April 26, 2023

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building PICC Complex
Roxas Boulevard, Pasay City

Dear Sir/Madam;

In compliance with your requirements, we are submitting herewith the Bank's Annual Report (SEC Form 17-A) pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, together with the Audited Financial Statements for the years ended 2022 and 2021 stamped received by the Bureau of Internal Revenue, Statement of Management's Responsibility for Financial Statements and Sworn Certification. We have also attached the machine copies in addition to the original copies of the foregoing documents.

With respect to the financial statements, please note that the accounting policies adopted are consistent with those of the previous financial year.

A detailed discussion on the changes in Group's accounting policies is found in Note 2 of the Audited Financial Statements.

Thank you very much.

Very truly yours,

ROBINSONS BANK CORPORATION AND SUBSIDIARY
By:

ANDRO M. YEE
Executive Vice-President
Chief Financial Officer

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2	9	3	1	6						

C O M P A N Y N A M E

ROBINSONS BANK CORPORATION AND SUBSIDIARY

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A		

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
www.robinsonsbank.com.ph	**702-9500**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
15	**Fourth Wednesday of June**	**December 31**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Irma D. Velasco	**Irma.Velasco@robinsonsbank.com.ph**	**702-9515**	**09988403139**

CONTACT PERSON's ADDRESS

17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City

NOTE1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2022**

2. SEC Identification Number: **0000029316**

3. BIR Tax Identification Number: **000-437-913-000**

4. Exact name of issuer as specified in its charter: **Robinsons Bank Corporation**

5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**

6. Industry Classification Code: (SEC Use Only)

7. Address of Principal Office: **17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City** Postal Code: **1110**

8 Issuer's telephone number, including area code: **(632) 8702-9500**

9. Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or SEC 4 and 8 of the RSA. **None**

However, on June 16, 2017, Robinsons Bank Corporation ("Bank") issued exempt securities in the form of Long-Term Negotiable Certificates of Deposits (LTNCDs) amounting to Php4,182,320,000.00 (already redeemed). The following year, on July 16, 2018, the Bank issued another tranche of LTNCDS in the aggregate amount of Php1,781,750,000.00 (still outstanding). On August 13, 2019, the Bank also issued a 5.125% Peso-denominated Fixed Rate Bonds for the principal amount of Php5,000,000,000.00 (already redeemed). Later, on November 14, 2019, the Bank again issued a 4.300% Peso-denominated Fixed Rate Bonds covering the principal amount of Php5,000,000,000.00 (already redeemed). All issues (LTNCDs and Bonds) were listed with Philippine Dealing & Exchange Corp. (PDEx). The LTNCDs and Bonds issued by the Bank were exempt securities pursuant to Section 9 (e) of the SRC. To date, the outstanding debts registered with PDEX are the LTNCDs in the amount of Php 1,781,750,000.00, which is due for redemption on January 16, 2024.

11. Are any or all of these securities listed on a Stock Exchange?

Yes [ ] No [x]

If yes, state the name of such stock exchange and the classes of securities listed therein:

____________________________ ____________________________

Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [x]   No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x]   No [ ]

13. The aggregate market value of the voting stock held by non-affiliates of the registrant.

Not applicable.

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission. **Not applicable.**

Yes [ ]   No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders --------------**Not applicable**

(b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b)------**Not applicable**

(c) Any prospectus filed pursuant to SRC Rule 8.1-1--------- **Not applicable**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(a) Form and Year of Organization

Robinsons Bank Corporation ("Bank"), as it is today, is the surviving entity of the merger on May 25, 2011 of "Robinsons Savings Bank Corp.", a savings bank organized on October 8, 1997 and "Robinsons Bank Corporation", formerly The Royal Bank of Scotland (Philippines), Inc., a commercial bank which was originally established on April 28, 1966.

(b) Bankruptcy, receivership and similar proceedings

The Bank is not subject to any bankruptcy, receivership or similar proceedings.

(c) Material reclassification, Merger, Consolidation, or Purchase or Sale of Assets

Robinsons Savings Bank, a bank which was 100% owned by JG Summit Capital Services Corporation (JGSCSC), opened its doors to business in November 1997. It has grown from a small savings bank with a single branch which soon increased to four (4) and by end of 2019 to a 161 branches-strong (148 of which belongs to the Bank and 13 to its subsidiary) and 7 branch-lites (3 for the Bank and 4 for LSB) commercial bank through organic expansion, strategic acquisitions and merger.

The Bank started to grow its branches by bidding and winning from PDIC eight (8) branches of the former Prime Savings Bank. Then in 2002, Robinsons Savings Bank acquired nineteen (20) branches of ABN Amro Savings Bank (Philippines), its licenses to operate branches and its bank deposits. This acquisition made Robinsons Savings Bank the country's seventh largest thrift bank during the same year.

On April 28, 2010, the *Bangko Sentral ng Pilipinas* (BSP) approved the acquisition of The Royal Bank of Scotland (Philippines), Inc., a commercial bank, by JGSCSC and Robinsons Holdings, Inc. (RHI) on a 60:40 ratio.

On August 26, 2010, The Royal Bank of Scotland (Philippines), Plc. was renamed as "Robinsons Bank Corporation". And on December 17, 2010, the *Bangko Sentral ng Pilipinas* (BSP) endorsed to the Securities and Exchange Commission (SEC) the merger between Robinsons Bank Corporation, the commercial bank, and Robinsons Savings Bank, the savings bank, with Robinsons Bank Corporation as the surviving entity. On May 25, 2011, the SEC approved the merger of Robinsons Bank Corporation and Robinsons Savings Bank, with the former as the surviving entity. With this merger, the Bank became the 14th largest amongst commercial banks and the 31st largest bank in the Philippine banking system by the end of 2010.

In December 2012, Robinsons Bank Corporation acquired Legazpi Savings Bank, Inc. With the acquisition, Legazpi Savings Bank (LSB) became a wholly-owned subsidiary of Robinsons Bank Corporation (hereinafter collectively referred to as the "Group"). The acquisition of LSB opened up business lines and helped grew the target market for Robinsons Bank in the Bicol region. Moreover, this has allowed the Bank to operate its countryside banking through LSB's branches and branch-lite units.

On June 27, 2018, the Bank's Board of Directors approved the increase of the Bank's Authorized Capital Stock from Php 15.00 billion to Php 27.00 billion divided into 2,700,000,000 common shares at Php10.00 par value per share, or a net increase of Php12.00 billion divided into 1,200,000,000 common shares at Php10.00 par value per share. This was approved on August 23, 2018 by the Bank's stockholders and later endorsed by the BSP to the SEC on December 12, 2018 and was subsequently approved by SEC on March 18, 2019.

On February 11, 2021, the Bank subscribed to 85,667 common shares worth Php8,566,700.00 of Unicon Insurance Brokers Corporation ("Unicon") which is equivalent to 40% ownership in Unicon. Likewise, on August 24, 2021, the BSP approved the Bank's Php250 million equity investment in GoTyme Bank Corporation ("GoTyme") which is equivalent to 20% ownership in GoTyme, a digital bank. Later, on October 17, 2022, the BSP approved the Bank for Php750 million additional equity investment in GoTyme.

On September 30, 2022, the Board of Directors of the Bank approved the execution of a definitive agreement between the Bank of the Philippine Islands ("BPI") and Robinsons Retail Holdings, Inc. ("RRHI") and JG Summit Capital Services Corp. ("JG Capital"), a wholly-owned subsidiary of JG Summit Holdings, Inc., for the merger of the Bank and BPI, with BPI emerging as the surviving entity, subject to applicable laws and any closing condition as agreed among the parties. Subsequently, on January 17, 2023, the stockholders of the Bank, in its special shareholders meeting, approved the merger of the Bank into the Bank of the Philippine Islands (BPI) with BPI as the surviving entity; the plan of merger, articles of merger, and other relevant agreements to implement the proposed merger; and authority of Mr. Elfren Antonio S. Sarte, President and Chief Executive Officer of the Bank as signatory for the conclusion and execution of the plan of merger, articles of merger, and other relevant agreements to implement the proposed merger, and the authority of Mr. Sarte to designate such persons who will represent and act for and on behalf of the Bank before the PCC, BSP, SEC, and any other relevant regulatory agencies, as the case may be, among others. Supplement to the Merger Agreement and the Articles of Merger and Plan of Merger between Bank and BPI were signed on January 26, 2023. Request for approvals for the merger were separately filed before PCC, BSP and SEC and are awaiting approvals.

Based on the BSP data, as of December 31, 2022, of the forty-five (45) universal and commercial banks operating in the Philippines, the Bank ranked 16th in terms of Total Assets; 14th in terms of Total Loans (net); 16th in terms of Total Deposits; 16th in terms of Total Capital; and 20th in terms of Return on Equity (ROE).

(d) Business of Issuer – Description of the Business and its Significant Subsidiaries

The Bank is the financial services arm of Gokongwei Group of companies. The Bank is 60.0% owned by JG Summit Capital Services Corp. (JGSCSC) and 40.0% owned by Robinsons Retail Holdings, Inc. (RRHI). It is a full-service commercial bank and has for its cornerstone a business portfolio of market leaders, a solid financial position and a formidable management team which serve the banking requirements of its customers, business partners and the general banking public through its wide array of products and services.

The Group, offers a full suite of deposit, lending (commercial and consumer), treasury, and trust products and services to corporate, commercial, and retail customers.

i. Principal Products and Services

Robinsons Bank offers a wide array of products and services that cater to a diverse range of clients – from large corporations, to SMEs, and consumer and retail markets:

A. DEPOSITS
   1. Savings Account

Philippine Peso

- Passbook Savings Account
- ATM Savings Account
- Tykecoon Savings Account
- Special Savings Account
- Simple Savings Account
- IPONsurance Account
- RRewards Savings Account

Foreign Currency

- US Dollar Savings Account
- Third Currency Account (EUR, JPY)
- Hongkong Dollar Savings Account

2. Checking Account
    - Regular Checking Account
    - Corporate Checking Account
    - Quick Check Account

3. Time Deposit
    - Peso Time Deposit
    - TD On Demand
    - US Dollar Time Deposit
    - Third Currency Time Deposit (EUR, JPY)

B. LOANS

1. Corporate and SME Loans
    - Short Term Revolving Facilities
        - Revolving Promissory Note Line (RPNL)
        - Trade Check Discounting Line
        - Packing Credit Line
        - Domestic Bills Purchasing Line
    - Short-Term and Long-Term Loans
    - SME Loans
        - GO! mSME Loan
        - GO! Small Biz Loan Growing Opportunities
    - Trade Facilities
        - Import/Domestic Trade Facilities
            - Letter of Credit Line
            - Trust Receipt (TR) Line
            - Shipping Guarantee
        - Export Financing
            - Export Bills Purchase Line
        - Others
            - Standby LC Facility
            - Bank Guarantee
2. Consumer Loans
    - GO! Housing Loan
    - GO! Auto Loan
    - GO! Personal Loan
    - GO! Motorsiklo Loan
    - Vehicle Fleet Financing
    - InstaBalé

- Payroll
- Go Rewards

C. CREDIT CARDS
1. UNO® Mastercard
2. UNO® Platinum Mastercard
3. DOS® Mastercard
4. DOS® Platinum Mastercard
5. Robinsons Cashback Card
6. Card Acquiring Services
7. PRU Life UK Mastercard

D. TREASURY AND GLOBAL MARKETS
1. Foreign Exchange
    - FX Spot
    - FX Forwards
2. Fixed Income
    - Peso Denominated Government Securities and Other Debt Instruments
        - Peso Sovereign Bonds (Treasury Bills, FXTNs, RTBs)
        - Peso Corporate Bonds
    - Foreign Currency Denominated Bonds
        - US$ Sovereign Bonds (ROPs and other Sovereign Bonds)
        - US$ Corporate Bonds
3. Investments
    - Peso, US$, EUR Time Deposit

E. CASH MANAGEMENT
1. Disbursement Facilities
    - Payroll Payout
    - Payroll Suite
    - Electronic Crediting
    - eGov
    - Direct2Bank PesoNet
    - Outsourced Manager's Check Printing
    - Outsourced Corporate Check Printing
    - Check Pro
2. Collection Facilities
    - Bills Payment (Over-the-Counter, ATM, Online Banking)
    - Electronic Invoice Presentment and Payment (EIPP)
    - Post Dated Check Warehousing
    - Reference Account Collection
    - Corporate Auto Debit Arrangement
3. Remittance
    - Western Union Remittance Facility
    - RBank Remit
4. Liquidity and Account Management

F. PAYMENTS
1. Direct2Bank PesoNet
2. Direct2Bank InstaPay
3. Real-Time Gross Settlement (RTGS)

4. Philippine Domestic Dollar Transfer System (PDDTS)
5. SWIFT
6. QR PH (Person to Merchant Send)

G. TRUST SERVICES
1. Unit Investment Trust Fund
2. Personal Management Fund
3. Personal & Corporate Investment Management
4. Escrows
5. Retirement Fund Management
6. Mortgage Trust Indentures
7. Safekeeping
8. Trust Products:
    a. Payday Money Market Fund
    b. Equity Index Feeder Fund
    c. Equity Opportunity Feeder Fund

H. ELECTRONIC BANKING CHANNELS
1. ATM
2. RBank Digital
    a. Website
    b. Mobile Banking App
3. RBank Sign Up – Online Account Opening App
4. Corporate e2Banking
5. RBank Mo – Agency Banking
6. BusinessLinker (EIPP)

I. BANCASSURANCE
1. PRU Personal Accident
2. PRU Wellness
3. PRU Shield
4. PRU Life Care Series
5. PRU Term 15
6. Mortgage Redemption Insurance (MRI)

J. ANCILLIARY SERVICES
1. Manager's Check
2. Cash Acceptance Machine (Day & Night Depository)
3. Deposit Pick-Up and Delivery
4. Foreign Currency Conversion
5. Safety Deposit Box

ii. Subsidiaries and Investments

Legazpi Savings Bank, Inc.

LSB, a wholly owned subsidiary of the Bank, is a thrift bank primarily engaged in deposit-taking and lending activities. LSB was acquired in 2012 by the Bank under the BSP strengthening program for thrift and rural banks. LSB implemented various key expansion initiatives. In its nearly five decades of operating in the Bicol region, LSB took the opportunity to span its countryside reach in two of the fastest growing regions in the country – CALABARZON and the Central Luzon. This move made LSB's total network consisting of 14 Branches and 14 Branch-Lite Units. LSB was also given accreditation in 2018 and re-accreditation approval in 2021 for providing teacher's salary loans under the DepEd APDS.

In 2021 - amidst the challenges encountered during the pandemic, the bank was able to open nine (9) Branch-Lite Units in Regions 1 to 6 to cater/service loan clients. In addition, management took advantage of the regulatory opportunities and implemented digital transformation initiatives. BSP Regulation allowed cross-selling of loan products within a banking group while the re-accreditation approval of DepEd allowed the use of affiliate banks as offices of accredited banks for their APDS loan transactions. Also, during the pandemic, when mobility was limited, LSB introduced its APDS Online System in sync with DepEd's provision in the TCAA for an automated loan processing activity. Given these opportunities and challenges, management resolved to be a one-product institution focusing on DepEd's Automatic Payroll Deduction System (APDS) loans.

2022 marks the implementation of the Bank's new business model focusing on the DepEd APDS loans. Full expansion and network coverage was also achieved during this period with the DepEd's approval of the bank's APDS online process. It was also during 2022 where the bank fully extended its operations in the VisMin Region. During this year, the bank registered a net loss, dragging down the parent bank's core income by Php29,715,249 whereas in 2021, it contributed Php1,999,196. LSB also now has 19 ATMs as of December 31, 2022.

Unicon Insurance Brokers Corporation

On February 11, 2021, the Bank invested in Unicon Brokers Insurance Corporation ("Unicon") the amount Php8,566,700.00 covering 85,667 common shares which is equivalent to 40% ownership in Unicon. The remaining 60% is owned by JG Summit Holdings, Inc. (JGHI). Unicon is an insurance brokerage whose primary target market is to cater the insurance brokerage services needs of the Gokongwei Group. However, on account of JGHI's additional subscription to 285,830 common shares on April 4, 2023, the Bank's percentage of ownership of Unicon was diluted to 17%, while JGSHI's ownership rose to 83%.

GoTyme Bank Corporation

On August 24, 2021, the BSP approved the Bank's Php250 million equity investment in GoTyme Bank Corporation ("GoTyme") which is equivalent to 20% ownership in GoTyme. Later, on October 17, 2022, the BSP approved the Bank for Php750 million additional equity investment in GoTyme. GoTyme is a digital bank which offers financial products and services that are processed end-to-end through a digital platform and/or electronic channels with no physical branch/sub-branch or branch-lite unit offering financial products and services. As such, GoTyme plans to leverage on the Gokongwei Group's business ecosystem. Its other stockholders are Robinsons Land Corporation – 20%; Robinsons Retail Holdings, Inc. – 20%; and Tyme Global Limited – 40%. The SEC approved GoTyme's incorporation last December 28, 2021.

iii. Percentage of Sales and Revenues

The income from the Bank's products and services are categorized into two, namely: First, interest income from the Bank's lending, investing, and trading activities which accounts for **91%** of the Bank's revenues; and Second, other income from commissions, fees, service charges, income from the sale of assets, among others which account for the remaining **9%** of the Bank's revenues.

iv. Distribution Methods of Products and Services

The Group's products and services are made available to its corporate, commercial and retail clients through multiple channels: 168 branch networks in 2021 (of which 154 belongs to the Bank; 14 are LSB branches); 21 Branch-Lites (8 Bank, 14 LSB); 380 ATMs (183 are onsite and 197 are offsite, 19 LSB); online banking (https://www.robinsonsbank.com.ph); and mobile banking through RBank Sign Up & RBizDigital which are made available to and can be accessed by Android and iOS users. (including agency banking partners, i.e. Premiumbikes, GrowSari, and GoRewards).

Robinsons Bank's Branches and Branch-Lite Units Directory:

Metro Manila Branches as of December 31, 2022:

1. ACACIA LANE - SHAW BOULEVARD* - G/F Padilla Bldg. 333 Shaw Boulevard, Brgy. Bagong Silang, Mandaluyong City
2. ADRIATICO* - G/F Robinsons Place Manila, Adriatico Street, Ermita, Manila City
3. ALABANG* - G/F Unit 4, El Molito Commercial Complex, Madrigal Avenue cor Alabang-Zapote Road, Alabang, Muntinlupa City
4. AMORSOLO* - G/F Don Pablo Building, 114 Amorsolo Street, Legaspi Village, Makati City
5. ASUNCION - BINONDO* - G/F Don Norberto & Doña Salustiana Ty Building, #403 Asuncion Street corner San Nicolas Street, Binondo, Manila
6. AYALA* - 6780 G/F JAKA 1 Building, Ayala Avenue, Makati City
7. AYALA - RUFINO* - Unit 7A Commercial Space, The Beacon Makati, A. Arnaiz Avenue corner Chino Roces Ave, Makati City
8. BANAWE* - Store No. 2, LI Commercial Building, Lot 5 Block 240, Banawe Street, Brgy. Tatalon, Quezon City
9. BETTER LIVING* - G/F Triple M Commercial Building, Doña Soledad Avenue corner Australia Street, Better Living Subd, Parañaque City
10. BGC - BURGOS CIRCLE* - G/F Unit B, The Cresent Park Residences, 30th Street corner 2nd Avenue, Bonifacio Global City, Taguig City
11. BGC - RIZAL DRIVE* - G/F UDENNA tower, Rizal Drive corner 4th Avenue, Bonifacio South District, Bonifacio Global City, Taguig City
12. BGC 32ND STREET* - One World Place, 32nd Street, Bonifacio Global City, Taguig City
13. BGC 34TH STREET* - Shop 1 Panorama Tower, 34th Street corner Lane A, Bonifacio Global City, Taguig City
14. BINONDO* - GF01 MZ01 Pacific Centre Building, 460 Quintin Paredes corner Sabino Padilla Street, Binondo, Manila
15. BONIFACIO GLOBAL CITY* - Ground Level, Market Market Mall, Bonifacio Global City, Taguig City
16. BRIDGETOWNE - C5* - G/F Tera Tower, Ortigas Avenue Extension corner C5, Quezon City
17. CALOOCAN* - G/F Dona Lolita Bldg., 363 Rizal Avenue Extension, Caloocan City
18. CHINO ROCES AVENUE EXTENSION* - G/F 2308 Natividad Building, Chino Roces Avenue Extension, Makati City
19. CUBAO-P. TUAZON* - G/F & Mezzanine, Genato Building, 250 P. Tuazon Cor. 15th Avenue, Cubao, Quezon City
20. D. GUEVARA MANDALUYONG* - G/F RL Building, 50 D. Guevara Street, Mandaluyong City
21. DEL MONTE* - G/F EWELL Square Bldg., Del Monte Ave corner Biak-na-Bato, Quezon City
22. DOMESTIC ROAD* - G/F Cebu Pacific Airline Operations Center Building, Domestic Road, Pasay City
23. E. RODRIGUEZ SR. AVE* - G/F JCA Building, No. 1166 E. Rodriguez Sr. Avenue, New Manila, Quezon City
24. EASTWOOD CITY** - G/F IBM Plaza Building, Eastwood City, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City
25. EDSA CALOOCAN* - G/F Insular Life Building, 462 EDSA near corner Boni Serrano Street, Caloocan City.
26. ERMITA* - Level 1 Padre Faura Wing, Robinsons Place Ermita, Ermita, Manila
27. FILINVEST-ALABANG* - Unit 104, Civic Place Condominium, 2301 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City
28. JP RIZAL ST. - MAKATI* - Shop 1 & 2, MRJ Corporate Center, # 954 J.P. Rizal corner P. Gomez Street, Poblacion, Makati
29. KATIPUNAN* - G/F Torres Building, 321 Katipunan Avenue, Loyola Heights, Quezon

