tier 2 capital and a breakdown of its components;

B. Tier 2 Capital	
B.1 Tier 2 Capital	
General loan loss provision [limited to 1.00% of total credit risk-weighted assets computed per Part I, Item B.1(d)]	729,754
B.2 Deductions from Tier 2 Capital	0
B.3 Total Tier 2 Capital [B.1 less B.2]	729,754

- Deductions from Tier 1 (50%) and Tier 2 (50%) capital;

A.2 Deductions from CET 1 Capital	
Defined benefit pension fund assets (liabilities) 5/	(2,280,214)
Other Intangible Assets, net	219,548
Deferred tax asset, net of deferred tax liability 2/	6,858,460
Subtotal	4,797,794
B.2 Deductions from Tier 2 Capital	0

- Total qualifying capital;

A. Calculation of Qualifying Capital	
A.1 Tier 1 Capital [Sum of A.2 and A.3]	61,495,943
A.2 Common Equity Tier 1 Capital	61,495,943
A.3 Additional Tier 1 Capital	0
A.4 Tier 2 Capital	729,754
A.5 Total Qualifying Capital [Sum of A.1 and A.4]	62,225,697

- Capital requirements for credit, market and operational risk;

B. Calculation of Risk-Weighted Assets	
B.1 Total Credit Risk-Weighted Assets	299,753,862
B.2 Total Market Risk-Weighted Assets	0
B.3 Total Operational Risk-Weighted Assets	41,045,186
B.4 Total Risk-Weighted Assets [Sum of B.1, B.2 and B.3]	340,799,048

- Total and Tier 1 capital adequacy ratio on both solo and consolidated bases.

C. Capital Ratios	
C.1 Risk-based Capital Adequacy Ratio [A.5 divided by B.4]	18.26
A.5 Total Qualifying Capital	62,225,697
B.4 Total Risk-weighted Assets	340,799,048
C.4 Tier 1 Capital Ratio [A.1 divided by B.4]	18.04
A.1 Tier 1 Capital	61,495,943
B.4 Total Risk-weighted Assets	340,799,048