City
30. LAS PIÑAS* - G86-G87 Robinsons Place Las Piñas, 345 Alabang-Zapote Road, Barangay Talon, Las Piñas City
31. LAS PIÑAS - DAANG HARI* - Southbend Building, Versailles Subdivision, Daang Hari, Brgy. Almanza Dos, Las Piñas City
32. LAS PIÑAS - PAMPLONA* - G/F South Park Highs, 262 Alabang-Zapote Road, Pamplona, Las Piñas City
33. LEGAZPI STREET, MAKATI* - G/F, Office 1, Man Tower Legazpi Building, 153 Legazpi Street, Legazpi Village, Makati City
34. MAGINHAWA ST.** - Stalls A & B #143 Maginhawa Street, Barangay Teachers Village, Quezon City
35. MAGNOLIA TOWN CENTER* - LGF - LG026 Robinsons Magnolia Town Center, Aurora Blvd. cor Dona Hemady and N. Domingo Streets, New Manila, Quezon City
36. MAIN OFFICE BRANCH*** - G/F Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City
37. MAKATI - EVANGELISTA* - G/F #1861 Evangelista Street, Brgy. Pio Del Pilar, Makati City
38. MALABON* - Level 1 – 01127, Robinsons Town Mall Malabon, #5 Governor Pascual Avenue corner Crispin Street, Tinajeros, Malabon City
39. MARIKINA* - VC Chan Bldg. No. 8 Bayan-Bayanan Avenue, Concepcion Uno, Marikina City
40. MCKINLEY WEST* - Lower G/F Cyber Sigma, Lawton Avenue, Bonifacio South, Taguig City
41. MERALCO AVENUE* - G01 & G02, Robins Design Center, 31 Meralco Avenue, Ortigas, Pasig City
42. MOA COMPLEX* - Unit 101, Tower 1 Oceanaire Residences, Sunshine Drive corner Road 23, Coral Way, MOA Complex, Pasay City
43. MUNTINLUPA BAYAN* - G/F Joval 1 Bldg. #52 National Highway Putatan, Muntinlupa City
44. N.S. AMORANTO SR. AVENUE* - G/F Unit 102 "R" Place Building, #255 N.S. Amoranto Sr. Avenue, Quezon City
45. NINOY AQUINO AVENUE* - G/F, Rooms 2 & 3, Sky Freight Building, Sky Freight Center, Ninoy Aquino Avenue, Parañaque City
46. NOVALICHES** - Level 1 - ERS1-016, Robinsons Novaliches, Barangay Pasong Putik, Quirino Highway, Novaliches, Quezon City
47. ORTIGAS GREENHILLS* - G/F Limketkai Building, Ortigas Avenue corner Roosevelt Street, Brgy. Greenhills, San Juan City
48. PASAY - LIBERTAD* - G/F Cementina Corporation Building, 160 A. Arnaiz Avenue corner Cuenca Street, Pasay City
49. PASIG** - L/G Robinsons Metro East, Marcos Highway, Barangay De la Paz, Pasig City
50. PASO DE BLAS* - 491 ESA Building, Paso De Blas Road, Brgy. Paso De Blas, Valenzuela City
51. PIONEER CYBERGATE* - Upper G/F, Robinsons Pioneer Cybergate Center 1, Pioneer Street, Mandaluyong City
52. QUEZON AVENUE* - G/F Q.C Avenue Mall, Quezon Avenue cor. Scout Borromeo St., South Triangle, Quezon City
53. REGALADO* - RS137-05 Robinsons Townville Regalado Fairview, Quezon City
54. ROOSEVELT AVENUE* - G/F MCCM Bldg. 311 Roosevelt Avenue, Quezon City
55. SAMSON ROAD* - G/F Units 3, 4 & 5 Samson Square Bldg, Samson Road corner Dagohoy Street, Caloocan City
56. SAN MIGUEL* - G/F Octagon Building, San Miguel Avenue, Ortigas Center, Pasig City
57. SANTOLAN - PASIG* - G/F AD Center Square, Amang Rodriguez corner Evangelista Street, Santolan, Pasig City
58. SEDEÑO SALCEDO VILLAGE* - G/F, Unit G-104, 88 Corporate Center, #141 Sedeño corner Valero Street, Salcedo Village, Makati City
59. SEN. GIL PUYAT AVE.* - G/F New Solid Realty Inc. Building, 357 Sen. Gil Puyat

Avenue, Makati City
60. SHAW BOULEVARD* - G/F Pelbel Building I, #2019 Shaw Boulevard, Pasig City
61. SOLER* - G/F Filamco Building, #1220-1222, Soler corner Masangkay Streets, Binondo, Manila
62. SUCAT* - Units B13 & B17, JAKA Plaza Mall, Dr. A. Santos Avenue, Parañaque City
63. TOMAS MORATO* - JSB Building, Tomas Morato Avenue corner Scout Delgado Street, Quezon City
64. VALENZUELA* - Unit A South Supermarket, McArthur Highway, Karuhatan, Valenzuela City
65. VISAYAS AVENUE* - G/F M & L Building, Visayas Avenue corner Road 1, Quezon City
66. WEST AVENUE* - G/F Prosperity West Center Building, 92 A West Avenue, Quezon City
67. WHITE PLAINS* - Francisco Santos Building, 138 Katipunan Avenue, Barangay Saint Ignatius, Quezon City
68. WILSON ST. - GREENHILLS* - G/F, Wilson Corporate Center, Wilson Street, Greenhills, San Juan City

Provincial Branches as of December 31, 2022:

69. ANGELES* - LEVEL 1 ROBINSONS PLACE ANGELES, MCARTHUR HIGHWAY, BALIBAGO, ANGELES CITY, PAMPANGA
70. ANTIPOLO* - UNIT 169-A, ROBINSONS PLACE ANTIPOLO, SUMULONG HIGHWAY/CIRCUMFERENCE AVENUE, DELA PAZ, ANTIPOLO CITY
71. ANTIQUE* - LEVEL 1-116, 117 & 118 ROBINSONS PLACE ANTIQUE, BRGY. MAYBATO, SAN JOSE DE BUENAVISTA, ANTIQUE
72. BACOLOD* - LEVEL 1 C2002, THE CENTRAL CITYWALK, ROBINSONS PLACE BACOLOD, LACSON STREET, MANDALAGAN, BACOLOD CITY, NEGROS OCCIDENTAL
73. BACOLOD - CAPITOL SHOPPING CENTER** - R. PERFORMANCE BUILDING A 62-64 NARRA AVENUE, CAPITOL SHOPPING CENTER, BACOLOD CITY
74. BACOOR* - UNITS 1 & 2, APOLLO MART BUILDING, #369 GEN. AGUINALDO HIGHWAY, TALABA 4, BACOOR, CAVITE
75. BACOOR - MOLINO BLVD.* - G/F MAIN SQUARE BACOOR, MOLINO BOULEVARD, BACOOR CITY, CAVITE
76. BAGUIO* - G/F, ECCO/EDGARDOMCO REALTY CORP. BLDG., #43 ASSUMPTION ROAD, BAGUIO CITY
77. BAIS* - CORNER QUEZON AND BURGOS STREETS, BAIS CITY, NEGROS ORIENTAL
78. BALAGTAS* - G/F 103-1 BALAGTAS TOWN CENTER, MCARTHUR HIGHWAY, BOROL 1ST, BALAGTAS, BULACAN
79. BALANGA* - G/F, R & R BUILDING, DON MANUEL BANZON AVENUE, DOÑA FRANCISCA, BALANGA CITY, BATAAN
80. BALAYAN* - G/F STALLS NUMBERS 2, 3 & 4 BALAYAN PUBLIC MARKET, PLAZA MABINI STREET, BALAYAN BATANGAS
81. BATANGAS CITY* - G/F ODESTE BUILDING, P. BURGOS ST., BRGY. 15, BATANGAS CITY
82. BAYAWAN** - SHOP 3, BOLLOS STREET CORNER NATIONAL HIGHWAY, BRGY. POBLACION, BAYAWAN CITY, NEGROS ORIENTAL
83. BUTUAN** - LEVEL 1 - 01160, ROBINSONS PLACE BUTUAN, KM. 3 J.C AQUINO AVENUE, BRGY LIBERTAD, BUTUAN CITY, AGUSAN DEL NORTE
84. CABANATUAN* - G/F FRANKLIN DE GUZMAN BUILDING, KM. 114 MAHARLIKA HIGHWAY, BARANGAY ZULUETA, CABANATUAN CITY, NUEVA ECIJA
85. CAGAYAN DE ORO* - LEVEL 1 ROBINSONS SUPERCENTER, ROSARIO STREET, LIM KET KAI DRIVE, LAPASAN, CAGAYAN DE ORO CITY
86. CAINTA* - G/F GUSALI 888 BUILDING, ORTIGAS AVENUE EXTENSION, CAINTA, RIZAL
87. CALAMBA** - G/F FP PEREZ BUILDING, NATIONAL HIGHWAY, PARIAN, CALAMBA

CITY, LAGUNA

88. CALAPAN* - G/F NEO CALAPAN MALL, LS 008, ROXAS DRIVE, BARANGAY STO. NIÑO, CALAPAN, ORIENTAL MINDORO
89. CALASIAO* - LEVEL 1 - 01134, ROBINSONS PLACE PANGASINAN, MAC ARTHUR HIGHWAY, BRGY. SAN MIGUEL, CALASIAO, PANGASINAN
90. CDO-DIVISORIA* - G/F PELAEZ COMMERCIAL ARCADE 1 CORNER TIANO BROS. AND CRUZ TAAL STREETS, DIVISORIA, CAGAYAN DE ORO CITY, MISAMIS ORIENTAL
91. CEBU - BANILAD* - SOUTH ARCADE 102, BANILAD TOWN CENTRE, GOV. M. CUENCO AVENUE, BANILAD, CEBU CITY
92. CEBU BUSINESS PARK* - RETAILS 1, 2 AND 3 GROUND FLOOR, LATITUDE CORPORATE CENTER, MINDANAO AVENUE, CEBU BUSINESS PARK, CEBU CITY
93. CEBU IT PARK* - G/F PARK CENTRALE TOWER, JOSE MARIA DEL MAR STREET, CEBU IT PARK, APAS LAHUG, CEBU CITY
94. CEBU MANDAUE* - G/F COTIAOKING BLDG, NORTH ROAD, TABOK, MANDAUE CITY, CEBU
95. CEBU OSMENA* - 2ND LEVEL ROBINSONS PLACE CEBU, FUENTE OSMEÑA AVENUE, CEBU CITY
96. CEBU, GARCIA - LLORENTE* - G/F ROBINSONS CYBERGATE, DON GIL GARCIA CORNER J. LLORENTE STREET, CAPITOL SITE, CEBU CITY
97. CEBU-GALLERIA* - B101 ROBINSONS GALLERIA CEBU, MAXILOM-OSMEÑA BOULEVARD, 13TH AVENUE & BENEDICTO STREET, NORTH RECLAMATION AREA, CEBU CITY
98. CLARK GLOBAL CITY* - TWO WEST AEROPARK, GATWICK GATEWAY, CLARK GLOBAL CITY, CLARK FREEPORT ZONE, MABALACAT, PAMPANGA
99. DAGUPAN* - GUANZON BUILDING, PEREZ BLVD, DAGUPAN CITY, PANGASINAN
100. DASMARIÑAS* - LEVEL 1 01302 ROBINSONS PLACE DASMARIÑAS, E. AGUINALDO HI-WAY CORNER GOVERNOR'S DRIVE, PALA-PALA, DASMARIÑAS, CAVITE
101. DAVAO* - DOOR 1 & 2, EDWARD V. A. LIM BUILDING, STA. ANA AVENUE, DAVAO CITY
102. DAVAO - BUHANGIN** - G/F GAISANO GRAND CITY GATE DAVAO, TIGATTO ROAD CORNER CABANTIAN ROAD, BRGY. BUHANGIN, DAVAO CITY
103. DAVAO CYBERGATE* - LEVEL 1, UNIT 109, ROBINSONS CYBERGATE DAVAO, J.P LAUREL AVE, DAVAO CITY
104. DAVAO-MONTEVERDE* - HAW BUILDING, T. MONTEVERDE AVENUE, DAVAO CITY
105. DOLORES - SFDO* - FRANDA BUILDING, MCARTHUR HIGHWAY, BARRIO DOLORES, CITY OF SAN FERNANDO, PAMPANGA
106. DUMAGUETE* - STALL AF 25-27 ROBINSONS DUMAGUETE, DUMAGUETE SOUTH ROAD CORNER PERDICES STREET, DUMAGUETE CITY, NEGROS ORIENTAL
107. GALLERIA SOUTH** - L2, ROBINSONS GALLERIA SOUTH, MANILA SOUTH ROAD, NUEVA, SAN PEDRO, LAGUNA
108. GENERAL SANTOS* - ROBINSONS PLACE GENERAL SANTOS, COR. J. CATOLICO AVE. AND BULA-LAGAO RD., GENERAL SANTOS CITY
109. GENERAL TRIAS* - LEVEL 1 - 155 & 156 ROBINSONS PLACE GENERAL TRIAS MALL, ANTERO SORIANO, EPZA-BACAO DIVERSION ROAD, BRGY. TEJERO, GENERAL TRIAS, CAVITE
110. ILIGAN* - LEVEL 1 L1 136 & 137 ROBINSONS PLACE ILIGAN, BARANGAY TUBOD, ILIGAN CITY, LANAO DEL NORTE
111. ILOCOS NORTE* - LEVEL 2, ROBINSONS PLACE SAN NICOLAS, BARANGAY 1, SAN NICOLAS, ILOCOS NORTE
112. ILOILO* - UNIT 189-190, G/F ROBINSONS PLACE ILOILO, CORNER MABINI-DEL LEON STREETS, ILOILO CITY, ILOILO
113. IMUS* - G/F ROBINSONS PLACE IMUS, EMILIO AGUINALDO HIGHWAY, IMUS, CAVITE CITY

114. JARO* - LEVEL 1 – UNIT G-17 B, ROBINSONS PLACE JARO, E. LOPEZ STREET, BRGY. SAN VICENTE, JARO, ILOILO
115. KABANKALAN* - G/F NZ BUSINESS CENTER (NZBC) BUILDING, JY PEREZ HIGHWAY, KABANKALAN CITY, NEGROS OCCIDENTAL
116. LA CARLOTA CITY* - YUNQUE CORNER VALOIS STREET, BARANGAY II, LA CARLOTA CITY, NEGROS OCCIDENTAL
117. LA UNION** - LEVEL 2, ROBINSONS PLACE LA UNION, NATIONAL HIGHWAY, BRGY. SEVILLA, SAN FERNANDO, LA UNION
118. LEGAZPI CITY* - G/F, YUZON COMMERCIAL BUILDING, QUEZON AVENUE, LEGAZPI CITY, ALBAY
119. LIPA** - G/F ROBINSONS PLACE LIPA, EXPANSION WING, J.P. LAUREL HIGHWAY, MATAAS NA LUPA, LIPA CITY, BATANGAS
120. LOS BAÑOS* - G/F LBDHMC MEDICAL ARTS III BUILDING, LOPEZ AVENUE, BATONG MALAKE, LOS BAÑOS, LAGUNA
121. LUCENA* - G/F AZDEMARK BUILDING, 11 QUEZON AVENUE, LUCENA CITY
122. LUISITA TARLAC* - UNIT 102 ROBINSONS LUISITA, MCARTHUR HIGHWAY, SAN MIGUEL, TARLAC CITY
123. MALOLOS* - LEVEL 1 – 01123 ROBINSONS PLACE MALOLOS, MC ARTHUR HIGHWAY, BARANGAY MABOLO, MALOLOS, BULACAN
124. MEYCAUAYAN* - G/F STERLING SQUARE, STERLING INDUSTRIAL PARK, BRGY. IBA, MEYCAUAYAN CITY, BULACAN
125. NAGA* - G/F CROWN HOTEL BUILDING, PEÑA FRANCIA AVENUE, NAGA CITY
126. OLONGAPO* - G/F 1370 RIZAL AVENUE EXTENSION, EAST TAPINAC, OLONGAPO CITY, ZAMBALES
127. ORMOC** - ROBINSONS PLACE ORMOC, PALO CARIGARA, ORMOC CITY ROAD, BRGY. COGON, ORMOC CITY, LEYTE
128. PALAWAN* - UNIT 220-222, 2/F, ROBINSONS PLACE PALAWAN MALL, PUERTO PRINCESA CITY, PALAWAN
129. PASSI** - UNITS G5-G6, GROUND FLOOR, GAISANO CAPITAL - PASSI, SIMEON AGUILAR STREET, PASSI CITY, ILOILO
130. PAVIA* - G/F ROBINSONS PLACE PAVIA, VICE PRESIDENT FERNANDO LOPEZ AVE., PAVIA, ILOILO CITY
131. ROBINSONS NORTH TACLOBAN* - G/F ROBINSONS NORTH TACLOBAN, BRGY. ABUCAY, TACLOBAN CITY
132. ROBINSONS PLACE NAGA* - LEVEL 1 UNIT 101 ROBINSONS PLACE NAGA, ROXAS AVENUE CORNER ALMEDA HIGHWAY, BRGY. TRIANGULO, NAGA CITY, CAMARINES SUR
133. ROBINSONS PLACE TUGUEGARAO** - G/F ROBINSONS PLACE TUGUEGARAO, BRGY. TANZA, TUGUEGARAO CITY, CAGAYAN
134. ROXAS* - LEVEL 1-1133B, ROBINSONS PLACE ROXAS, PUEBLO DE PANAY, BARANGAY LAWA-AN, ROXAS CITY, CAPIZ
135. SAN FERNANDO* - LEVEL I ROBINSONS STARMILLS, CANDABA GATE, OLONGAPO-GAPAN ROAD, SAN JOSE, SAN FERNANDO CITY, PAMPANGA
136. SAN JOSE CITY* - BELENA BUILDING, SAN JOSE-CARMEN ROAD (ROMANO ST. CORNER BONIFACIO ST.), BRGY. RAFAEL RUEDA, SAN JOSE CITY, NUEVA ECIJA
137. SAN JOSE DEL MONTE* - QUIRINO HIGHWAY, TUNGKONG MANGGA, SAN JOSE DEL MONTE CITY, BULACAN
138. SAN PABLO* - G/F ESTRELLADO BUILDING, PAULINO STREET, SAN PABLO CITY, LAGUNA
139. SAN PEDRO* - G/F SPACE 102, ETG BUSINESS CENTER, A. MABINI STREET, BARANGAY POBLACION, SAN PEDRO CITY, LAGUNA
140. SANTIAGO* - LEVEL 1-01103, ROBINSONS PLACE SANTIAGO, BARANGAY MABINI, SANTIAGO CITY, ISABELA
141. STA ROSA** - LEVEL 1 ROBINSONS STA. ROSA MARKET, OLD NATIONAL HIGHWAY, BO. TAGAPO, STA. ROSA CITY, LAGUNA

142. STA. ROSA ESTATES 2* - STA. ROSA-TAGAYTAY ROAD, STA. ROSA CITY, LAGUNA
143. STO. TOMAS* - GF UNIT 3, SIERRA MAKILING COMMERCIAL COMPLEX, MAHARLIKA HIGHWAY, BRGY. SAN ANTONIO, STO. TOMAS, BATANGAS
144. SUMULONG - ANTIPOLO* - G/F XENTRO MALL ANTIPOLO, MAMBUGAN, ANTIPOLO CITY
145. TACLOBAN** - ROBINSONS PLACE TACLOBAN, LEVEL 1-00103, NATIONAL HIGHWAY, TABUAN, MARASBARAS, TACLOBAN CITY
146. TAGAYTAY* - SPACE 2-00210, ROBINSONS TAGAYTAY, NATIONAL ROAD, BARRIO MAHARLIKA, TAGAYTAY CITY
147. TAGBILARAN* - G/F CASTELCELO BUILDING 1, C. GALLARES STREET CORNER J. S. TORRALBA STREET, POBLACION II, TAGBILARAN CITY, BOHOL
148. TAGUM* - LEVEL 1 – UNIT 167 ROBINSONS PLACE TAGUM, NATIONAL HIGHWAY, BRGY. VISAYAN VILLAGE, TAGUM, DAVAO DEL NORTE
149. TAYTAY* - RED RIBBON UPTOWN BUILDING, MANILA EAST ROAD, BARANGAY SAN JUAN, TAYTAY, RIZAL
150. TUGUEGARAO* - G/F, LUI BUILDING, BONIFACIO STREET, CENTRO 04, TUGUEGARAO CITY, CAGAYAN VALLEY
151. URDANETA* - G/F S-PLAZA BUILDING, MCARTHUR HIGHWAY, URDANETA, PANGASINAN
152. VALENCIA CITY** - G/F ROBINSONS PLACE VALENCIA, VALENCIA CITY, BUKIDNON
153. VIGAN** - LS1-08-2, XENTRO MALL VIGAN, QUEZON AVENUE, BRGY. III, VIGAN CITY, ILOCOS SUR
154. ZAMBOANGA CITY* - G/F THE GRAND ASTORIA HOTEL, MAYOR JALDON STREET, ZAMBOANGA CITY

Robinsons Bank Branch-lite Units as of December 31, 2022:

1. ANNAPOLIS* - THE MERIDIEN CONDOMINIUM, 29 ANNAPOLIS STREET, GREENHILLS, SAN JUAN CITY
2. BF HOMES PARAÑAQUE* - 180 J. ELIZALDE CORNER CONCHA CRUZ DRIVE, BF HOMES EXECUTIVE VILLAGE, PARAÑAQUE CITY
3. CEBU NUSTAR FOREX KIOSK - Level 1, Casino Gaming Floor, NuStar Resort and Casino, South Road Properties, Cebu City, Cebu
4. GALLERIA** - BASEMENT 1, ROBINSONS GALLERIA, EDSA CORNER ORTIGAS AVENUE, QUEZON CITY
5. GAMMA* - G/F CYBERSCAPE GAMMA, RUBY STREET, ORTIGAS CENTER, BRGY. SAN ANTONIO, PASIG CITY
6. LIPA - J.P. LAUREL* - G/F MHIKAI BUILDING 1, J.P. LAUREL HIGHWAY, MARAWOY, LIPA CITY BATANGAS
7. N. DOMINGO* - #135 N. DOMINGO ST., BARANGAY BALONG-BATO, SAN JUAN CITY
8. PASIG - C. RAYMUNDO* - G/F MARIUS ARCADIA BUILDING, C. RAYMUNDO AVENUE CORNER PAG-ASA STREET, PASIG CITY

LSB Branches as of December 31, 2022:

1. ALBAY* - 738 bldg. Rizal St., Old Albay District, Legazpi City
2. CAINTA* - ECCOI Corporate Center, Ortigas Extension, St. Anthony Subdivision, Cainta, Rizal
3. DAET* - Subia Building, J. Lukban St., Brgy. 3, Daet, Camarines Norte
4. DARAGA* - Perete Bldg. Sta. Maria St. Brgy. San Roque Daraga, Albay
5. GUINOBATAN** - LSB Building, T. Paulate Street, Guinobatan, Albay
6. LEGAZPI CITY* - Corner Rizal and Mabini Streets, Dinagaan, Legazpi City
7. LUCENA CITY* - A. M. Lubi Bldg. M. L. Tagarao corner Elias St., Brgy. 5, Lucena City, Quezon
8. MASBATE CITY* - Unit 8 & 9 S & T Bldg., Cagba St., Brgy. Tugbo, Masbate City

9. NAGA CITY* - NEA Bldg., Central Business District 2, Triangulo, Naga City
10. POLANGUI* - National Road, Basud, Polangui, Albay
11. SAN FERNANDO CITY* - 4 AND 2 Bldg. Mc Arthur Highway Sindalan, City of San Fernando Pampanga
12. SORSOGON CITY* - CBA Building, Jamoralin Street, Burabod, Sorsogon
13. TABACO* - Ground Floor, NN Building A.A. Berces, Basud, Tabaco City, Albay
14. VIRAC* - G/F D&L Building, Cor. Surtida & Rizal Streets, San Jose, Virac, Catanduanes

LSB Branch-lite Units as of December 31, 2022:

1. CALAUAG* - Rizal St. Brgy. Sta. Maria Calauag Quezon
2. DASMARIÑAS CITY* - G/F Wincorp Bldg., Molino - Paliparan Road, Salawag, Dasmariñas, Cavite
3. GOA* – Unit 1 J. Quinzon Bldg., Bagumbayan Pequeno, Rizal Street, Goa Cam. Sur
4. IRIGA* - DLS Building, 121-Zone 6, Hi-Way 1, San Isidro, Iriga City
5. MALOLOS – Unit 8, MKTJ Building M2, Fausta Subdivision, Mabolo, Malolos Bulacan
6. STO.TOMAS - Kath's Place, A. Bonifacio Street, Poblacion 2, Sto. Tomas, Batangas.
7. PUERTO PRICESA - DRCM Riviera Complex, Unit 5, Brgy. San Manuel, Puerto Princesa City, Palawan
8. SAN JOSE NE - ARJ Bldg., San Roque corner Cardenas St., Brgy. Abar 1st., San Jose City, Nueva Ecija
9. KABANKALAN - Hernando Chua Bldg., Solar St., Kabankalan City, Negros Occidental
10. BINMALEY - D & M Realty Bld., Purok 6, Naguilan Highway, Binmaley, Pangasinan
11. SANTIAGO - Guevarra St., No. 1229, Perez St., Calao West, Santiago City, Isabela
12. JARO - EL 98 St., Jaro Iloilo City
13. CALAPAN - RR Paras Bldg., Leuterio St., San Vicente South, Calapan City, Oriental Mindoro
14. LIPA - RDL Bldg., 004 Pres. JP Laurel St., National Road, Marawoy, Lipa City

*One (1) ATM
**Two (2) ATMs
***Three (3) ATMs

Robinsons Bank – Off-site ATM Directory

Metro Manila Off-site ATMs as of December 31, 2022:

1. RET BRIDGEWAY - G/F Robinsons Equitable Tower, Ortigas, Pasig City
2. RETAIL H. O. 2 - Building 1, Robinsons Retail Group, 110 E. Rodriguez, Jr. Ave., Libis, Quezon City
3. RDS GALLERIA - Robinsons Dept Store, 2F East Wing Entrance, Robinsons Galleria, EDSA cor. Ortigas Ave., Quezon City
4. RSC BF HOMES - Aguirre Avenue, BF Homes, Paranaque City
5. RSC TANDANG SORA - 105 RMR Square Mall, Tandang Sora Ave., Brgy Pasong Tamo, Quezon City
6. RSC MERVILLE - Robinsons Supermarket, Edison Ave. cor. West Service Rd., Brgy Merville, Parañaque City
7. URC 2 - E. Rodriguez Ave. cor. Pasig Blvd., Bagong Ilog, Pasig City
8. RSC GRACELAND - Robinsons Supermarket Graceland, J. P. Rizal St., Brgy. Malanday, Marikina City
9. DOMESTIC 2 - Ground Floor Cafeteria, Cebu Pacific Air Head Office, Domestic Airport Road, Pasay City
10. MS ESCRIVA - B2 L1 Escriva Drive cor. Lukban St., San Antonio, Pasig City
11. RSC MERCEDES - Robinsons Supermarket Mercedes, Mercedes Ave. Pasig City
12. RSC KARANGALAN - Robinsons Supermarket Karangalan Branch, Magsaysay St. cor. Felix Avenue, Manggahan, Pasig City
13. ST FRANCIS SQUARE - G/F St Francis Square Building, Bank Drive cor. Julia Vargas

Avenue, Mandaluyong

14. RSC OTIS - 1536 Paz M. Guanzon St., 831 Zone 90, Paco, Manila
15. RETAIL H. O. 3 - Building 3, Robinsons Retail Group, 110 E. Rodriguez, Jr. Ave., Libis, Quezon City
16. CYBERSCAPE ALPHA - G/F, Cyberscape Beta Bldg., Garnett and Sapphire Roads, Ortigas Center, Pasig City
17. RSC FEDERAL BAY - G/F, Royal Palm Tower, Macapagal Ave., Pasay City
18. MINISTOP GOLDEN GATE - 435 Real St., National Road, Barangay Talon, Las Piñas
19. MINISTOP MALAYAN PLAZA - G/F Malayan Plaza Hotel, Topaz Road, Ortigas Center, Pasig City
20. RSC VALENZUELA - Robinsons Supermarket, B. Hive Plaza, 108 Gen. T. De Leon St., Valenzuela City
21. EASYMART LAGRO - Robinsons Easymart, G/F Sunbest Bldg., Lagro Subdivision, Fairview, Quezon City
22. MINISTOP MERVILLE - Km. 12, Merville Access Road, Brgy. 2014, Pasay City
23. MINISTOP GLORIA DIAZ - Gloria Diaz Ave., Corornelia St., BF Resort, Las Pinas City
24. MINISTOP SIGNAL VILLAGE - Visayas St. cor. Ballester St., FTI, Taguig City
25. MINISTOP SUGARTOWNE - Sugartowne Subd., Capitol Hills, Quezon City
26. CEBPAC T3 ASD OFFICE - Cebu Pacific ASD Office, Andrews Ave., NAIA Terminal 3, Pasay City
27. CROWNE PLAZA - 4th Flr., Crowne Plaza Manila Galleria, Ortigas Ave. cor. Asian Development Bank Ave., Quezon City
28. RSC ACACIA ESCALADES - Robinsons Supermarket, Acacia Escalades, Calle Industria cor. Amang Rodriguez Ave., Pasig City
29. EASYMART LOYOLA - 88 Rosa Alvero St., Loyola Heights, Quezon City
30. MINISTOP DIAN - Dian St. cor. Ampere St., Brgy. Palanan, Makati City
31. URC BAGUMBAYAN - 12 Calle Industria, Bagumbayan, Quezon City
32. MINISTOP SUN VALLEY - Lot 8, Blk. 33, Sun Valley Drive cor. State Ave., Sun Valley Subdivision, Parañaque City
33. MINISTOP TRES PALMAS - Tres Palmas Commercial Complex, Levi Mariano Ave., Brgy. Usuan, Taguig City
34. GCF PASIG - Garnet Road cor. Ruby Road, San Antonio, Pasig City
35. RSC DONA CARMEN - Shopking Commercial Center, Dona Carmen Ave. cor. Commonwealth Ave., Quezon City
36. MINISTOP G SQUARE - G/F G Square Arcade, Barangka Drive, Plainview, Mandaluyong City
37. MINISTOP POBLACION - G/F SJG Center Bldg. Kalayaan Ave. cor. Don Pedro St. Makati City
38. RE ROOSEVELT - 192 Savers Appliance Depot, Roosevelt Ave. cor. Pitimini, Del Monte Q.C.
39. MINISTOP VICTORIA STATION - Victoria Station GMA drive cor. EDSA, Quezon City
40. MINISTOP CUASAY - Blk. 24 lot, MRT Ave., Brgy., Pinagsamahan Western Bicutan, Taguig City
41. MINISTOP GILMORE - G/F Gilmore Ave. Valencia, Quezon City
42. MINISTOP PTT MARIKINA - PTT Gas station Marikina B.G. Molina cor., Balagtas St., Parang, Marikina City
43. RSC GALLERIA - Level 1 Robinsons Supermarket, Robinsons Galleria, EDSA cor. Ortigas Ave., Quezon City
44. RETAIL HEAD OFFICE - Building 1, Robinsons Retail Group, 110 E. Rodriguez, Jr. Ave., Libis, Quezon City
45. MINISTOP GALLERIA - Ministop, Robinsons Galleria, EDSA cor. Ortigas Ave., Quezon City
46. RSC ERMITA - G/F Robinsons Supermarket, Robinsons Place, Ermita, Manila
47. RDS MANILA - G/F Robinsons Dept Store, Robinsons Place, Ermita, Manila
48. RDS METRO EAST - G/F Robinsons Dept Store, Robinsons Metroeast, Marcos Higjway, Brgy De la Paz, Pasig, City
49. ROCKWELL - 8th flr Rockwell Business Center Tower II, Ortigas, Pasig

50. RSC TUTUBAN - Robinsons Supermarket G/F Cluster Bldg., Tutuban Center, Manila
51. RDS MAGNOLIA - U/G Robinsons Dept Store, Robinsons Magnolia Town Center, Aurora Blvd. cor. Hemady and N. Domingo St., New Manila, Quezon City
52. TERA TOWER - G/F, Tera Tower, Bridgetowne – C5 corner Ortigas Avenue Extension, Quezon City
53. CYBER SIGMA - The Northwest Lobby, Cyber Sigma, Lawton Avenue, Bonifacio South, Taguig City
54. MINISTOP MRT AVENUE - 5 MRT Ave., Purok 1, New Lower Bicutan, Taguig City, 1632, Metro Manila
55. RSC BIGNAY - Ibaba St. Brgy Bignay Valenzuela City
56. RSC BLUEWAVE MARIKINA - Bluewave 2 Sumulong Highway Cor.Fernando Ave. Brgy. Sto. Niño Marikina City
57. RE PEMBO - Block 26 Lot 12-14, #1218 Sampaguita St, Makati, Metro Manila
58. MINISTOP LITTLE MARKET - Quirino Ave. Brgy., Daniel Fajardo Las Piñas City
59. MINISTOP VERGONVILLE - Naga Road cor. Lotus St., Pulang Lupa Dos Las Piñas City
60. SW PASONG TAMO - Pablo Ocampo Sr. Extension, Corner Chino Roces Ave, Makati
61. RE G TUAZON - G Tuazon St., cor. D Santiago St., Zone 56, Brgy. 576, Sampaloc Manila
62. RE METROPOINT - G/F Metropoint Mall, EDSA cor. Taft Ave., Pasay City

Provincial Off-site ATMs as of December 31, 2022:

1. RSC PULILAN - Dona Remedios Trinidad Highway, Pulilan Junction, Brgy. Cut-cot, Pulilan, Bulacan
2. RSC NUVALI - Robinsons Supermarket Nuvali, Tagaytay Road, Sta Rosa, Laguna
3. RSC MALOLOS - Robinsons Supermarket, Bulacan State University grounds, McArthur Highway, Guinhawa, Malolos, Bulacan
4. RSC PACITA - Robinsons Supermarket, Block 6 lot 3-A Pacita Ave. cor. 2nd St., Pacita Complex Phase 1, San Pedro, Laguna
5. RSC MEYCAUAYAN - Robinsons Supermarket Meycauayan Branch, EMA Town Center, El Camino Rd., Meycauayan, Bulacan
6. RSC CABUYAO - Robinsons Supermarket, Cabuyao Centro Mall, National Highway, Brgy. Pulo, Cabuyao City, Laguna
7. RDS ANTIPOLO - G/F, Robinsons Dept. Store, Robinsons Place Antipolo, Circumference Ave., Sumulong Highway, Brgy. Dela Paz, Antipolo City
8. RSC MOLINO - Robinsons Supermarket, 102 Molino Boulevard, Bacoor, Cavite
9. RSC SOUTHWOODS - G/F Southwoods Mall, Brgy. San Francisco, Biñan, Laguna
10. RSC PACITA 2 - Robinsons Supermarket, B6 L3-A, Pacita Ave. cor. 2nd St., Pacita Complex, San Pedro, Laguna
11. MINISTOP RUBLOU - Rublou Marketplace, A. Bonifacio Ave. cor. Buenmar St., Greenland Subd., Cainta, Rizal
12. URC CALAMBA - Universal Robina Corporation, National Highway, Km. 50, San Cristobal, Calamba City, Laguna
13. IQDI BOOMTOWN - Infinite Quality Design Center, Bocaue, Bulacan
14. EASYMART ALIMA BAY - Alima Bay Residences and Commercial Complex, Gen. Evangelista St., Brgy. Alima, Bacoor, Cavite
15. URC CANLUBANG - Universal Robina Corporation, Canlubang Snack Food Plant, Km. 50, Brgy. San Cristobal, Canlubang, Laguna
16. MINISTOP BANLIC - 216 Mamatid Road, Brgy. Banlic, Cabuyao, Laguna
17. MINISTOP VALLEY GOLF - Ortigas Extension, Valley Golf Avenue, Cainta, Rizal

18. MINISTOP SOUTH CITY - Sto. Tomas Rd., Brgy. Calaboso, South City Homes, Biñan, Laguna
19. MINISTOP ADDAS - Molino Blvd. cor. Addas Greenfields Subd., Brgy. Mambog, Bacoor, Cavite
20. URC MAMPLASAN - LIIP, Barangay Mamplasan, Binan City, Laguna
21. MINISTOP GREENWOODS - Dogwood cor. Maple St., Greenwoods Subdivision, Cainta, Rizal
22. URC SAN PEDRO - Maharlika Drive, United San Pedro Subdivision, Brgy. San Antonio, San Pedro, Laguna
23. GREENWOODS CLUBHOUSE - Greenwoods Clubhouse, Tulip St., Phase 2, Greenwoods Executive Village, Brgy. San Andres, Cainta, Rizal
24. MINISTOP SAN ISIDRO - San Isidro Rd., Brgy., San Isidro Cabuyao Laguna
25. MINISTOP PACITA - 58 Pacita Ave. cor. Macaria Ave., Pacita Complex, San Pedro, Laguna
26. MINISTOP MALITLIT - B12 L41 Phase 1, San Lorenzo Road, San Lorenzo Subdivision, Brgy. Malitlit, Sta. Rosa, Laguna
27. MINISTOP UNITED BAYANIHAN - Stop Light Commercial Bldg., Lot 7, Blk 7 Genesis United Bayanihan San Pedro Laguna
28. MINISTOP MARIA AURORA - Mabini St. cor. Aurora Heights ave, San Anthonio San Pedro, Laguna
29. STA. ELENA - Sta. Elena Golf Club, Inc. Bo. Malitlit, Sta. Rosa Laguna
30. TREVEIA - Main Clubhouse, Treveia Nuvali Subdivision, Brgy. Canlubang, Calamba, Laguna
31. RE ANTIPOLO - Robinsons Easymart Antipolo Rodriguez road Barangay Sitio Parugan, San Jose, Antipolo City
32. MINISTOP KAPAYAPAAN - Sea Oil Gasoline station, Kapayapaan Road, Kapayapaan Village, Canlubang, Calamba Laguna
33. RDS IMUS - 2nd Level Robinsons Dept Store, Robinsons Place Imus, E.Aguinaldo Highway, Imus, Cavite
34. RSC DASMARINAS - Robinsons Supermarket Dasmariñas, E.Aguinaldo Highway cor. Governor's Drive, Pala-Pala, Dasmariñas, Cavite
35. URC CAVITE - First Cavite Industrial Estate, Langkaan, Dasmarinas, Cavite
36. RSC THE DISTRICT - Robinsons Supermarket, The District Dasmariñas, Molino-Paliparan Road, Dasmariñas, Cavite
37. RSC BUHAY NA TUBIG - Robinsons Supermarket, Palico Road, Barangay Buhay na Tubig, Imus City, Cavite
38. EASYMART MALAGASANG - Robinsons Easymart, Phase 3, Greengate Subdivision, Brgy. Malagasang 2A, Imus City, Cavite
39. RSC CEBU TALAMBAN - Robinsons Supermarket Talamban, G/F Talamban Time Square, Brgy. Talamban, Cebu City
40. DUSIT MACTAN - Dusit Thani Mactan Cebu Resort, Punta Engaño Rd., Mactan Island, Lapu-lapu City, Cebu
41. RDS BACOLOD - Level 1 Robinsons Dept Store, Robinsons Place Bacolod, Lacson St., Bacolod City
42. BACOLOD TELE - G/F Luxor Plaza IT, Magsaysay Ave. cor Lacson St., Bacolod City
43. RSC MANSILINGAN - Robinsons Supermarket, Alijis Road, Carmenville Subd., Brgy. Mansilingan, Bacolod City
44. RSC VILLAMONTE - Robinsons Supermarket, East 3 Center, Narra Extension, Burgos Ave., Villamonte, Bacolod City

45. URC LA CARLOTA - Azucarera de La Carlota, Brgy. RSB, La Carlota City, Negros Occidental
46. UNIVERSITY OF SAN AGUSTIN - University of San Agustin, Jalandoni St., Iloilo City
47. RDS ILOILO - G/F Robinsons Dept. Store, Robinsons Place Iloilo, Mabini St., Iloilo City
48. ILOILO JB LACSON - John B. Lacson Maritime University, Sto Nino Sur, Arevalo, Iloilo City
49. JBL MOLO ILOILO - JB Lacson Foundation Maritime University, San Juan St., Molo, Iloilo City
50. RSC MOLO - MH Del Pilar St., Molo, Iloilo City
51. RSC MACTAN - Robinsons Supermarket, Pueblo Verde Mactan Economic Zone II along Maximo Patalinghug Highway, Brgy. Basak, Lapu-lapu City, Cebu
52. JGC TACLOBAN - JGC Financing Company Building, Corner M. H. Del Pilar and P. Gomez Sts., Tacloban City, Leyte
53. RDS DUMAGUETE - G/F Robinsons Dept Store, Robinsons Dumaguete, Dumaguete South Road cor. Perdices St., Dumaguete City
54. RSC PERDICES - Lower G/F, Mart One, Gov. Perdices St., Dumaguete City, Negros Oriental
55. URC PASSI - Brgy. Imbang Pequeno, San Enrique, Iloilo
56. PACCEMCO - Seaoil Gas Station, F. Palmares Sr. St., Passi City, Iloilo
57. CAISPA - Osmeña St. Pob. Centro, Calinog, Iloilo City
58. URSUMCO - URSUMCO Cmpd., National Highway, Brgy. Alangilanan, Manjuyod, Negros Oriental
59. URC SONEDCO - San Juan, Brgy. Camuga, Kabankalan City, Negros Occidental
60. RSC CITYMALL ROXAS - Arnaldo Boulevard, Roxas City, Capiz
61. PUNTA DULOG - Punta Dulog, Pueblo De Panay, Roxas City, Capiz
62. BQ BUILDERWARE - North 6300, Carlos P. Garcia East Avenue, Tagbilaran City, Bohol
63. RSC ANTIQUE - G/F Robinsons Place Antique, Brgy. San Angel, San Jose De Buenavista, Antique
64. CEBU GALLERIA 2 - Level 1, ATM 3, Robinsons Galleria Cebu, Maxilom-Osmeña Blvd., 13th Ave. and Benedicto Sts., North Reclamation Area, Cebu City
65. RDS NORTH TACLOBAN - Level 1, Robinsons Dept. Store, Robinsons North Tacloban, Brgy. Abucay, Tacloban City, Leyte
66. PEZA BAGUIO - Baguio Economic Zone, Loakan Rd., Baguio City
67. RSC GUAGUA - Guagua Town Center, Jose Abad Santos Ave., Brgy. San Matias, Guagua, Pampanga
68. EASYMART STO. TOMAS - La Corona, Brgy. San Matias, Sto. Tomas, Pampanga
69. JG PETROCHEM - JG Summit Petrochemicals Corporation, Barangay Simlong, Batangas City
70. RSC LEMERY - Robinsons Supermarket, Xentro Mall, Illustre Ave., Lemery, Batangas
71. URC BALAYAN - Barangay Caloocan, Balayan, Batangas
72. URC PAMPANGA PLANT - URC Pampanga Plant, Brgy Del Rosario, San Fernando, Pampanga
73. RSC MABALACAT - Robinsons Supermarket Mabalacat, JOMAFER Bldg., Lot 1 Blk. 65, Severa Subd., Brgy. Tabun, Mabalacat City, Pampanga
74. SOUTHSTAR DRUG ANGELES - Southstar Drug Angeles-Friendship Ave., Friendship Highway, Anunas, Angeles City, Pampanga
75. RSC TAGAYTAY - Robinsons Supermarket, Summit Ridge, Tagaytay, Cavite
76. RDS CABANATUAN - Level 2, Robinsons Dept Store, NE Pacific mall, km. 111

Maharlika Highway, Cabanatuan City, Nueva Ecija

77. SOUTHSTAR DRUG CABANATUAN - Southstar Drug, Burgos St. cor. Sanciangco St., Cabanatuan City, Nueva Ecija
78. RSC TARLAC - Robinsons Supermarket, Robinsons Luisita, McArthur Highway, San Miguel, Tarlac City
79. EASYMART SAN SEBASTIAN - Robinsons Easymart, San Sebastian Village, Brgy. San Sebastian, Tarlac City
80. EASYMART CONCEPCION - Robinsons Easymart, Cor. La Purisima St., San Nicolas Poblacion, Concepcion, Tarlac
81. RSC BALAGTAS - Robinsons Supermarket, Balagtas Town Center, Mc Arthur Highway, Borol First, Balagtas, Bulacan
82. RDS PALAWAN - G/F Robinsons Dept Store, Robinsons Place Palawan Mall, Puerto Princesa City, Palawan
83. RSC CALAPAN - Robinsons Supermarket, NEO Calapan Mall, Brgy. Sto. Niño, Calapan City, Oriental Mindoro
84. RSC SANTIAGO - G/F Robinsons Place Santiago, Mabini Highway, Santiago City, Isabela
85. RDS SANTIAGO - Robinsons Dept. Store, Robinsons Place Santiago, Mabini Highway, Santiago City, Isabela
86. RSC GEN. TRIAS - Robinsons Supermarket, Robinsons Place General Trias, Brgy, Tejero, Gen. Trias, Cavite
87. RSC DOLORES - Robinsons Supermarket, McArthur Highway, Brgy. Dolores, San Fernando, Pampanga
88. RP NAGA OFFSITE - Level 1, Robinsons Place Naga, Roxas Ave. cor. Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur
89. RDS TUGUEGARAO - 2/F, Robinsons Dept. Store, Robinsons Place Tuguegarao, Brgy. Tanza, Tuguegarao City, Cagayan
90. MINISTOP GALLERIA SOUTH - Level 1, Robinsons Galleria South, Km. 31 National Highway, Bgy Nueva, San Pedro, Laguna
91. RSC CAGAYAN DE ORO - G/F Big R Supercenter, Cagayan de Oro, City
92. RSC GUSA - Robinsons Supermarket, Phase 2, Villa Ernesto Subd., National Highway, Cagayan de Oro City
93. RSC LIMKETKAI - Robinsons Supermarket, 1st Level, South Concourse, Limketkai Mall, Cagayan De Oro City
94. URC ESMO - Zone 3, Brgy. Sinaloc, El Salvador City, Misamis Oriental
95. GRAND IMPERIAL OPOL - National Highway (Butuan-Cagayan de Oro-Iligan Road), Taboc, Opol, Misamis Oriental
96. GRAND IMPERIAL OPO 2 - National Highway (Butuan-Cagayan de Oro-Iligan Road), Taboc, Opol, Misamis Oriental (Beside Petron)
97. RDS DAVAO - 2nd Flr Robinsons Department Store, Abreeza Mall, J.P Laurel Avenue, Davao City
98. GRAND IMPERIAL 1 - Grand Imperial Casino, Arradaza St., Gen. Santos City
99. GRAND IMPERIAL 2 - Grand Imperial Casino, Arradaza St., Gen. Santos City
100. RSC GENSAN - Robinsons Supermarket General Santos, Corner J.Catolico Ave and Bula-lagao Rd Gen Santos City
101. RDS BUTUAN - G/F, Robinsons Deparment Store, Robinsons Place Butuan, J. C. Aquino St., Brgy. Libertad, Butuan City
102. RP ILIGAN - Level 1, Robinsons Place Iligan, Brgy. Tubod, Iligan City, Lanao Del Norte

103. RDS ILIGAN - Robinsons Dept Store, Level 1, Robinsons Place Iligan, Brgy. Tubod, Iligan City, Lanao Del Norte
104. RSC ILIGAN - Robinsons Place Iligan Supermarket Tubod, Iligan City, Lanao del Norte
105. RSC SILANG - Robinsons Supermarket, Premier Plaza, Emilio Aguinaldo Highway, Brgy. Lucsuhin, Silang, Cavite
106. RSC LIPA - Robinsons Supermarket, Robinsons Place Lipa, J. P. Laurel Highway, Lipa City, Batangas
107. RSC LIPA TOWN CENTER - Robinsons Supermarket, Lipa Town Center, J. P. Laurel Highway, Lipa City, Batangas
108. SOUTHSTAR DRUG GEN. TRIAS - Southstar Drug Manggahan GT, Governor's Drive cor. C. M. Delos Reyes Ave., Manggahan, Gen. Trias, Cavite
109. RSC TWIN LAKES - Robinsons Supermarket, Twin Lakes Shopping Village, Barangay Dayap-Itaas, Tagaytay-Nasugbu Highway, Laurel, Batangas
110. EASYMART TANZA - San Agustin St., Poblacion II, Tanza, Cavite
111. RSC LIMA EXCHANGE - Robinsons Supermarket, Blk. S1, Lima Exchange, Special Economic Zone, Lima Technology Center, Brgy. Santiago, Malvar, Batangas
112. MINISTOP LIPA - Robinsons Place Lipa, Mataas na Lupa, Lipa City, Batangas
113. MINISTOP FIELDS AVENUE - Fields ave. Narciso St. cor., Fields ave., Balibago, Angeles City
114. SMPC BUHANGIN - Silangan Multi-Purpose Cooperative SPMC Bldg 2 KM.8 Carlos P. Garcia Highway Buhangin, Davao City
115. MINISTOP FCIE - FCIE Compound, Governor's Dr, Langkaan 1, Dasmariñas, 4114 Cavite
116. RSC BUCANDALA - King Home Shopping Mall 137, Imus, 4103 Cavite
117. RSC METROTOWN - Mc Arthur Hiway Brgy. Sto Cristo, Tarlac City
118. RSC F TANEDO - F.Tanedo St. Brgy. Poblacion, Tarlac City
119. RSC SAN CARLOS - G/F San Carlos Town Center, Rizal Ave., corner Zamora St., San Carlos City, Pangasinan
120. RSC DAGUPAN - G/F Nepo Mall Arellano Street Brgy. Pantal, Dagupan City
121. RSC BASELINE - Base Line Centrale, Juana Osmeña St, Brgy, Cebu City, 6000 Cebu
122. SHOPWISE ANTIPOLO - M. L. Quezon Ave, Antipolo, 1870 Rizal
123. CLARK INTL AIRPORT 1 - Departure, Clark International Airport Andres Bonifacio Avenue, Zone, Clark Freeport, Mabalacat, 2023 Pampanga
124. CLARK INTL AIRPORT 2 - Arrival, Clark International Airport Andres Bonifacio Avenue, Zone, Clark Freeport, Mabalacat, 2023 Pampanga
125. NUSTAR OFFSITE 2 - The Mall at NuStar, Kawit Road, South Road Properties, Cebu City
126. NUSTAR OFFSITE 3 - The Mall at NuStar, Kawit Road, South Road Properties, Cebu City
127. VENARE - Calamba - Tagaytay Road, Calamba, 4027 Laguna
128. RPLACE ANTIPOLO - ATM Center, Unit 169-A, Robinsons Place Antipolo, Circumference Ave., Sumulong Highway, Brgy. Dela Paz, Antipolo City
129. RE FRIENDSHIP - 23 & 24 Volga Street Fil AM Friendship High Way Barangay Anunas Angeles City
130. NUSTAR BOH - L/G Back of house, The Mall at NuStar, Kawit Road, South Road Properties, Cebu City
131. MINISTOP PHILEXCEL - PhilExcel Comp. Ma. Roxas Hi-Way Clark Freeport Zone, Clarkefield, Pampanga
132. MINISTOP BROOKSIDE - G/F Rublou Marketplace Brook Side Ortigas EXT. cor. Sunset Dr. Brookside Subd. San Juan, Cainta
133. RP GAPAN - Robinsons Place Gapan, Pan-Philippine Highway, Brgy. Bayanihan, Gapan City, Nueva Ecija
134. SW AMIGO - Iznart St. Corner Delgado, Brgy Danao, Iloilo City

135. MP FESTIVE WALK - G/F, Festive Walk Annex Building Megaworld Blvd, Iloilo Business Park, Mandurriao, Iloilo City
136. SW SAN FERNANDO - Brgy. Maimpis, San Fernando, Pampanga
137. MINISTOP LOS BAÑOS JUNCTION - Lopez ave. Batong Malake Los Baños, Laguna
138. SW SAN PEDRO - National Highway, Brgy., Landayan, San Pedro, Laguna
139. SW LANCASTER - Lancaster Estate Lancaster Commercial Center Alapan II-B Imus City, Cavite

Legend:

MS – Ministop
MP – The Marketplace
RDS – Robinsons Department Store
RE – Robinsons Easymart
RSC – Robinsons Supermarket Corporation
SW – Shopwise
RP – Robinsons Place
URC – Universal Robina Corporation

(e) Status of Publicly Announced New Products and Services

Robinsons Bank introduced several products and services in 2022:

PRODUCTS AND SERVICES	DATE LAUNCHED
RBank Sign Up	April 24, 2020
QuickR	May 29, 2020
Sprout Solutions Partnership	July 10, 2020
SignUp Payroll	July 23, 2020
RRewards Savings Account	September 3, 2020
RBank Digital	September 25, 2020
Corporate ADA	November 11, 2020
Payday Money Market Fund	2021
Equity Index Feeder Fund	2021
Equity Opportunity Feeder Fund	2021
InstaBale	2021
PRU Life UK Mastercard	2021
RBank Remit	February 2021
Hongkong Dollar Savings	March 31, 2022
Instabale GoRewards	June 22, 2022
Payroll with Insurance	July 31, 2022
Bank Sponsorship	September 22, 2022
QR PH (Person to Merchant Send)	November 23, 2022
TD On-Demand	December 6, 2022

(f) Competition

The Philippine banking industry is a mature market that has, in recent years, been subject to consolidation and liberalization, including liberalization of foreign ownership restrictions. As of December 31, 2022, there are 45 universal and commercial (local and foreign) banks in the Philippines, according to the BSP. The Bank faces significant levels of competition amid a number of these Philippine banks and the presence of branches of international banks. These include, but are not limited to, banks with greater financial and capital resources, bigger market share, and larger brand recognition than the Bank.

Increased competition may arise from the following:

- other large Philippine banking and financial institutions with significant presence in Metro Manila and large country-wide branch networks;
- foreign banks, due to, among other things, relaxed foreign bank ownership standards permitting large foreign banks to expand their branch network through acquiring domestic banks;
- ability of the Bank's competitors to establish new branches in Metro Manila due to the removal of the existing new branch license restriction scheme in 2014;
- domestic banks entering into strategic alliances with foreign banks with significant financial and management resources;
- continued consolidation in the banking sector involving domestic and foreign banks, driven in part by the gradual removal of foreign ownership restrictions;
- the impact of financial technologies in developing and transforming banking products and services; and
- the entry of fintech companies offering financial services.

The Bank faces the challenges of such increased competition. In 2019, the Bank increased its equity by Php 3.0 billion in order to sustain the increasing size of its loan portfolio.

Per BSP data for the period 2017 to 2022, the ranking of the Bank in the last five years shows the competitive strength of Robinsons Bank against its peers.

The table below summarizes the Bank's ranking in the last five years in terms of total assets and total loans (net):

Year	Total Assets	Ranking
2017	105.1 billion	19th
2018	121.4 billion	18th
2019	128.1 billion	18th
2020	148.9 billion	18th
2021	176.9 billion	17th
2022	183.3 billion	16th

Total Loans (Net)	Ranking
58.6 billion	19th
67.7 billion	17th
79.7 billion	16th
87.7 billion	15th
109.7 billion	15th
110.7 billion	14th

(g) Transactions with and/or Dependence on Related Parties

Except those which were entered into in the ordinary course of business such as DOSRI loans and related party transactions (RPT), the Bank has no other transactions with and/or dependence on its related parties.

(h) Trademarks, License, Franchises, etc.

Except for software license agreements which it entered into in the ordinary course of business with some information technology companies, the Bank's business and operations are not dependent upon any patents, trademarks, copyrights, licenses, franchises, and royalty agreements.

In 2018 and 2019, the SEC approved the following business names and styles of the Bank, namely: RBank, RBC, Robinsons Bank, RobinsonsBank, Robinsons Bank Corp., RBank Corp., RBank Corporation, RobinsonsBankCorp., and Robinsons Commercial Bank.

The Bank was also able to cause the registration of the trade names of its new products before the Intellectual Property Office (IPO), namely:

Trade Name	Date of Registration	Terms
DIRECT2BANK	September 28, 2018	Ten years (until September 28, 2028)
SIMPLE SAVINGS	November 22, 2018	Ten years (until November 22, 2028)
IPONsurance	April 28, 2019	Ten years (until April 28, 2029)
KNOWLEDGE BANK	December 29, 2019	Ten years (until December 29, 2029)
my Wealth	October 18, 2020	Ten years (until October 18, 2030)
RBank instaBalé	June 13, 2022	Ten years (until June 13, 2032)
RBiz Digital	August 18, 2022	Ten years (until August 18, 2032)
QuickR	April 18, 2021	Ten years (until April 18, 2031)
IPONsurance	April 18, 2021	Ten years (until April 18, 2031)
Rbank Digital	July 02, 2021	Ten years (until July 02, 2031)
Rbank Sign Up	July 23, 2021	Ten years (until July 23, 2031)
Rbank Remit	July 23, 2021	Ten years (until July 23, 2031)
RBank Simple Pay	August 06, 2021	Ten years (until August 06, 2031)
Simple Pay by Robinsons Bank	August 06, 2021	Ten years (until August 06, 2031)
BusinessLinker	November 18, 2021	Ten years (until November 18, 2031)
Rwallet	November 22, 2021	Ten years (until November 22, 2031)
Rbank e-Ayuda	November 27, 2021	Ten years (until November 27, 2031)
RRewards Savings	December 27, 2021	Ten years (until December 27, 2031)
Simple Savings	January 10, 2022	Ten years (until January 10, 2032)
RBank Mo	February 07, 2022	Ten years (until February 07, 2032)
Rkansya	September 10, 2022	Ten years (until September 10, 2032)
RBank Instabale	November 3, 2022	Ten years (until November 3, 2032)
Robinsons Bank GO!Auto Loan	November 21, 2022	Ten years (until November 21, 2032)
Robinsons Bank GO!Housing Loan	November 21, 2022	Ten years (until November 21, 2032)
Robinsons Bank GO!Small Biz Loan	November 21, 2022	Ten years (until November 21, 2032)
Robinsons Bank GO!Consumer Loans	November 21, 2022	Ten years (until November 21, 2032)
Robinsons Bank GO!Motorsiklo Loan	November 21, 2022	Ten years (until November 21, 2032)
Robinsons Bank GO!Salary Loan	November 21, 2022	Ten years (until November 21, 2032)
Robinsons Bank GO!Peso Bonds	November 21, 2022	Ten years (until November 21, 2032)

IPONsurance	April 18, 2021	Ten years (until April 18, 2031)
Rbank Digital	July 02, 2021	Ten years (until July 02, 2031)

In 2022 & 2023, the Bank filed for registration of the trade names of the following new products before the Intellectual Property Office (IPO). Processing of registration is still pending with the IPO.

Trade Name	Date of filing
RBank	March 01, 2022
RBank Top Up Loan	March 14, 2022
Top Up Loan	March 14, 2022
DOS	February 17, 2023
UNO	February 17, 2023

(i) Sources and Availability of Raw Materials and the Names of Principal Suppliers

Not applicable.

(j) Disclosures on how Dependent the Issuer's Business is upon a Single Customer or a Few Customers

Not applicable. The Bank's business is not dependent upon a single or few customers.

(k) Need for any Government Approval of Principal Products or Services

The Bank is governed by the rules and regulations issued by the BSP and other government regulators. The Bank faithfully observes and complies with all government laws, rules and regulations that exist prior to the launch of any of its products or services.

(l) Effect of Existing or Probable Governmental Regulations on the Business

As a domestic commercial bank, the Bank is governed by the rules and regulations of the BSP and other government regulators. As such, the Bank ensures that its business operations comply with all applicable government laws, rules and regulations such as BSP mandate on financial inclusions, limits, circulars, Capital Adequacy Ratio, reserves, liquidity, AMLA, and other reportorial requirements.

(m) Amount Spent on Research and Development Activities

In 2022, the Bank had spent Php0.03 million on research and development activities.

(n) Cost and Effect of Compliance with Environmental Laws

Not applicable.

(o) Total Number of Employees

As of December 31, 2022, the Bank had 1,981 employees composed of 1069 officers and 912 staff, with 1,618 regular employees and 363 probationary employees. The Bank has no existing employees' union. It has also no collective bargaining agreement.

In addition to salary, the Bank gives its employees fringe benefits, consisting of 13th month pay, mid-year bonus, Christmas bonus, promotion and merit increases, group life insurance, group hospitalization, personal accident insurance, car plan, motorcycle plan, hazard pay, tellers allowance, communication allowance, gas/transportation allowance, out-of-station allowance, relocation allowance, salary loans, housing loan, vehicle loan, and various leaves (sick, vacation, maternity, paternity, solo parent, among others).

(p) Risk Management

Robinsons Bank aims to be one of the top banks in the Philippines, offering innovative and competitive financial products and services to its clients. The Bank's strategic risk management is guided by the Bank's Vision, Mission, Core Values, and planned objectives in the formulation of its business plans.

The Bank's Risk Management is headed by the Chief Risk Officer (CRO) and is responsible for oversight of enterprise risk management, risk governance and control, framework, policies and practices. The CRO is supported by a dedicated team of risk management professionals organized to oversee risks arising from each of the Bank's risk categories.

The Bank takes a comprehensive approach to Risk Management with a defined framework and an articulated Risk Appetite Statement, which are approved by the Risk Oversight Committee (ROC) and the Board of Directors (Board).

i. Market and Liquidity Risk

Market Risk is defined by the Bank as the risk to earnings or capital arising from changes in the value of traded portfolios of financial instruments. It is the exposure to the uncertain market value of a portfolio due to price fluctuations. The value of investments fluctuates over a given time period because of general market conditions, economic changes or the events that impact large portion of the market such as political events, natural calamities, and others. This risk arises from market-making, dealing, and position-trading and non-trading activities.

In managing Market Risk, the Bank considers the following factors in setting up the market limits: business prospects, present market conditions, expected returns and budget for the year, among others. It is the responsibility of the risk-taking personnel to request for or renew market risk limits. The limits are approved by the Board through the Risk Oversight Committee.

The Board approves a set of risk control limits that are intended to prevent over-trading, excessive concentration, and limit financial loss arising from the Bank's exposure to market risk.

Liquidity Risk, on the other hand, is defined by the Bank as the current and prospective risks to earnings or capital arising from the Bank's inability to meet its obligations when they become due without incurring unacceptable losses. It includes the inability to manage unplanned decreases or changes in funding sources. It also arises from the failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

The Bank's appetite for liquidity risk is measured through the limits set for each book/fund vehicle and for each liquidity target.

The Bank uses two approaches to liquidity measurement. The flow approach uses the maximum cumulative outflow (MCO) as a tool to measure liquidity gaps of maturing assets and liabilities. The stock approach is more traditional – it focuses on ratios, and generally stems from the assumption that past experience enables institutions to determine a ratio that would provide future liquidity.

The liquidity gap and balance sheet ratios are regularly measured, monitored and compared against their respective limits. These liquidity risk measures and other information on the liquidity position of the Bank are monitored weekly and reported to the ROC monthly and to the ALCO at least once a month.

ii. Credit Risk

Credit Risk is a probability of loss attributed to a counterparty's failure to meet the terms of any contract with the Bank or to perform otherwise as agreed. It arises once the funds of the Bank are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Note that credit risk is not limited to loan portfolio but also covers investment portfolio.

The Bank's credit risk policies intend to maximize the return on the risk-adjusted capital by maintaining a credit risk exposure within defined parameters for asset quality and portfolio mix. To determine the (credit) risk weights, the Bank uses the Standardized Approach under BSP Circular No. 538.

Credit Risk-Weighted Asset (CRWA) is an important risk measure of the Bank, as it is used primarily to determine the Bank's minimum capital requirement. The Bank's minimum capital requirement for credit risk is defined as 10% of the CRWA.

Pursuant to the Bank's policy, the credit ratings given by foreign and accredited local rating agencies were used to determine the credit risk weights of On-balance sheet, Off-balance sheet and counter party exposures.

For all rated credit exposures, regardless of currency, the Bank used the ratings of Standard & Poor's (S&P); Moody's, and Fitch Ratings. On the other hand, the credit rating given by Philippine Rating Services Corporation was used for Unquoted Debt Securities, certain Corporate Bonds, Peso-denominated exposures and loans to rated domestic private entities.

Given the implementation of a new accounting standard, the IFRS 9 - Financial Instruments, the Bank has developed its Expected Credit Loss (ECL) models. This is to allow the determination of loan loss provisioning based on a forward-looking approach. Corporate and Commercial loans, and Motorcycle loans, which cover a significant portion of the total loan portfolio, use sophisticated ECL models. The remaining portfolios, on the other hand, use simplified ECL models.

The Bank neither uses credit derivatives as credit risk mitigants, nor provides credit protection through credit derivatives. The Bank has no outstanding exposure to securitization structures and other types of structured products issued or purchased by the Bank.

iii. Operational and IT Risk

The Bank adopts the definition of BSP Circular 900 or Guidelines on Operational Risk Management, to wit; "Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems; or from external events. This includes legal risk, but excludes strategic and reputational risks."

The Bank further acknowledges that "operational risk is inherent in all activities, products, and services, and cuts across multiple activities and business lines within the financial institution and across the different entities in a banking group or conglomerate where the financial institution belongs."

The Bank has put in place different levels of control measures to address the operational risks on different phases. These controls are classified based on function as follows: directive, preventive, detective, and corrective. Identified controls are being assessed based on its effectiveness to mitigate a risk. Control effectiveness shall be evaluated based on two (2) factors:

- Control Design – Considers how well the control is designed or should work in theory if applied as intended.
- Control Performance – Considers the way in which the control is implemented or operated in practice.

The Bank adopts the Three Lines of Defense framework in managing operational risk. The framework is enumerated below:

First Line of Defense: Business and Service Units take ownership of the risk by identifying, assessing and managing the risks from the new activities, processes, products and systems they do and use.

Second Line of Defense: Operational and Information Technology Risk Management (OITRM) under Enterprise Risk Management Group, provides the tools and the consistency in risk management language such as results of internal/external audit and supervisory issues raised in the BSP Report of Examination (ROE), Risk & Control Self-Assessment (RCSA), Key Risk Indicators (KRI), Loss Events Database (LED) and Analysis, Business Impact Analysis (BIA) and Information Asset Inventory.

Guided by the Bank's policies and procedures, rules and regulations and with the aid of Technology and Systems as well as promotion of Risk awareness and establishment of culture and ethics, ORM and ITRM assist business units in defining the target risk exposure and reporting adequate risk-related information throughout the organization.

Third Line of Defense: Internal Audit provides comprehensive assurance based on the highest level of independence and objectivity within the organization. Risk Management liaises with Internal Audit, through latter's reports, to perform validation, and development of accurate assessment and analysis of events, incidents and indicators.

IT Risk is defined as any potential adverse outcome, damage, loss, violation, failure, or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.

IT Risk Management System enables the identification, measurement, monitoring and controlling IT-related risks covering at least the following areas:

1. Information Security
2. Project Management/Development and Acquisition
3. Change Management
4. IT Operations
5. IT Outsourcing/Vendor Management
6. Electronic Products and Services

The goal of IT Risk Management is to help the Bank accomplish its business objectives by better securing the information and information systems that store, process, or transmit

Bank information.

With the emergence of new and breakthrough technologies, there are pressing needs to address the increasing risk of Cyber threats and/or Cyber-attacks. A Cybersecurity Framework and Roadmap were developed to protect the Bank's critical infrastructure against these risks, as well as to promote awareness, research, and provision of technical security measures. The framework is composed of the following cycles:

- Identify – Develop the organizational understanding to manage risk to systems, assets, data, and capabilities;
- Protect – Develop and implement the appropriate safeguards to ensure delivery of critical infrastructure services;
- Detect – Develop and implement the appropriate activities to identify the occurrence of an event;
- Respond – Develop and implement the appropriate activities to take action regarding a detected event; and
- Recover – Develop and implement the appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to event.

(q) Additional Requirements as to Certain Issues or Issuers

i. Debt Issues

As previously stated, on June 16, 2017, Robinsons Bank Corporation ("Bank") issued exempt securities in the form of Long-Term Negotiable Certificates of Deposits (LTNCDs) amounting to Php4,182,320,000.00 (already redeemed). The following year, on July 16, 2018, the Bank issued another tranche of LTNCDS in the aggregate amount of Php1,781,750,000.00 (still outstanding). On August 13, 2019, the Bank also issued a 5.125% Peso-denominated Fixed Rate Bonds for the principal amount of Php5,000,000,000.00 (already redeemed). Later, on November 14, 2019, the Bank again issued a 4.300% Peso-denominated Fixed Rate Bonds covering the principal amount of Php5,000,000,000.00 (already redeemed). All issues (LTNCDs and Bonds) were listed with Philippine Dealing & Exchange Corp. (PDEx). To date, the outstanding debts registered with PDEX are the LTNCDs in the amount of Php 1,781,750,000.00, which is due for redemption on January 2024.

The LTNCDs and Bonds issued by the Bank were exempt securities pursuant to Section 9 (e) of the SRC.

ii. Investment Company Securities

Not applicable.

Item 2. Properties

(a) Principal Properties Owned

i. Bank-owned Properties – Metro Manila

As of December 31, 2022, the Bank owns the following properties:

- A commercial condominium unit located at 17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City; and

There are no mortgages, liens, encumbrances or any limitations on the Bank's ownership of the foregoing properties.

ii. Leased Properties (Offices, Facilities, and Branches) - Metro Manila & Provincial

As of December 31, 2022, the Bank leases the following properties:

a. Offices

OFFICE	LOCATION	TERM	MONTHLY RENTAL (in Php)	EXPIRY DATE
Robinsons Bank Corp. Basement 1	Robinsons Galleria, EDSA Corner Ortigas Avenue, Quezon City	5 years	197,430.28	31-Oct-26
Robinsons Bank Corp. 27th-30th	Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City	5 years	1,727,534.59	31-Aug-25
Robinsons Bank Corp. 26th	Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City	5 years	648,735.69	31-Aug-25
Robinsons Bank Corp. 16th	Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City	5 years	139,186.66	31-Aug-25
Robinsons Bank Corp. 24thR.E.T. office	Robinsons Equitable Tower, ADB Ave. cor, P. Poveda Road, Ortigas Center, Pasig, 1605 Metro Manila	5 years	1,536,112.23	15-Dec-23
Robinsons Bank Corp. – 6F GCC	6F Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City	5 years	283,293.66	15-Oct-23
Robinsons Bank Corp. – 5F GCC	Unit 501 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City	5 years	125,308.65	30-Jun-24
Robinsons Bank - Mailing Center	Robinsons Galleria, EDSA Corner Ortigas Avenue, Quezon City	3 years	26,285.95	31-Jan-23

b. Facilities

Facilities	LOCATION	TERM	MONTHLY RENTAL (in Php)	EXPIRY DATE
Warehouse – Pasig City	No. 5 Mahogany St., Octagon Village, Brgy. Dela Paz, Pasig City	3 years	388,806.21	15-Jun-23
Parking Space – Basement 4 Cyberscape Beta	Cyberscape Beta, No. 10 Ruby Road, Ortigas Center, Pasig City	3 years	135,081.41	15-Mar-24
Parking Space – Robinsons Equitable Tower	Robinsons Equitable Tower, ADB Avenue corner Poveda Road, Ortigas Center, Pasig City	3 years	14,294.36	31-May-25
Parking Space – Robinsons Equitable Tower (addtl)	Robinsons Equitable Tower, ADB Avenue corner Poveda Road, Ortigas Center, Pasig City	3 years	14,294.36	31-May-25

Signage – GCC Roofdeck	31F Galleria Corporate Center EDSA corner Ortigas Avenue, Quezon City	1 year	214,415.31	01-Nov-23
Signage – GCC Drop-off	Level 1 Galleria Corporate Center EDSA corner Ortigas Avenue, Quezon City	5 years	11,200.00	30-Jun-23
Warehouse - Balagtas	First Balagtas Industrial Complex, Barangay PulongGubat, Balagtas, Bulacan	3 years	140,000.00	15-Jun-25
Warehouse – Calamba	Barangay Parian, Calamba, Laguna	5 years	126,000.00	14-Jan-28
TIM DR – Data Center	Carmona City, Cavite	2 years	713,440.00	31-Mar-23
Warehouse – San Fernando	Barangay Panipuan, City of San Fernando Pampanga	3 years	133,740.97	26-Oct-25
Warehouse – Passi, Iloilo	Simeon Aguilar St., Passi City, Iloilo	1 year	5,000.00	15-Jul-23
Warehouse - Amang Rodriguez, Manggahan, Pasig City	#269 Amang Rodriguez Ave. Brgy. Manggahan, Pasig City	1 year	90,000.00	31-Oct-23

c. Branches

BRANCH NAME	ADDRESS	TERM	MONTHLY RENTAL (in Php, VAT Inc.)	EXPIRY DATE
Acacia Lane - Shaw Boulevard	G/F Padilla Bldg. 333 Shaw Boulevard, Brgy. Bagong Silang, Mandaluyong City	5 Years	232,552.32	28-Feb-25
Adriatico	G/F Robinsons Place Manila, Adriatico Street, Ermita, Manila City	5 Years	518,440.61	30-Nov-23
Alabang	G/F Unit 4, El Molito Commercial Complex, Madrigal Avenue cor Alabang-Zapote Road, Alabang, Muntinlupa City	3 Years	200,923.77	28-Jun-25
Amorsolo	G/F Don Pablo Building, 114 Amorsolo Street, Legaspi Village, Makati City	5 Years	240,786.00	16-Apr-25
Angeles	Level 1 Robinsons Place Angeles, McArthur Highway, Balibago, Angeles City, Pampanga	5 Years	133,946.40	31-Mar-25
Antipolo	Basement 002, Robinsons Place Antipolo, Sumulong Hi-way/Circumference Avenue, Brgy. Dela Paz, Antipolo City	5 Years	58,240.00	30-Apr-27
Antique	Level 1-116, 117 & 118 Robinsons Place Antique, Brgy. Maybato, San Jose de Buenavista, Antique	5 Years	116,242.56	31-Jul-25
Asuncion - Binondo	G/F Don Norberto & Doña Salustiana Ty Building, #403 Asuncion Street corner San Nicolas Street, Binondo, Manila	5 Years	121,624.13	31-May-24
Ayala	6780 G/F JAKA 1 Building, Ayala Avenue, Makati City	1 Year	327,971.11	30-Jun-23
Ayala - Rufino	G/F Keyland Building, 6797 Ayala Avenue corner V. A. Rufino St., Makati City	5 Years	307,637.43	30-Jun-26
Bacolod	Level 1 C2002, The Central Citywalk, Robinsons Place Bacolod, Lacson Street, Mandalagan, Bacolod City, Negros Occidental	5 Years	192,817.86	30-Jun-24
Bacolod - Capitol Shopping Center	R. PERFORMANCE Building A 62-64 Narra Avenue, Capitol Shopping Center, Bacolod City	5 Years	102,102.53	13-Sep-23
Bacoor	Units 1 & 2, Apollo Mart Building, #369 Gen. Aguinaldo Highway, Talaba 4, Bacoor, Cavite	5 Years	77,792.40	31-Dec-26

Bacoor - Molino Blvd.	G/F Main Square Bacoor, Molino Boulevard, Bacoor City, Cavite	5 Years	92,985.55	31-Jul-24
Baguio	G/F, ECCO/EDGARDOMCO REALTY CORP. Bldg., #43 Assumption Road, Baguio City	2 Years	220,633.35	30-Jun-24
Bais	Corner Quezon and Burgos Streets, Bais City, Negros Oriental	5 Years	54,454.68	14-Aug-23
Balagtas	G/F 103-1 Balagtas Town Center, McArthur Highway, Borol 1st, Balagtas, Bulacan	5 Years	110,624.64	31-Jul-25
Balanga	G/F, R & R Building, Don Manuel Banzon Avenue, Doña Francisca, Balanga City, Bataan	5 Years	103,146.09	30-Apr-27
Balayan	G/F Stalls Numbers 2, 3 & 4 Balayan Public Market, Plaza Mabini Street, Balayan Batangas	10 Years	84,672.00	15-Apr-27
Banawe	Store No. 2, LI Commercial Building, Lot 5 Block 240, Banawe Street, Brgy. Tatalon, Quezon City	5 Years	225,136.07	15-Mar-25
Batangas City	G/F Odeste Building, P. Burgos St., Brgy. 15, Batangas City	5 Years	91,111.59	15-Oct-21
Bayawan	Shop 3, Bollos Street corner National Highway, Brgy. Poblacion, Bayawan City, Negros Oriental	5 Years	105,840.00	30-Sep-26
Better Living	G/F Triple M Commercial Building, Doña Soledad Avenue corner Australia Street, Better Living Subd, Parañaque City	5 Years	140,736.49	31-May-23
BGC - Burgos Circle	G/F Unit B, The Cresent Park Residences, 30th Street corner 2nd Avenue, Bonifacio Global City, Taguig City	5 Years	222,644.80	31-Dec-25
BGC - Rizal Drive	G/F UDENNA tower, Rizal Drive corner 4th Avenue, Bonifacio South District, Bonifacio Global City, Taguig City	5 Years	321,764.80	31-Jul-24
BGC 32nd Street	One World Place, 32nd Street, Bonifacio Global City, Taguig City	5 Years	461,815.20	15-Sep-25
BGC 34th Street	Shop 1 Panorama Tower, 34th Street corner Lane A, Bonifacio Global City, Taguig City	5 Years	493,336.01	30-Jun-25
Binondo	GF01 MZ01 Pacific Centre Building, 460 Quintin Paredes corner Sabino Padilla Street, Binondo, Manila	5 Years	324,009.12	31-Jan-24
Bonifacio Global City	Ground Level, Market Market Mall, Bonifacio Global City, Taguig City	1 Year	281,563.80	31-Dec-22
Bridgetowne - C5	G/F Tera Tower, Ortigas Avenue Extension corner C5, Quezon City	5 Years	226,483.86	30-Jun-25
Butuan	Level 1 - 01160, Robinsons Place Butuan, Km. 3 J.C Aquino Avenue, Brgy Libertad, Butuan City, Agusan del Norte	5 Years	142,819.71	31-Jan-24
Cabanatuan	G/F Franklin de Guzman Building, Km. 114 Maharlika Highway, Barangay Zulueta, Cabanatuan City, Nueva Ecija	5 Years	105,840.00	30-Apr-26
Cagayan De Oro	Level 1 Robinsons Supercenter, Rosario Street, Lim Ket Kai Drive, Lapasan, Cagayan De Oro City	5 Years	182,866.95	31-Jul-25
Cainta	G/F Gusali 888 Building, Ortigas Avenue Extension, Cainta, Rizal	5 Years	108,008.11	15-Apr-24
Calamba	G/F FP Perez Building, National Highway, Parian, Calamba City, Laguna	5 Years	134,400.00	31-Dec-26
Calapan	G/F Neo Calapan Mall, LS 008, Roxas Drive, Barangay Sto. Niño, Calapan, Oriental Mindoro	5 Years	125,245.77	31-Jan-23
Calasiao	Level 1 - 01134, Robinsons Place Pangasinan, Mac Arthur Highway, Brgy. San Miguel, Calasiao, Pangasinan	5 Years	135,794.23	29-Feb-24
Caloocan	G/F Dona Lolita Bldg., 363 Rizal Avenue Extension, Caloocan City	5 Years	169,860.66	28-Feb-23

CDO-Divisoria	G/F Pelaez Commercial Arcade 1 corner Tiano Bros. and Cruz Taal Streets, Divisoria, Cagayan De Oro City, Misamis Oriental	5 Years	129,508.71	14-Nov-26
Cebu - Banilad	South Arcade 102, Banilad Town Centre, Gov. M. Cuenco Avenue, Banilad, Cebu City	5 Years	87,537.87	31-Jan-23
Cebu Business Park	Retails 1, 2 and 3 Ground Floor, Latitude Corporate Center, Mindanao Avenue, Cebu Business Park, Cebu City	5 Years	502,742.24	15-Mar-26
Cebu IT Park	G/F Park Centrale Tower, Jose Maria Del Mar Street, Cebu IT Park, ApasLahug, Cebu City	5 Years	146,115.20	15-Mar-26
Cebu Mandaue	G/F CotiaokingBldg, North Road, Tabok, Mandaue City, Cebu	5 Years	54,191.91	31-Jan-24
Cebu Osmena	2nd Level Robinsons Place Cebu, Fuente Osmeña Avenue, Cebu City	5 Years	123,758.95	30-Jun-22
Cebu, Garcia - Llorente	G/F Robinsons Cybergate, Don Gil Garcia corner J. Llorente Street, Capitol Site, Cebu City	5 Years	95,997.72	29-Feb-24
Cebu-Galleria	B101 Robinsons Galleria Cebu, Maxilom-Osmeña Boulevard, 13th Avenue & Benedicto Street, North Reclamation Area, Cebu City	5 Years	170,065.10	31-Mar-26
Chino Roces Avenue Extension	G/F 2308 Natividad Building, Chino Roces Avenue Extension, Makati City	5 Years	153,446.19	31-Jul-23
Clark Global City	Two West Aeropark, Gatwick Gateway, Clark Global City, Clark Freeport Zone, Mabalacat, Pampanga	5 Years	80,314.92	16-Feb-25
Cubao-P. Tuazon	G/F & Mezzanine, Genato Building, 250 P. Tuazon Cor. 15th Avenue, Cubao, Quezon City	5 Years	188,160.00	14-Sep-25
D. Guevara Mandaluyong	G/F RL Building, 50 D. Guevara Street, Mandaluyong City	5 Years	116,907.68	31-May-23
Dagupan	Guanzon Building, Perez Blvd, Dagupan City, Pangasinan	2 Years	121,125.80	31-Dec-22
Dasmariñas	Level 1 01302 Robinsons Place Dasmariñas, E. Aguinaldo Hi-way corner Governor's Drive, Pala-Pala, Dasmariñas, Cavite	5 Years	179,531.84	30-Nov-26
Davao	Door 1 & 2, Edward V. A. Lim Building, Sta. Ana Avenue, Davao City	5 Years	134,166.84	30-Nov-25
Davao - Buhangin	G/F Gaisano Grand City Gate Davao, Tigatto Road corner Cabantian Road, Brgy. Buhangin, Davao City	5 Years	93,350.88	30-Nov-23
Davao Cybergate	Level 1, Unit 109, Robinsons Cybergate Davao, J.P Laurel Ave, Davao City	5 Years	144,086.34	7-May-26
Davao-Monteverde	HAW Building, T. Monteverde Avenue, Davao City	5 Years	184,039.81	30-Nov-26
Del Monte	G/F EWELL Square Bldg., Del Monte Ave corner Biak-na-Bato, Quezon City	5 Years	204,527.09	30-Sep-26
Dolores - SFDO	Franda Building, McArthur Highway, Barrio Dolores, City of San Fernando, Pampanga	5 Years	195,639.60	20-Jun-26
Domestic Road	G/F Cebu Pacific Airline Operations Center Building, Domestic Road, Pasay City	3 Years	88,453.12	31-Jul-25
Dumaguete	Stall AF 25-27 Robinsons Dumaguete, Dumaguete South Road corner Perdices Street, Dumaguete City, Negros Oriental	2 Years	148,539.08	31-May-23
E. Rodriguez Sr. Ave	G/F JCA Building, No. 1166 E. Rodriguez Sr. Avenue, New Manila, Quezon City	5 Years	200,822.05	15-Jun-23
Eastwood City	G/F IBM Plaza Building, Eastwood City, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City	5 Years	506,094.57	31-Jan-26
EDSA Caloocan	G/F Insular Life Building, 462 EDSA near corner Boni Serrano Street, Caloocan City.	5 Years	120,898.23	16-Apr-27

Ermita	Level 1 Padre Faura Wing, Robinsons Place Ermita, Ermita, Manila	5 Years	195,981.71	31-May-24
Filinvest-Alabang	Unit 104, Civic Place Condominium, 2301 Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City	5 Years	60,292.11	30-Nov-26
Galleria South	L2, Robinsons Galleria South, Manila South Road, Nueva, San Pedro, Laguna	5 Years	208,813.92	31-Jul-24
General Santos	Robinsons Place General Santos, cor. J. Catolico Ave. and Bula-Lagao Rd., General Santos City	3 Years	86,233.49	31-Dec-24
General Trias	Level 1 - 155 & 156 Robinsons Place General Trias Mall, Antero Soriano, EPZA-Bacao Diversion Road, Brgy. Tejero, General Trias, Cavite	5 Years	195,872.19	31-Mar-26
Iligan	Level 1 L1 136 & 137 Robinsons Place Iligan, Barangay Tubod, Iligan City, Lanao Del Norte	5 Years	91,392.00	31-Jul-22
Ilocos Norte	Level 2, Robinsons Place San Nicolas, Barangay 1, San Nicolas, Ilocos Norte	5 Years	187,068.52	28-Feb-26
Iloilo	Unit 189-190, G/F Robinsons Place Iloilo, Corner Mabini-Del Leon Streets, Iloilo City, Iloilo	5 Years	196,421.57	31-Mar-24
Imus	G/F Robinsons Place Imus, Emilio Aguinaldo Highway, Imus, Cavite City	5 Years	260,900.64	31-Dec-23
Jaro	Level 1 – Unit G-17 B, Robinsons Place Jaro, E. Lopez Street, Brgy. San Vicente, Jaro, Iloilo	5 Years	157,934.90	30-Sep-26
JP Rizal St. - Makati	Shop 1 & 2, MRJ Corporate Center, # 954 J.P. Rizal corner P. Gomez Street, Poblacion, Makati	5 Years	226,116.58	30-Sep-25
Kabankalan	G/F NZ Business Center (NZBC) Building, JY Perez Highway, Kabankalan City, Negros Occidental	5 Years	48,617.80	30-Aug-23
Katipunan	G/F Torres Building, 321 Katipunan Avenue, Loyola Heights, Quezon City	5 Years	174,254.98	30-Sep-26
La Carlota City	Yunque corner Valois Street, Barangay II, La Carlota City, Negros Occidental	5 Years	61,739.01	12-Jun-26
La Union	Level 2, Robinsons Place La Union, National Highway, Brgy. Sevilla, San Fernando, La Union	5 Years	97,940.75	30-Apr-26
Las Piñas	G86-G87 Robinsons Place Las Piñas, 345 Alabang-Zapote Road, Barangay Talon, Las Piñas City	5 Years	152,036.02	31-Mar-25
Las Piñas - Daang Hari	Southbend Building, Versailles Subdivision, Daang Hari, Brgy. Almanza Dos, Las Piñas City	5 Years	125,883.67	14-Mar-24
Las Piñas - Pamplona	G/F South Park Highs, 262 Alabang-Zapote Road, Pamplona, Las Piñas City	5 Years	154,593.42	31-Dec-25
Legazpi City	G/F, Yuzon Commercial Building, Quezon Avenue, Legazpi City, Albay	5 Years	156,094.77	9/30/2025
Legazpi Street, Makati	G/F, Office 1, Man Tower Legazpi Building, 153 Legazpi Street, Legazpi Village, Makati City	5 Years	209,650.52	28-Oct-23
Lipa	G/F Robinsons Place Lipa, Expansion Wing, J.P. Laurel Highway, MataasnaLupa, Lipa City, Batangas	5 Years	207,486.32	31-Jan-25
Los Baños	G/F LBDHMC Medical Arts III Building, Lopez Avenue, BatongMalake, Los Baños, Laguna	5 Years	123,631.57	31-Jul-23
Lucena	G/F AZDEMARK Building, 11 Quezon Avenue, Lucena City	2 Years	97,149.17	30-Sep-22
Luisita Tarlac	Unit 102 Robinsons Luisita, McArthur Highway, San Miguel, Tarlac City	5 Years	74,343.43	31-Oct-23
Maginhawa St.	Stalls A & B #143 Maginhawa Street, Barangay Teachers Village, Quezon City	5 Years	141,228.21	1-Nov-26

Magnolia Town Center	LGF - LG026 Robinsons Magnolia Town Center, Aurora Blvd. cor Dona Hemady and N. Domingo Streets, New Manila, Quezon City	5 Years	246,693.89	31-Aug-24
Main Office Branch	G/F Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City	5 Years	501,630.55	31-Dec-23
Makati - Evangelista	G/F #1861 Evangelista Street, Brgy. Pio Del Pilar, Makati City	3 Years	80,752.00	10-Jan-25
Malabon	Level 1 – 01127, Robinsons Town Mall Malabon, #5 Governor Pascual Avenue corner Crispin Street, Tinajeros, Malabon City	5 Years	186,160.80	31-Jan-24
Malolos	Level 1 – 01123 Robinsons Place Malolos, Mc Arthur Highway, Barangay Mabolo, Malolos, Bulacan	5 Years	221,785.54	31-Jan-24
Marikina	VC Chan Bldg. No. 8 Bayan-Bayanan Avenue, Concepcion Uno, Marikina City	5 Years	113,701.37	31-Oct-21
McKinley West	Lower G/F Cyber Sigma, Lawton Avenue, Bonifacio South, Taguig City	5 Years	161,154.01	1-Jul-27
Meralco Avenue	G01 & G02, Robins Design Center, 31 Meralco Avenue, Ortigas, Pasig City	2 Years	287,945.54	15-Jun-22
Meycauayan	G/F Sterling Square, Sterling Industrial Park, Brgy. Iba, Meycauayan City, Bulacan	10 Years	91,869.12	30-Sep-29
MOA Complex	Unit 101, Tower 1 Oceanaire Residences, Sunshine Drive corner Road 23, Coral Way, MOA Complex, Pasay City	2 Years	197,285.76	31-May-24
Muntinlupa Bayan	G/F Joval 1 Bldg. #52 National Highway Putatan, Muntinlupa City	5 Years	106,921.75	16-May-27
N.S. Amoranto Sr. Avenue	G/F Unit 102 "R" Place Building, #255 N.S. Amoranto Sr. Avenue, Quezon City	5 Years	84,707.41	31-Mar-23
Naga	G/F Crown Hotel Building, Peña Francia Avenue, Naga City	5 Years	157,997.19	30-Nov-25
Ninoy Aquino Avenue	G/F, Rooms 2 & 3, Sky Freight Building, Sky Freight Center, Ninoy Aquino Avenue, Parañaque City	5 Years	260,032.17	15-May-24
Novaliches	Level 1 - ERS1-016, Robinsons Novaliches, Barangay Pasong Putik, Quirino Highway, Novaliches, Quezon City	5 Years	181,854.62	31-Aug-26
Olongapo	G/F 1370 Rizal Avenue Extension, East Tapinac, Olongapo City, Zambales	2 Years	117,184.48	14-Nov-24
Ormoc	Robinsons Place Ormoc, Palo Carigara, Ormoc City Road, Brgy. Cogon, Ormoc City, Leyte	5 Years	89,372.64	30-Apr-23
Ortigas Greenhills	G/F Limketkai Building, Ortigas Avenue corner Roosevelt Street, Brgy. Greenhills, San Juan City	5 Years	157,137.12	14-Mar-25
Palawan	Unit 220-222, 2/F, Robinsons Place Palawan Mall, Puerto Princesa City, Palawan	5 Years	203,825.66	31-May-24
Pasay - Libertad	G/F Cementina Corporation Building, 160 A. Arnaiz Avenue corner Cuenca Street, Pasay City	5 Years	122,520.56	15-Jun-25
Pasig	L/G Robinsons Metro East, Marcos Highway, Barangay De la Paz, Pasig City	4 Years	302,602.61	30-Jan-24
Paso De Blas	491 ESA Building, Paso De Blas Road, Brgy. Paso De Blas, Valenzuela City	5 Years	106,186.63	15-Mar-23
Passi	Units G5-G6, Ground Floor, Gaisano Capital - Passi, Simeon Aguilar Street, Passi City, Iloilo	5 Years	67,318.97	17-Dec-26
Pavia	G/F Robinsons Place Pavia, Vice President Fernando Lopez Ave., Pavia, Iloilo City	5 Years	74,614.18	30-Jun-23
Pioneer Cybergate	Upper G/F, Robinsons Pioneer Cybergate Center 1, Pioneer Street, Mandaluyong City	3 Years	169,596.50	30-Jun-24

Quezon Avenue	G/F Q.C Avenue Mall, Quezon Avenue cor. Scout Borromeo St., South Triangle, Quezon City	5 Years	138,859.44	27-Dec-22
Regalado	RS137-05 Robinsons Townville Regalado Fairview, Quezon City	5 Years	142,943.92	28-Feb-26
Robinsons North Tacloban	G/F Robinsons North Tacloban, Brgy. Abucay, Tacloban City	5 Years	92,054.59	31-Dec-22
Robinsons Place Naga	Level 1 Unit 101 Robinsons Place Naga, Roxas Avenue corner Almeda Highway, Brgy. Triangulo, Naga City, Camarines Sur	5 Years	94,342.08	31-Aug-27
Robinsons Place Tuguegarao	G/F Robinsons Place Tuguegarao, Brgy. Tanza, Tuguegarao City, Cagayan	5 Years	110,582.30	25-Jul-23
Roosevelt Avenue	G/F MCCM Bldg. 311 Roosevelt Avenue, Quezon City	5 Years	149,715.48	28-Feb-23
Roxas	Level 1-1133B, Robinsons Place Roxas, Pueblo de Panay, Barangay Lawa-an, Roxas City, Capiz	5 Years	183,846.77	29-Feb-24
Samson Road	G/F Units 3, 4 & 5 Samson Square Bldg, Samson Road corner Dagohoy Street, Caloocan City	5 Years	124,836.57	30-Nov-26
San Fernando	Level I Robinsons Starmills, Candaba Gate, Olongapo-Gapan Road, San Jose, San Fernando City, Pampanga	5 Years	132,740.72	31-Jan-23
San Jose City	Belena Building, San Jose-Carmen Road (Romano St. corner Bonifacio St.), Brgy. Rafael Rueda, San Jose City, Nueva Ecija	5 Years	93,350.88	1-Apr-23
San Jose Del Monte	Quirino Highway, Tungkong Mangga, San Jose Del Monte City, Bulacan	5 Years	120,344.84	22-Apr-23
San Miguel	G/F Octagon Building, San Miguel Avenue, Ortigas Center, Pasig City	7 Years	394,046.46	31-Aug-25
San Pablo	G/F Estrellado Building, Paulino Street, San Pablo City, Laguna	5 Years	132,380.01	31-Oct-24
San Pedro	G/F Space 102, ETG Business Center, A. Mabini Street, Barangay Poblacion, San Pedro City, Laguna	10 Years	70,560.00	15-Nov-26
Santiago	Level 1-01103, Robinsons Place Santiago, Barangay Mabini, Santiago City, Isabela	5 Years	165,016.05	29-Feb-24
Santolan - Pasig	G/F AD Center Square, Amang Rodriguez corner Evangelista Street, Santolan, Pasig City	5 Years	136,814.73	15-Mar-24
Sedeño Salcedo Village	G/F, Unit G-104, 88 Corporate Center, #141 Sedeño corner Valero Street, Salcedo Village, Makati City	5 Years	374,776.60	15-Aug-23
Sen. Gil Puyat Ave.	G/F New Solid Realty Inc. Building, 357 Sen. Gil Puyat Avenue, Makati City	5 Years	226,220.90	14-Aug-26
Shaw Boulevard	G/F Pelbel Building I, #2019 Shaw Boulevard, Pasig City	5 Years	152,947.87	31-Jul-23
Soler	G/F Filamco Building, #1220-1222, Soler corner Masangkay Streets, Binondo, Manila	2 Years	245,564.91	30-Nov-23
Sta Rosa	Level 1 Robinsons Sta. Rosa Market, Old National Highway, Bo. Tagapo, Sta. Rosa City, Laguna	5 Years	167,960.24	30-Apr-25
Sta. Rosa Estates 2	Sta. Rosa-Tagaytay Road, Sta. Rosa City, Laguna	8 Years	204,873.82	1-Oct-22
Sto. Tomas	GF Unit 3, Sierra Makiling Commercial Complex, Maharlika Highway, Brgy. San Antonio, Sto. Tomas, Batangas	1 Year	90,757.80	14-Nov-23
Sucat	Units B13 & B17, JAKA Plaza Mall, Dr. A. Santos Avenue, Parañaque City	5 Years	190,671.87	14-Dec-23
Sumulong - Antipolo	G/F Xentro Mall Antipolo, Mambugan, Antipolo City	5 Years	84,646.72	31-Jan-26
Tacloban	Robinsons Place Tacloban, Level 1-00103, National Highway, Tabuan, Marasbaras, Tacloban City	5 Years	162,449.28	31-May-26

Tagaytay	Space 2-00210, Robinsons Tagaytay, National Road, Barrio Maharlika, Tagaytay City	5 Years	100,245.60	31-Jul-25
Tagbilaran	G/F Castelcelo Building 1, C. Gallares Street corner J. S. Torralba Street, Poblacion II, Tagbilaran City, Bohol	5 Years	142,354.00	30-Sep-24
Tagum	Level 1 – Unit 167 Robinsons Place Tagum, National Highway, Brgy. Visayan Village, Tagum, Davao del Norte	5 Years	110,194.56	30-Apr-26
Taytay	Red Ribbon Uptown Building, Manila East Road, Barangay San Juan, Taytay, Rizal	4 Years	116,169.98	15-Jun-23
Tomas Morato	JSB Building, Tomas Morato Avenue corner Scout Delgado Street, Quezon City	10 Years	251,140.36	31-May-23
Tuguegarao	G/F, Lui Building, Bonifacio Street, Centro 04, Tuguegarao City, Cagayan Valley	5 Years	173,954.26	28-Feb-25
Urdaneta	G/F S-Plaza Building, McArthur Highway, Urdaneta, Pangasinan	5 Years	123,420.28	14-Sep-26
Valencia City	G/F Robinsons Place Valencia, Valencia City, Bukidnon	5 Years	135,329.15	31-Dec-23
Valenzuela	Unit A South Supermarket, McArthur Highway, Karuhatan, Valenzuela City	1 Year	113,489.79	14-Nov-23
Vigan	LS1-08-2, Xentro Mall Vigan, Quezon Avenue, Brgy. III, Vigan City, Ilocos Sur	5 Years	140,493.08	31-Oct-22
Visayas Avenue	G/F M & L Building, Visayas Avenue corner Road 1, Quezon City	5 Years	215,117.50	31-Jan-24
West Avenue	G/F Prosperity West Center Building, 92 A West Avenue, Quezon City	5 Years	152,473.10	28-Feb-23
White Plains	Francisco Santos Building, 138 Katipunan Avenue, Barangay Saint Ignatius, Quezon City	5 Years	154,379.02	1-May-25
Wilson St. - Greenhills	G/F, Wilson Corporate Center, Wilson Street, Greenhills, San Juan City	5 Years	263,844.00	31-May-25
Zamboanga City	G/F The Grand Astoria Hotel, Mayor Jaldon Street, Zamboanga City	5 Years	135,387.84	30-Nov-23

All lease contracts have renewal options upon their termination under terms and conditions mutually acceptable to the Bank and the lessors. All monthly rentals are inclusive of VAT.

d. Robinsons Bank Branch-Lite Units

BRANCH NAME	ADDRESS	TERM	MONTHLY RENTAL (in Php, VAT Inc.)	EXPIRY DATE
Annapolis	The Meridien Condominium, 29 Annapolis Street, Greenhills, San Juan City	5 Years	162,993.60	31-Oct-24
BF Homes Parañaque	180 J. Elizalde corner Concha Cruz Drive, BF Homes Executive Village, Parañaque City	5 Years	105,840.00	14-Apr-25
Galleria	Basement 1, Robinsons Galleria, EDSA corner Ortigas Avenue, Quezon City	5 Years	113,317.68	31-Oct-26
Gamma	G/F Cyberscape Gamma, Ruby Street, Ortigas Center, Brgy. San Antonio, Pasig City	5 Years	206,201.72	14-Mar-24
Lipa - J.P. Laurel	G/F Mhikai Building 1, J.P. Laurel Highway, Marawoy, Lipa City Batangas	5 Years	51,861.60	31-May-23
N. Domingo	#135 N. Domingo St., Barangay Balong-Bato, San Juan City	5 Years	111,720.00	30-Sep-25

Pasig - C. Raymundo	G/F Marius Arcadia Building, C. Raymundo Avenue corner Pag-Asa Street, Pasig City	5 Years	107,965.20	31-Dec-22

iii. LSB-owned Properties – Provincial Branches

As of December 31, 2022, the following properties are LSB-owned:

a. Legazpi Branch

Corner, Rizal and Mabini Sts., Dinagaan, Legazpi City 100 and 72

b. Guinobatan branch

Paulate St., Pobalcion, Guinobatan Albay 294

iv. LSB Leased Properties (Head Office & Branches) - Provincial

As of December 31, 2022, LSB leases the following properties:

a. Head Office

OFFICE	LOCATION	TERM	MONTHLY RENTAL (in Php)	EXPIRY DATE
Head Office & Main Branch	738 Bldg. Rizal St. Old Albay District Legazpi (City/Capital) Albay	10 years	318,559.88	01-Sept-2027
Office Space	Galleria Corporate Center Condominium	5 years	87,750.00	14-Apr-2023

b. Facilities

FACILITIES	LOCATION	TERM	MONTHLY RENTAL (in Php)	EXPIRY DATE
Parking Space – Podium 2 Cyberscape Beta	Cyberscape Beta, No. 10 Ruby Road, Ortigas Center, Pasig City	3 years	6,921.60	29 – Feb-2024
Cable Riser - GCC	21F Galleria Corporate Center EDSA corner Ortigas Avenue, Quezon City	3 years	10,080.00	16-Apr-2025
Warehouse - Legazpi	318 Peñaranda Ext, Bonot, Legazpi City, Albay	5 years	20,000.00	30-Jan-2024

c. Branches

NAME OF BRANCH	LOCATION	TERM	MONTHLY RENTAL (in Php)	EXPIRY DATE
Daraga Branch	Sta. Maria St. Brgy. San Roque Daraga Albay	10 years	78,761.77	1-Mar-2029
Cainta Branch	ECCOI Corporate Center, Ortigas Extension, St. Anthony Subd. Cainta, Rizal	7 years	105,000.00	28-Feb-2027
Tabaco Branch	NN Bldg. A.A. Berces Basud Tabaco City Albay	5 years	105,263.16	30-Jun-2027

Polangui Branch	National Road Basud Polangui Albay	3 years	90,750.00	20-Dec-2022
Sorsogon Branch	Cba Building Jamoralin Street Burabod Sorsogon (City/Capital)	10 years	56,156.39	27-Oct-2027
Daet Branch	Subia Bldg. J. Lukban St. Brgy. 3, Daet (Capital) Camarines Norte	15 years	46,656.45	30-Apr-2027
Virac Branch	G/F D & L Bldg. Corner Surtida & Rizal St. San Jose Virac (Capital)	5 years	73,684.21	31-Dec-2026
Masbate Branch	Unit 8 & 9 S & T Bldg. Cagba St. Brgy. Tugbo Masbate (City/Capital)	5 years	96,599.74	14-Jul-2027
Naga Branch	NEA Bulding Cbc Terminal Triangulo Naga City, Camarines Sur	5 years	114,354.83	16-Apr-2024
Lucena Branch	A.M. Lubi Bldg. Corner Tagarao & Elias Streets Barangay 5 Lucena (City/Capital) Quezon	10 years	77,584.49	15-Oct-2026
Pampanga Branch	4 & 2 Bldg. Mc Arthur Highway Sindalan San Fernando Pampanga	10 years	76,576.90	5-Dec-2022

d. Branch-Lite Units

NAME OF BRANCH	LOCATION	TERM	MONTHLY RENT (in Php)	EXPIRY DATE
Goa Branchlite	Unit 1 J. Quinzon Bldg. Riza St. Bagumbayan Pequeño Goa Camarines Sur	5 years	53,684.21	31-Aug-2026
Calauag Branchlite	Rizal St. Brgy. Sta. Maria Calauag Quezon	5 years	47,187.66	23-Aug-2026
Dasmariñas Branch	G/F Wincorp Bldg. Molino Paliparan Road Salawag Dasmariñas City Cavite	5 years	51,179.21	01-May-2022
Iriga Branch	Dls Building 121 Zone 6 Highway 1 San Isidro Iriga (City) Camarines Sur	5 years	35,000.00	15-Aug-2023
Malolos Branch	Unit 8, MTKJ Building M2, Fausta subdivision, Mabolo Street, Malolos City	5 years	14,560.00	30-Sept-2025
Sto. Tomas BLU	Kath's Place, A. Bonifacio Street, Poblacion 2, Sto. Tomas, Batangas	5 years	14,700.00	14-Oct-25
Puerto Princesa BLU	DRCM Riviera Complex, Unit 5, Brgy. San Manuel, Puerto Princesa City, Palawan	5 years	18,464.30	30-Nov-25
San Jose BLU	ARJ Bldg., San Roque corner Cardenas St., Brgy. Abar 1st., San Jose City, Nueva Ecija	3 years	15,789.47	14-Jan-24
Kabankalan BLU	Hernando Chua Bldg., Solar St., Kabankalan City, Negros Occidental	5 years	13,684.21	31-Jan-26
Binmaley BLU	D & M Realty Bld., Purok 6, Naguilan Highway,	5 years	13,684.21	04-Jan-26

	Binmaley, Pangasinan			
Santiago BLU	Guevarra St., No. 1229, Perez St., Calao West, Santiago City, Isabela	5 years	28,000.00	28-Feb-26
Jaro BLU	EL 98 St., Jaro Iloilo City	5 years	35,000.00	28-Feb-26
Calapan BLU	RR Paras Bldg., Leuterio St., San Vicente South, Calapan City, Oriental Mindoro	5 years	29,842.10	31-Mar-26
Lipa BLU	RDL Bldg., 004 Pres. JP Laurel St., National Road, Marawoy, Lipa City	3 years	36,842.10	14-Jun-24

All lease contracts have renewal options upon their termination under terms and conditions mutually acceptable to LSB and its lessors.

(b) Limitations on Properties

There are no mortgages, liens, encumbrances or any limitations on the Bank's ownership of the foregoing properties.

(c) Description of Property the Bank Intends to Acquire in the Next 12 Months

The Bank has future plans to acquire properties but no details as of yet as to the description, nature, and location of the properties as of this time.

Item 3. Legal Proceedings

Except for cases or proceedings which are incidental to its business such as suits for sums of money, foreclosures, writs of possession, employee relations, and other cases arising from loan transactions and operations, the Group has no material pending legal proceedings to which the Bank or any of its subsidiaries or affiliates is a party or which any of its property is the subject.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters that were taken up during the Annual Stockholders' Meeting last June 29, 2022, there were no other matters that were submitted to the vote of the security holders during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(a) Market Information

i. Principal market where the equity is traded

Not applicable. The Bank's equity is not listed or traded in any Exchange.

ii. Market Value

Not applicable. The Bank's equity is not listed or traded in any Exchange.

(b) Holders

The following are the stockholders of record as of December 31, 2022:

Name of Stockholder	Common Shareholdings	Total Par Value	% To Total Issued Capital Stock
JG Summit Capital Services Corp.	899,986,468	10	60%
Robinsons Retail Holdings, Inc.	599,988,780	10	40%
Ignacio Mamaril, Jr.	19,887	10	0%
Vicente Pang	4,854	10	0%
Lance Y. Gokongwei	1	10	0%
Frederick D. Go	1	10	0%
Elfren Antonio S. Sarte	1	10	0%
Robina Y. Gokongwei-Pe	1	10	0%
Patrick Henry C. Go	1	10	0%
Omar Byron T. Mier	1	10	0%
Catalino S. Abacan	1	10	0%
Teodoro M. Panganiban	1	10	0%
Hermogenes S. Roxas	1	10	0%
Roberto S. Gaerlan	1	10	0%
David C. Mercado	1	10	0%

(c) Dividends

The Bank has declared cash dividends on 21 December 2022 at Php0.2036 per share with December 1, 2022 as Record Date and December 23, 2022 as Payment Date.

Further, future subscribers and common stockholder of the newly issued common shares are entitled to receive dividends. The Board, however, may only declare dividends out of its surplus profits or unrestricted retained earnings and after making due provisions for the necessary reserves (losses and bad debts) and compliance with relevant provisions of the Revised Corporation Code, Securities Regulation Code, General Banking Law, Manual of Regulations for Banks, and all regulations and circulars issued by the regulatory bodies (SEC & BSP).

Apart from the above, there are no more restrictions that limit the Bank's ability to declare and pay dividends on the common shares.

(d) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There were no unregistered securities sold by the Bank in the past three (3) years.

However, on March 2019, the Bank issued additional common shares to the controlling stockholders as a result of the approval by SEC of the increase in authorized capital stock from Php15 Billion to Php27 Billion. The Bank being the issuer, the additional common shares were exempt securities under Section 9 (e) of the Securities Regulation Code.

Also, on June 16, 2017, the Bank issued exempt securities in the form of Long-Term Negotiable Certificates of Deposits (LTNCDs) amounting to Php4,182,320,000. The following year, on July 16, 2018, the Bank issued another tranche of LTNCDs in the aggregate amount of Php1,781,750,000.

Likewise, on August 13, 2019, the Bank also issued a 5.125% Peso-denominated Fixed Rate Bonds which became due and were redeemed on 2021 for the principal amount of ₱5,000,000,000. Later, on November 14, 2019, the Bank again issued a 4.300% Peso-denominated Fixed Rate Bonds which became due and were redeemed on 2021 covering the principal amount of ₱5,000,000,000.

All the Bank's LTNCs and corporate bond issues were listed with Philippine Dealing & Exchange Corp. (PDEx). As a banking institution, the Bank's LTCNDs and corporate bonds issues are exempt securities under Section 9 (e) of the Securities Regulation Code.

To date, the outstanding debts registered with PDEX are the LTNCDs in the amount of Php 1,781,750,000.00, which is due for redemption on January 16, 2024.

(e) Free Float Level

Not applicable. The Bank's equity is not listed or traded in any Exchange.

Item 6. Management's Discussion and Analysis or Plan of Operation

(a) Plan of Operations and Future Prospects

The world economy continues to face headwinds in 2023, still influenced by the war in Ukraine, soaring inflation, and the global monetary policy tightening to combat it. The International Monetary Fund (IMF) estimates 2023 global growth to moderate to 2.9%, reflecting the rise in central bank rates to fight inflation. On the same trend, the World Bank (WB) projects that the global economy will decelerate sharply by 1.7% in 2023, with advanced economies growing by just 0.5% and emerging market and developing economies moderating by 3.4%, due to elevated inflation, higher interest rates, reduced investment, and disruptions caused by Russia's invasion of Ukraine.

The forecast for the Philippine economy remains favorable amid risks, with growth among the highest in the region, as the country's major growth drivers continue to recover. The Philippine government is aiming to achieve gross domestic product (GDP) growth rates of 6.0% to 7.0% for 2023, and 6.5% to 8.0% from 2024 to 2028. This will be supported by government strategies and the implementation of the Philippine Development Plan 2023-2028. The IMF forecasts the domestic economy to grow by 5.0%, while the WB projects a 5.4% growth in 2023. Meanwhile, the Asian Development Bank expects the country's GDP to grow by 6.0% in 2023 under the expectations of strong underlying growth momentum and resilience.

The Bank intends to support the growth of the Philippine economy by becoming a positive enabler to the corporate, middle, and consumer markets. Robinsons Bank's major strategies for 2023, in a merger environment, are anchored on (1) Growth Mindset, (2) Geared toward Merger, and (3) Short-term, High Impact plans. The Bank aims to increase the asset base to Php 226 billion by leveraging ecosystem plays, channels, and technology to grow its core businesses. The Bank projects its loan portfolio to sustain its growth and reach Php 131.4 billion, and the deposits to attain Php 185 billion level by end-2023. Robinsons Bank also intends to expand its product portfolio by engaging in short-term and high-impact initiatives to innovate the Bank's existing products and services to address emerging customer needs. True to its vision and commitment, the Bank aspires to provide the best experience for the customers, a winning culture for the employees, outstanding returns for the owners, and a responsive organization for the community.

(b) Past Financial Conditions and Operating Highlights

2022 vs. 2021

The Group's total assets grew by 4.48% to Php187.83 billion from Php179.77 billion which is mainly attributable to the significant increase in the loan portfolio supported by investment securities growth. This is through its aggressive marketing strategy that is in line with the Group's business plan under "Roadmap 2024".

Cash and Other Cash Items increased by Php0.95 billion from Php3.93 billion, as of December 2022. On the other hand, Due from BSP, Due from Other Banks and Interbank Loans Receivable/Securities Purchased under Resale Agreement decreased by Php0.80 billion, Php1.13 billion, and Php10.71 billion, respectively, from Php15.78 billion, Php5.07 billion, and Php14.88 billion, respectively, as of December 2022.

Investment Securities at Amortized Cost increased by Php25.34 billion to Php33.82 billion while Financial Assets at Fair Value through Other Comprehensive Income decreased by Php19.80 billion to Php6.73 billion, both mainly due to reclassification of investment securities. Financial Assets at Fair Value Through Profit or Loss decreased by Php1.39 million to Php519 thousand due to trading related activities of the Bank.

Loans and Receivables registered growth of 13.76% at Php112.87 billion from the level of Php99.21 billion from the previous year due to increase in lending activities.

Property and Equipment decreased by Php131.09 million or 9.83% due to disposals made during the year while Investment properties rose to Php1.21 billion from Php786.05 million in December 2021.

Deferred Tax Asset – net and Other Assets (including repossessed chattels and branch licenses) increased by Php24.75 million and Php20.41 million, respectively.

Consolidated Liabilities increased by 4.12% to Php167.98 billion in December 2022 from Php161.33 billion in December 2021.

Total Deposit Liabilities was at Php146.30 billion. This was Php6.69 billion lower compared to the levels in 2021, mainly due to decrease in CASA by Php7.23 billion reaching Php124.17 billion in 2022. Time Deposits went up by Php4.72 billion to Php20.35 billion this year.

Bills Payable increased by Php12.93 billion due to the long-term peso denominated borrowing with Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP), and Bank of the Philippine Islands (BPI) wholesale lending facility.

Accrued Expenses increased by Php368.51 million in 2022 due to the increases in Accrued Interest Payable and Accrued Expenses by Php193.68 million and Php174.83 million, respectively.

Other Liabilities went up by Php202.99 million on account of increases in bills purchased and accounts payable.

Total equity accounts stood at Php19.85 billion from Php18.44 billion or an improvement of Php1.41 billion attributed to current period's net income of Php1.40 billion, and by the increase in Net Unrealized Loss on Financial Assets at FVOCI and Remeasurement gain on retirement plan by Php0.24 billion and Php73.58 million, respectively.

2021 vs. 2020

The Group's total assets grew by 18.94% to Php179.77 billion from Php151.15 billion which is mainly attributable to the significant increase in the loan portfolio supported by funding growth. This is through its aggressive marketing strategy that is in line with the Group's business plan under "Roadmap 2024".

Cash and Other Cash Items, Due from Other Banks and Interbank Loans Receivable/Securities Purchased under Resale Agreement increased by Php1.07 billion, Php1.16 billion, and Php10.39 billion, respectively, from Php2.86billion, Php3.90 billion, and Php4.50 billion, respectively, as of December 2020. On the other hand, Due from BSP decreased by Php4.59 billion from Php20.37 billion, as of December 2020.

Financial Assets at Fair Value through Other Comprehensive Income and Investment Securities at Amortized Cost increased by Php7.21 billion and Php425.49 million to Php26.53 billion and Php8.47 billion mainly due to purchases during the year. Financial Assets at Fair Value Through Profit or Loss decreased by Php85.16 million to Php1.91 million due to trading related activities of the Bank.

Loans and Receivables registered growth of 14.19% at Php99.21 billion from the level of Php86.88 billion from the previous year due to increase in lending activities.

Property and Equipment decreased by Php24.31 million or 1.79% due to disposals made during the year while Investment properties rose to Php786.05 million from Php464.89 million in December 2020.

Deferred Tax Asset – net and Other Assets (including ROPA and branch licenses) was lower by Php51.99 million and higher by Php246.89million, respectively.

Consolidated Liabilities increased by 17.67% from Php161.33 billion in December 2021 from Php132.82 billion in December 2020.

Total Deposit Liabilities was at Php152.99 billion. This was Php35.54 billion higher compared to the levels in 2020, mainly due to increase in CASA by Php36.22 billion reaching Php131.41 billion in 2021. Time Deposits went down by Php689.94 million to Php15.63 billion this year.

Bills Payable increased by Php2.50 billion due to the long-term peso denominated borrowing with Land Bank of the Philippines (LBP) wholesale lending facility.

Accrued Expenses decreased by Php23.51 million in 2021 due to the decrease in Accrued Interest Payable by Php52.19 million which was partially offset by the increase in Accrued Expenses by Php29.14 million.

Other Liabilities went up by Php534.10 million on account of increases in bills purchased and accounts payable.

Total equity accounts stood at Php18.44billion from Php18.33 billion or an improvement of ₱111.50 million attributed to current period's net income of Php1.22 billion, and improvement in Cumulative Translation Adjustments by Php49.79 million but was offset by the increase in Net Unrealized Loss on Financial Assets at FVOCI and Remeasurement losses on retirement plan by Php1.13 billion and Php23.45 million, respectively.

2020 vs. 2019

The Group's total assets grew by 15.30% to Php151.15 billion from Php131.09 billion which is mainly attributable to the significant increase in the loan portfolio supported by funding growth. This is through its aggressive marketing strategy that is in line with the Group's business plan under "Roadmap 2024".

Due from BSP, Due from Other Banks, and Interbank Loans Receivable/Securities Purchased under Resale Agreement increased by Php8.15 billion, Php1.44 billion, and ₱ 2.09 billion, respectively, from Php12.22 billion, Php2.46 billion, and Php2.41 billion, respectively, as of December 2019. On the other hand, Cash and Other Cash Items decreased by Php386.33 million from Php3.25 billion as of December 2019.

Financial Assets at Fair Value Through Profit or Loss increased by Php82.14 million to Php87.08 million due to trading related activities of the Bank. Financial Assets at Fair Value through Other Comprehensive Income increased by Php5.34 billion to Php19.32 billion or 38.23% mainly due to purchases during the year. Investment Securities at Amortized Cost decreased by 29.13% or Php3.31 billion as a result of disposal of securities held during the year.

Loans and Receivables registered growth of 7.52% at Php86.88 billion from the level of Php80.81 billion from the previous year due to increase in lending activities.

Property and Equipment increased by Php49.03 million or 3.75% due to expansion.

Deferred Tax Asset – net and Other Assets (including ROPA and branch licenses) was higher by Php302.11 million and Php225.08 million, respectively.

Consolidated Liabilities increased by 16.48% from Php114.03 billion in December 2019 to Php132.82 billion in December 2020.

Total Deposit Liabilities was at Php117.45 billion. This was Php19.85 billion higher compared to the levels in 2019, mainly due to increase in CASA by Php19.20 billion reaching Php95.19 billion in 2020. Time Deposits also went up by Php634.88 million to Php16.32 billion this year.

Bills Payable dropped by Php2.04 billion due to settlement of long-term peso denominated borrowing with DBP wholesale lending facility and matured borrowing with BSP rediscounting.

Accrued Expenses increased by Php293.77 million in 2020 due to higher transaction volumes.

Other Liabilities went up by Php555.97 million on account of increases in bills purchased and accounts payable.

Total equity accounts stood at Php18.33 billion from Php17.06 billion or an improvement of Php1.27 billion attributed to current period's net income of Php934.59 million, and improvements in Net Unrealized Loss on Financial Assets at FVOCI, and Accumulated Translation Adjustments by ₱235.80 million, and ₱87.42 million, respectively.

(c) Key Performance Indicators

Definition of Ratios

Profitability Ratios:

Return on Average Assets	-	Net Income after Income Tax / Average Total Assets
Return on Average Equity	-	Net Income after Income Tax / Average Total Equity
Net Interest Margin	-	Net Interest Income / Average Interest Earning Assets
Cost-to-Income	-	OPEX – Provision for Impairment & Credit Losses / Total Operating Income

Liquidity Ratios:

Liquid Assets to Total Assets	-	Total Liquid Assets / Total Assets
Loans to Deposit Ratio	-	Loans (Net) / Deposit Liabilities

Asset Quality Ratios:

NPL Ratio	-	Non-Performing Loans (net of specific allowance) / Gross Loans
NPL Cover	-	Allowance for Probable Losses / Non-Performing Loans (gross of allowance)

Solvency Ratios:

Ratio of debt to equity	-	Total Liabilities / Total Equity
Ratio of total assets to equity	-	Total Assets / Total Equity
Interest coverage ratio	-	Income Before Income Tax / Interest Expense

Capital Adequacy Ratios:

CET 1/ Tier 1	-	CET1/Tier 1 Capital / Total Risk Weighted Assets
Total CAR	-	Total Qualifying Capital / Total Risk Weighted Assets

	2022	2021	2020
Profitability (%)			
Return on Average Assets	0.76	0.73	0.66
Return on Average Equity	7.33	6.62	5.28
Net Interest Margin on Average Earning Assets	4.42	4.36	4.42
Cost-to-Income	67.43	63.70	69.49
Liquidity (%)			
Ratio of Liquid Assets to Total Assets	14.90	22.06	20.93
Loans to deposit	77.15	64.85	73.97
Asset Quality (%)			
NPL Ratio	2.55	1.92	2.05
NPL Cover	54.16	68.72	39.25
Solvency Ratio (%)			
Ratio of debt to equity	846.22	875.04	724.78
Ratio of total assets to equity	946.21	975.04	824.78
Interest coverage ratio	83.65	102.06	44.29
Capitalization (%)			
Capital Adequacy Ratio			
CET 1/ Tier 1	12.72	13.65	16.37
Total CAR	13.43	14.38	17.29

Profitability

The Group's net income of Php1.40 billion resulted in a ROE of 7.33% and ROA of 0.76%. Cost-to-income ratio of 67.43% was higher than 63.70% in 2021 and 69.49% in 2020 given improvements in operating income. Net interest margin was at 4.42% higher than last year's 4.36% on account of increase in loan related activities during the year.

Liquidity

Liquid assets comprised 14.90% of the Group's total resources, lower than 22.06% in 2021 and 20.93% in 2020, with the decrease in interbank loans and receivables. Loans (net)-to-deposit ratio was higher at 77.15% from 64.85% last year.

Asset Quality

NPL ratio was higher at 2.55% from 1.92% in 2021 due to the increase in non-performing loans. Together with the booking of loan loss reserves, NPL coverage ratio (including RE-Appropriated) is at 54.16% from 68.72% in 2021.

Solvency Ratios

Debt-to-equity ratio for the year was computed at 846.22% lower than 875.04% in 2021 because of decrease in client deposits this year. Asset-to-equity ratio decreased to 946.21% from 975.04% in 2021. Interest rate coverage ratio was computed at 83.65% from 102.06% in 2021.

Capitalization

The Bank maintained a sound capital position given its CET 1/ Tier 1 and Total CAR ratio of 12.72% and 13.43%, respectively. The Bank's continued profitability contributed to its capital strength as well as its capacity to regularly pay dividends to shareholders.

(d) Results of Operations

2022 vs. 2021

For the year ended December 31, 2022, the Group registered a net income of Php1.40 billion, 15.33% higher compared to the Php1.22 billion net income for the same period last year.

Net interest income totaled Php7.65 billion, higher by 12.12% or Php826.54 million for the same period last year. Total interest income grew by Php1.41 billion from Php8.31 billion in 2021 to Php9.72 billion in 2022 mainly due to the year-on-year growth in loans portfolio. On the other hand, Total Interest Expense was up by Php583.37 million mainly due to increase in interest expense on deposits and bills payable and was partly offset by interest expense in bonds payable.

Net service fees and commission income was at Php501.10 million, higher by Php86.92 million compared to Php414.18 million registered last year.

Other income is lower in 2022 by Php212.81 million at Php474.48 million compared to Php687.29 million for the same period last year due to lower trading and securities.

Administrative and other operating expenses for the year 2022 amounted to Php6.78 billion, Php376.71 million higher compared to the same period last year mainly due to the increases in Compensation and Fringe Benefits, Information Technology, Occupancy and equipment-related costs, Insurance, Security and Messengerial, Management and Professional Fees and Miscellaneous by Php167.36 million, Php193.54 million, Php92.53 million, Php86.27 and Php136.84 million, Php6.98 million and Php95.48 million, respectively.

The Group incurred a total comprehensive income of Php316.46 million for the year ended December 31, 2022, from a total comprehensive loss of Php1.10 billion registered last year, on account of higher net unrealized losses on financial assets at FVOCI.

2021 vs. 2020

For the year ended December 31, 2021, the Group registered a net income of Php1.22 billion, 30.12% higher compared to the Php935 million net income for the same period last year.

Net interest income totaled Php6.82 billion, higher by 17.74% or Php1.03 billion for the same period last year. Total interest income grew by Php475.40 million from Php7.84 billion in 2020 to Php8.31 billion in 2021 mainly due to the year-on-year growth in loans portfolio. On the other hand, Total Interest Expense dropped by Php552.13 million mainly due to decrease in interest expense on deposits and bills payable.

Net service fees and commission income was at Php414.18 million, higher by Php182.30 million compared to Php231.88 million registered last year.

Other income is lower in 2021 by Php11.64 million at Php543.12 million compared to Php554.76 million for the same period last year due to lower trading and securities and foreign exchange gains.

Administrative and other operating expenses for the year 2021 amounted to Php6.26 billion, Php584.10 million higher compared to the same period last year mainly due to increase in Provision for Credit Losses by Php202.21 million to prepare for impact of Covid 19, as well as increases in Compensation and Fringe Benefits, Insurance Expenses, and Occupancy and equipment-related costs by Php149.01 million, Php67.82 million and Php54.62 million, respectively.

The Group incurred a total comprehensive income of Php111.50 million for the year ended December 31, 2021, from a total comprehensive income of Php1.27 billion registered last year, on account of higher net unrealized losses on financial assets at FVOCI.

2020 vs. 2019

- For the year ended December 31, 2020, the Group registered a net income of Php934.59 million, 29.91% higher compared to the Php719.43 million net income for the same period last year.

- Net interest income totaled Php5.79 billion, higher by 36.69% or Php1.55 billion for the same period last year. Total interest income grew by Php638.25 million from Php7.20 billion in 2019 to Php7.84 billion in 2020 mainly due to the year-on-year growth in loans portfolio. On the other hand, Total Interest Expense dropped by Php916.74 million mainly due to decrease in interest expense on deposits and bills payable.

- Net service fees and commission income was at Php231.88 million, lower by Php38.19 million compared to Php270.07 million registered last year.

- Other income is higher in 2020 by Php67.79 million at Php554.76 million compared to Php486.97 million for the same period last year due to stronger trading gains which offset the impact of loan modification losses due to Bayanihan 1 & 2.

- Administrative and other operating expenses for the year 2020 amounted to Php5.67 billion, Php1.46 billion higher compared to the same period last year mainly due to increase in Provision for Credit Losses by Php974.58 million to prepare for impact of Covid 19, as well as increases in Compensation and Fringe Benefits, Information & Technology Expenses, and Other Administrative Expenses by Php137.66 million, Php166.51 million and Php92.02 million, respectively.

- The Group incurred a total comprehensive income of Php1.27 billion for the year ended December 31, 2020, from a total comprehensive income of Php1.71 billion registered last year, on account of lower net unrealized gain on financial assets at FVOCI, partly offset by higher net income in 2020.

(e) Material Changes

As to material event/s and uncertainties, the Bank has none to disclose on the following apart from those already disclosed elsewhere or presented in the accompanying audited financial statements:

- Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

- Any events that will trigger direct or contingent financial obligation, including any default or acceleration of an obligation.

- Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company.

- Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.

- Any known trends, events or uncertainties that have had or that are reasonably expected` to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

- Any significant elements of income or loss that did not arise from the issuer's continuing operations.

- Any seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7. Financial Statements

The consolidated financial statements and schedules are hereto attached as Annex "A" and filed as an integral part of this report.

INFORMATION ON INDEPENDENT ACCOUNTANT
(EXTERNAL AUDIT FEES (MC No. 14, Series of 2004)

SyCip Gorres Velayo & Co. (SGV & Co.) / Ernst & Young has been the Bank's independent accountant for more than 15 years and is again recommended for appointment at the scheduled annual stockholders' meeting. In compliance with SEC Memorandum Circular No. 8, Series of 2003, and Amendments to SRC Rule 68 on the rotation of external auditors or signing partners of a firm every after five (5) years of engagement. Mr. Juan Carlo B. Maminta is the audit partner of SGV & Co./Ernst & Young assigned to the Bank commencing the audit of financial statements for the year 2018.

Representatives of SGV & Co./ Ernst & Young are expected to be present at the annual stockholders meeting to respond to any matter that may be pertinently raised during the meeting. Their representative will be given the opportunity to make a statement if they so desire.

(a) Audit and Audit-Related Fees

The Bank paid the following audit fees to Sycip Gorres Velayo & Co. (SGV) for the fiscal year indicated:

Fiscal Year	Audit Fee (Php)	Payment (Php)		Unpaid
		Same Fiscal Year	Subsequent Year	
2014	1,986,608.00	-	1,986,608.00	-
2015	2,435,673.00	492,800.00	1,942,873.00	-
2016	2,269,162.00	518,856.00	1,750,306.00	-
2017	2,596,360.88	1,309,758.00	1,286,602.88	-
2018	2,389,286.59	1,249,987.20	1,139,299.39	-
2019	2,772,000.00	656,243.28	2,115,756.72	-
2020	4,456,760.00	1,848,000.00	2,608,760.00	-
2021	4,188,184.00	2,464,000.00	1,724,184.00	-
2022	17,132,864.00	11,211,200.00	5,180,000.00	741,664.00

(b) Tax & Other Fees

For the fiscal year 2022, the Bank paid a total amount of Php1,008,000.00 to Punongbayan & Araullo in connection with full external quality assessment review and a total amount of Php789,600.00 to R.G. Manabat & Co. in connection with Expected Credit Loss, Internal Credit Risk Rating, and Scorecard Model Validation.

(c) Audit Committee's Approval Policies and Procedures for the above services

The engagement of the services of the Bank's external auditor is evaluated by its Audit Committee. Consistent with the provisions of the Code of Corporate Governance, the appointment of the external auditor nominated by the Board through the Audit Committee is subject to the approval by the shareholders.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The Bank has no disagreements with any of its external auditors in any matter of accounting principles, practices, or financial disclosures.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(a) Incumbent Directors

1. **LANCE Y. GOKONGWEI, Chairman of the Board, Filipino, 56 years old.**
He has been the Chairman of Robinsons Bank Corporation since May 6, 2010. He is also the President and Chief Executive Officer of JG Summit Holdings, Inc. (JGSHI). He is likewise the Chairman of Universal Robina Corporation, Cebu Air, Inc., Robinsons Land Corporation, Robinsons Retail Holdings, Inc., Altus Property Ventures, Inc., Robinsons Bank Corporation, and JG Summit Olefins Corporation. He is the Vice Chairman and a Director of Manila Electric Company, and a Director of RL Commercial REIT, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a Trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

2. **FREDERICK D. GO, Vice-Chairman, Filipino, 53 years old.**
He has been a Director of Robinsons Bank since May 6, 2010. He is also the Vice Chairman of the Board and of the Executive Committee. Presently, he is the President and Chief Executive Officer of Robinsons Land Corporation. He concurrently serves as the President and Chief Executive Officer of Altus Property Ventures, Inc. and the President of Universal Hotels and Resorts, Inc. He is also the Chairman of RL Commercial REIT, Inc., and the Luzon International Premier Airport Development Corporation. He is a Trustee and the President of Robinsons Land Foundation, Inc. and Universal Cultural Foundation, Inc. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, Taicang Ding Feng Real Estate Development Company Limited, Taicang Ding Sheng Real Estate Development Company Limited, Chongqing Robinsons Land Real Estate Company Limited, and Chongqing Ding Hong Real Estate Development Company Limited. He is a Director of Cebu Air, Inc., Manila Electric Company, JG Summit Olefins Corporation, and Cebu Light Industrial Park. He also serves as the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University.

3. **ELFREN ANTONIO S. SARTE, President and CEO/Director, Filipino, 63 years old.**
He has been the President and Chief Executive Officer of the Robinsons Bank Corporation since November 17, 2014. He is also a member of its Executive Committee and Risk Management Committee. He is also the Vice-Chairman of the Board of Directors of Legazpi Savings Bank and the Chairman of its Executive Committee. He is also the Chairman Unicon Insurance Brokers Corporation, an affiliate of the Bank, and a Director of the another bank's affiliate, GoTyme Bank Corporation, a digital bank. He is also the Chairman of the Board of Directors of Philippine Clearing House Corporation. Prior to joining the Bank in November 2014, he was the President, Director and CEO of Allied Savings Bank (2013 to 2014); Consumer Finance Group Head (2013) and Head of Consumer Credit and Collection Division (2010 to 2013) of Philippine National Bank; and Head of Consumer Credit Risk Management Division (2006 to 2010), Credit Services Division (1996 to 2006) and Credit Investigation and Appraisal Division (1995 to 1996) of Union Bank of the Philippines. He was also a Manager at the Credit Information Bureau (1983 to 1995). He has a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from the De La Salle University.

4. **ROBINA GOKONGWEI PE, Director, Filipino, 61 years old.**

She has been a Director of Robinsons Bank Corporation since May 6, 2010. She is the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. (RRHI). Operating a diverse portfolio of brands, RRHI is one of the largest multi-format retailers in the country. She is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee and Vice Chairman of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984.

5. **PATRICK HENRY C. GO, Director, Filipino, 52 years old**
He has been a Director of Robinsons Bank Corporation since May 6, 2010. He is also the current Vice Chairman of the Bank's Trust Committee and a member of its Corporate Governance Committee. He is also the President and Chief Executive Officer of JG Summit Olefins Corp. and the Vice President and Managing the URC Packaging Division and URC Flexible Packaging Division. He is a Director of JG Summit Holdings Inc., Robinsons Land Corp and Universal Robina Corp. He has a Bachelor of Science degree in Management from the Ateneo de Manila University and took The General Manager Program from the Harvard Business School.

6. **OMAR BYRON T. MIER, Director, Filipino, 76 years old.**
He was appointed as a Director of the Bank in 2015. Apart from sitting as a Director of the Bank, he also serves as a member of its Trust Committee, a member of Risk Oversight Committee and an alternate member of its Executive Committee. Mr. Mier likewise sits as the Chairman of Legazpi Savings Bank Inc. He also serves as an independent director of Robinsons Land Corporation and Paymaya Corp. where he also sits as the chairman and member of its Audit Committee and of its Risk and Compliance Committee, respectively, since 2016. Before joining the Bank, he holds around four decades of experience in the banking industry, including Citibank N.A., where he served as Country Risk Manager in Manila (1983 to 1985), Public Sector Group Head (1985 to 1987), Country Risk Officer in Malaysia (1992 to 1995), Head of Risk Management Group and World Corporate Group Head (1992 to 1995); Deutsche Bank, as Deputy General Manager and Corporate Banking Head (1995 to 2002); and Philippine National Bank (2005-2014), where he held various senior positions the last of which as President and CEO. He has a Bachelor of Science degree in Business Administration Major in Accounting, Bachelor of Arts degree in Economics, and Master of Arts in Economics from the University of the Philippines. He is also a Certified Public Accountant.

7. **HERMOGENES S. ROXAS, Non-Executive Director, Filipino, 69 years old.**
He has been an Independent Director of Robinsons Bank Corporation since December 19, 2013. He is the current Chairman of the Bank's Corporate Governance Committee. He is the Vice- Chairman of the Bank's IT Steering Committee and a Vice-Chairman of its RPT Committee. He is also a member of the Bank's Audit Committee. Mr. Roxas is also a Director of LSB where he chairs its Audit Committee, sat as the vice-chair of its Corporate Governance Committee, and a member of its Risk Oversight Committee. He has more than three decades of experience in banking and has held various senior positions at Commercial Banking & Trust Company and United Coconut Planters Bank and its subsidiaries. He was also the President of UCPB Savings Bank; a Director at UCPB Leasing & Finance Corp., UCPB Foreign Exchange Corp., UCPB Capital Corp., UCPB Rural Bank, and UCPB Securities Inc. He has a Bachelor of Science degree in Business Administration from the University of the Philippines.

8. **DAVID C. MERCADO, Independent Director, Filipino, 72 years old.**
He has been an Independent Director of Robinsons Bank Corporation since February 27, 2014. He is the Chairman of the Bank's Risk Oversight Committee, Vice-Chairman of the

Bank's Audit Committee, and a member of the RPT Committee. He has more than three decades of experience in banking and has held various senior positions in Allied Banking Corporation and United Coconut Planters Bank. At UPCB, he became their Assistant Vice President- Account Management Division (1986 to 1987), Assistant Vice President - Deposit Services Department (1987 to 1993), Vice President and Regional Branch Head (1993 to 2004), Vice President and Head of Branch Banking Group (2004 to 2006) and lastly, as First Vice President of Consumer Banking Group (2006 to 2011). He earned his Business Administration degree from the Philippine School of Business Administration. He is also a Certified Public Accountant.

9. **CATALINO S. ABACAN, Independent Director, Filipino, 68 years old.**
He was appointed as an Independent Director of the Bank on February 24, 2021. He is the Chairman of the Bank's Audit Committee, Vice-Chairman of Risk Oversight Committee, and a member of the Related Party Transactions Committee. He also sits as the Board Chairman (Independent Director) of Sun Savings Bank, Inc., a Cebu-based thrift bank, since 2019. His career in the banking industry spans forty-five (45) years, commencing at the Philippine Banking Corporation (1975 to 1994), where he performed various operational functions, then with Lippo Bank of Indonesia (Manila Offshore Banking Unit and a branch in Cambodia) as Head of its Operations (1994 to 1997). He thereafter held various senior positions at Union Bank of the Philippines (UBP), including being an Executive Vice- President of Channel Management (2013 to 2015) as well as President and CEO of City Savings Bank, Inc. (2015 to 2018) and PR Savings Bank, Inc. (2018 to 2019), both subsidiary banks of UBP. He graduated with Latin honors from the University of the East (Manila), earning a Bachelor of Science in Business Administration – Major in Accounting degree and completed all academic requirements for a Master's degree in Business Administration at the Ateneo Graduate School of Business. He is also a Certified Public Accountant.

10. **TEODORO M. PANGANIBAN, Independent Director, Filipino, 71 years old.**
He was appointed as an Independent Director of the Bank on March 24, 2021. He is the Chairman of the Bank's IT Steering Committee, Vice Chairman of the Corporate Governance Committee, and a member of the Audit Committee. He is currently the Chairman of the Board of First Agro-Industrial Rural Bank Inc., and also serves as a Director of Bangko Kabayan, Maxicare Healthcare Corporation, and Maxilife. He has almost five decades of experience in banking which commenced with Citibank, N.A. (1971 to 1997), where he rose up in the ranks to be Vice President and Senior Country Operations Officer. He also held various senior positions at Unionbank of the Philippines (UBP) (1997 to 2019), including being SVP and Head of its Process Management Unit, and thereafter EVP and Head of the Channel Management, and Chief Risk Officer. He became a Director of City Savings Bank from 2013 to 2018, and of Philippine Resources Savings Banking Corp. (2018 to 2019). He also sat as a Director of the Philippine Clearing House Corporation (2004 to 2019) as a nominee/representative of UBP. He graduated with a degree in Bachelor of Science in Business Administration Major in Accounting from the University of the Philippines - Diliman.

11. **ERNESTO C. SANTIAGO, Independent Director, Filipino, 75 years old.**
He was appointed as an Independent Director of the Bank on June 29, 2022. He is the Chairman of the Bank's RPT Committee, and Member of the Bank's Risk Oversight Committee and Corporate Governance Committee. He is also currently a Director and Member of the Executive and Investment Committee of St. Peter Life Plan, Inc. In his almost 20 years stint at St. Peter Life, Inc., he served in various capacities, namely, Executive Consultant (June 2019 – June 2020); chairman (November 2010 – May 2017); President & Chief Executive Officer (November 2007 – October 2010); Executive Vice President & Chief Operating Officer (April 2004 – October 2007); and Vice President – Finance and Administration (January 2001 – March 2004). For a time, he was the Vice-Chairman of St. Peter Group Management Inc. (June 2017 – May 2019). He also served as a Faculty Member of the Finance Cluster of Ateneo Graduate School of Business

(January 1996 – December 2006); Vice-President and Credit Rating Member of the Credit Information Bureau, Inc. (May 1995 – December 1999); Financial Controller, KPMG – Bahrain (Sept 1987 – March 1995); and Manager, In-Charge of Secretariat and Credit Services of the Credit Management Association of the Philippines (May 1968 – April 1983). He obtained his Master in Business Administration from the Ateneo Graduate School of Business, Batch 1982 Graduated First Honor and finished his Bachelor in Accountancy from University of the East, Batch 1968, as a Consistent Dean's Lister. He is a Certified Public Accountant having placed 17^{th} in the 1970 CPA Examination. He is a Life Member of the Financial Executives of the Philippines and a Member of the Management Association of the Philippines.

(b) Advisors

1. **JAMES L. GO, Member, Filipino, 82 years old.**
He is the Chairman of JGSHI and Cebu Air, Inc. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation and Vice Chairman of Robinsons Retail Holdings, Inc. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation and JG Summit Olefins Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a Director of PLDT, Inc. since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT, Inc. He was elected a Director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA

2. **JOHNSON ROBERT G. GO, JR., Member, Filipino, 57 years old.**
He presently serves as Director of JG Summit Holdings, Inc., Universal Robina Corporation, A. Soriano Corporation, and Robinsons Land Corporation, among others. He has served as President of Robinsons Convenience Stores, Inc. (2002) and as Vice President of Robinsons Daiso Diversified Corp. (2010). He is also a trustee of the Gokongwei Brothers Foundation, Inc. His banking experience spans around 17 years, when he was elected as a Director of the Bank. He has Bachelor of Arts degree in Interdisciplinary Studies from the Ateneo de Manila University.

3. **BRIAN M. GO, Member, Filipino, 48 years old.**
He is the Chief Finance and Risk Officer of JGSHI. He is concurrently Vice President of International Trading Operations & Corporate New Ventures for Universal Robina Corporation (URC). He is also a member of the Investment Committee of JG Digital Equity Ventures (JGDEV), a board director for JG Summit Petrochemical Corporation, and a Senior Advisory Board member of Robinsons Bank. Brian started his career in New York City with Booz Allen Hamilton in 1996, in the Financial Services practice. He returned to Manila in 1998, working at DTPI (Digitel/Sun Cellular), working in Corporate Planning, and as Managing Director of the datacom business. He worked in China from 2003 to 2013, serving as Finance Director, then Chief Financial Officer, of Ding Feng Real Estate (DFRE) group of companies. From 2007, he concurrently assumed the General Manager role for URC China, and was later General Manager for URC Malaysia/Singapore. Brian graduated from Harvard College in 1996. He completed an Executive MBA with KelloggHKUST in 2007, and is a CFA charterholder.

4. **LISA Y. GOKONGWEI-CHENG, Member, Filipino, 53 years old**
She is the Senior Vice President, Digital Transformation and Corporate Services of JGSHI since 2020. She is the President and Director of Summit Media (2011 to present). She has held various senior positions and directorships in the group namely: Summit Internet Investments, Inc. (2000), Jobstreet Philippines (2000-2014), JE Holdings, Inc. (2002), Robinsons Retail Holdings, Inc. (2002 to present), I-tech Global Business Solutions, Inc. (2010-2020), Hongkong- China Foods Co. (2013), and as Vice President and Director of Summit- App Addictive Philippines, Inc. (2000). She was also Vice President at Metromedia

Times Corporation (1993 to 1997) and Digital Communications as Project Manager (1995 to 1999). She has a Bachelor of Arts degree from Ateneo de Manila University, and obtained her master's degree in Journalism at Columbia University in 1993.

(c) Executive Officers

1. **Elfren Antonio S. Sarte**, 63, Filipino, President and Chief Executive Officer of the Bank and is a member of its Executive Committee and Risk Management Committee. He is also the Vice-Chairman off the Board of Directors of Legazpi Savings Bank and the Chairman of its Executive Committee. He is also the Chairman Unicon Insurance Brokers Corporation, an affiliate of the Bank, and a Director of the another bank's affiliate, GoTyme Bank Corporation, a digital bank. He is also the Chairman of the Board of Directors of Philippine Clearing House. Prior to joining the Bank in November 2014, he was the President, Director and CEO of Allied Savings Bank (2013 to 2014); Consumer Finance Group Head (2013) and Head of Consumer Credit and Collection Division (2010 to 2013) of Philippine National Bank; and Head of Consumer Credit Risk Management Division (2006 to 2010), Credit Services Division (1996 to 2006) and Credit Investigation and Appraisal Division (1995 to 1996) of Union Bank of the Philippines. He was also a Manager at the Credit Information Bureau (1983 to 1995). He has a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from the De La Salle University.

2. **Andro M. Yee**, 57, Filipino, Executive Vice President, and is the Bank's Chief Financial Officer. He joined the Bank in 1997 and became the Bank's Compliance Officer (concurrent Chief Audit Executive) (1997-2009), Chief Audit Executive (2009-2010), and Controller (2010-2013). He also sat as a Director of Bancnet, Inc. (2009-2011) and currently sits as one of the Directors of LSB and UIBC. He was also the head of the Bank's Community Banking Group (2013-2018) that spearheaded the Bank's effort to offer financially inclusive products (i.e., Microfinance and Motorcycle Loans) to the unbanked and underbanked sector of the society in the country. Over the years, he has had numerous trainings and seminars on anti-money laundering, compliance, corporate governance, internal auditing, trust operations and investment management, IT security, corporate fraud control, and risk-based audit. He earned his Bachelors of Science degree in Business Administration, Major in Accounting, from the University of the Philippines in the Visayas. He is also a Certified Public Accountant.

3. **Eric B. Santos**, 63, Filipino, Executive Vice President, the head of the Bank's Consumer Banking Segment. He has been with the banking industry for over 40 years and has held senior management positions in various banks such as United Coconut Planters Bank (UCPB), UCPB Savings Bank, Planters Development Bank and Premiere Development Bank prior to joining the Bank in 2012 as Chief Credit Officer. He was also elected as a Director of LSB in 2012 to 2013 and was re-elected in 2016 to present. He graduated from the Polytechnic University of the Philippines (PUP) with a degree of Bachelors of Science in Accountancy. He has attended extensive trainings on corporate governance, risk management, anti-money laundering, leadership, credit, and equity and debt financing.

4. **Mykel D. Abad**, 54, Filipino, Executive Vice President of the Bank and also the President of LSB. Prior to becoming the President of LSB, he has held senior management positions in UCPB, International Bank Exchange, and Robinsons Savings Bank. He finished his Bachelor of Science degree in Statistics from the University of the Philippines and he has a Masters degree in Applied Business Economics from the University of Asia and the Pacific. He has attended numerous trainings abroad such as the Youth Marketing Seminar conducted in Kuala Lumpur Malaysia and ICAAP Master Class and Asset Liability Management seminars, both of which were conducted in Singapore. He also underwent extensive trainings on anti-money laundering, corporate governance, treasury operations, and risk management. He has also completed the Executive Development Program of JG Summit, conducted by visiting professors from Harvard and INSEAD among others.

5. **Ma. Regina N. Lumain**, 60, Filipino, Executive Vice President, Treasurer of Robinsons Bank and was once a Director of Unicon Insurance Brokerage. Prior to joining the Bank in 2000, she held senior management positions in PCI Bank and PCIB Savings Bank. She graduated cum laude from the University of the East with a Bachelor of Arts degree in Economics. She also brings with her an extensive experience in Treasury and Investments. Over the years, she had attended trainings on corporate governance, anti-money laundering, BSP issuances, Camels Rating, risk management, market reading, data privacy, asset and liability management and other Treasury related seminars. She is also an SEC licensed for Fixed Income Salesman.

6. **Salvador DH. Paps**, 60, Filipino, Executive Vice President, and the head of the Bank's Retail Banking Segment. His experience in the banking sector now span for more than 30 years. He has worked as the Bank's Business Center Head, Cluster Head, and Area Head before becoming the Bank's Retail Banking Group Head in 2016. Prior to joining the Bank, he already held senior management positions in ABN-AMRO Savings Bank and BA Savings Bank. He earned his Bachelor of Arts degree in Economics from San Beda College and has attended extensive trainings on customer experience management, business building and account servicing, Internal Capital Adequacy Assessment Process (ICAAP) training, Related Party Transaction (RPT) Training, Coaching for Effectiveness Workshop, and Finance for Senior Executive (AIM) to name a few.

7. **Agnes Theresa A. Salvador**, 62, Filipino, Executive Vice President. She was previously the head of the Bank's Transaction Banking Group and Product Management Group before taking on her current post as the Chief Digital Commercial Officer and Head of the Digital Banking Segment. She has more than 30 years of banking experience. She formerly held senior management positions as Cash Management Services Head of Philippine Bank of Communication (PBCom), Country Product Management Head of JP Morgan, and Cash Management Solutions Head of Rizal Commercial Banking Corporation (RCBC), among others. She has a Bachelor of Science degree in Architecture from the University of the Philippines and has attended and finished the Strategic Business Economic Program from University of Asia Pacific.

8. **Exequiel T. Tua**, 63, Filipino, Senior Vice President, and the Bank's Chief Operating Officer. He has been designated as the Bank's Chief Operating Officer since 1 October 2019. He has been in the banking industry for more than 30 years. Prior to joining the Bank in 2006, he has worked with several financial institutions such as Banco Filipino, PAIC Bank, Small Business Guarantee Corp., National Commercial Bank (KSA), Philippine National Bank, and Citibank Savings, Inc. He also had extensive trainings on anti-money laundering, information security, risks and compliance trainings, Basel regulations, and has completed the Asian Institute of Management's (AIM) Enterprise Risk Management program in 2011. He obtained his Bachelor of Science degree in Economics from University of Sto. Tomas (UST), MBA from DLSU Graduate School and completed his core subjects in PhD Commerce at UST.

9. **Juanito Andres A. Henson**, 56, Filipino, Senior Vice President, and currently heading the Bank's Lending Segment-Account Management Group 1. He started his professional career as a management trainee in Malayan Insurance Company. He then moved to PCIBank where he was part of its Officer Development Program. From there, he worked with PCIBank's Middle Market Group where he functioned as Credit Review Officer and as an Account Officer. Prior to joining the Bank, he also became an Account Officer of Dao Heng Bank (a bank based in Hong-Kong) and he also had a stint with the Philippine International Trading Corporation (a GOCC). He has been with the Bank since 1998, first as a Senior Manager to now as Senior Vice President. He obtained both his Bachelor of Science degree in Business & Economics as well as his Master's degree in Business Administration from the De La Salle University. He has had extensive trainings on anti-

money laundering, forgery and fraud detection, and has finished the Excell Finance for Senior Executives program conducted by the Asian Institute of Management (AIM).

10. **Eric C. Macalintal**, 57, Filipino, Senior Vice President, and the Bank's Chief Information Technology Officer. Before joining the Bank in 2011, he has worked with EastWest Bank as Vice President of their Project Management Office (PMO). He also worked with Premiere Bank where he headed their information technology department. He obtained his Bachelors of Science degree in Mathematics from the University of Sto. Tomas. He also has Masters of Science degree in Computer Science from Ateneo Professional School. He has had extensive training on Islamic Finance and anti-money laundering conducted by Malaysian Institute of Management and he also attended training on Applied Finance in Singapore Management University.

11. **Roel S. Costuna**, 53, Filipino, Senior Vice-President, and the Bank's Corporate Secretary and Head of its Legal Services Group. He is also the concurrent Legal Head and Corporate Secretary of Legazpi Savings Bank, Inc. and Unicon Insurance Brokers Corporation. Before joining the Bank, he was the Chief Legal Counsel and Head of Legal & Documentation Division of Philippine Veterans Bank (2007-2013); Legal Head & Assistant Corporate Secretary of Chinatrust Commercial Bank Corporation (2005-2007); and Head Documentation and Opinion Team of International Exchange Bank (1997-2005). He also worked with the firms Sycip Gorres Velayo & Co. - Tax Division and Castillo Laman Tan Pantaleon & San Jose Law Offices. He obtained his Bachelor of Laws (LIB) degree from U.P. College of Law in Diliman, Quezon City in 1994 and placed 12th in the Bar Examinations given that same year. He obtained his Bachelor of Arts degree (Political Science), Magna Cum Laude, from the University of Eastern Philippines. He has been in the practice of law for the last 27 years and attended various seminars and programs on corporate governance, anti-money laundering, trust, and mandatory continuing legal education.

12. **Rosario C. Marcelo**, 53, Filipino, Senior Vice President, Head of the Bank's Corporate Banking Segment-Account Management Group 2. Ms. Marcelo has 30 years of banking experience, with strong background in commercial lending, credit portfolio review, and remedial management. Prior to joining the Bank in 2012, she has held senior management positions in Planters Development Bank as Account Management Head, BDO Unibank as Credit Portfolio Review Head, and in EastWest Bank as Corporate Banking Division Head and Remedial Management Head. She sat as Director of Legazpi Savings Bank from 2013 to 2016. Ms. Marcelo obtained her Bachelor of Science degree in Business Administration from the University of the Philippines, Diliman, and has had several extensive trainings in banking and other related fields.

13. **Maria Teresa Ponce-Sanchez**, 59, Filipino, Senior Vice President, is the head of the Bank's Treasury-Domestic Trading Group. She worked with PCIBank's Treasury Department for 14 years (1985-1999) before joining the Bank's Treasury Group in 2000. In her more than 30 years of experience, she attended numerous trainings on treasury related topics. She is also an SEC Certified/Licensed Fixed Income Salesman and was appointed as the Treasurer of Legazpi Savings Bank during the period starting 2014 to 2015. She is also the Treasurer of UNICON Insurance Brokers Corporation (a subsidiary of Robinsons Bank). She obtained her Bachelors of Science degree in Business & Economics from the De La Salle University, Manila.

14. **Janette C. Gonzalvo**, 51, Filipino, Senior Vice President, and the Bank's Motorcycle Finance Group Head. She has been with the banking industry for more than 30 years and held various positions in Union Bank as Credit Risk Management Head (Housing and Small Business Loans), Export and Industry Bank as Credit Division Head, Premiere Development Bank as Risk Management Office Head and Credit and Collection Group Head, and Philippine National Bank as Credit Management Head (Luzon, Visayas and Mindanao) prior to joining Robinsons Bank in 2012 as Credit Management Group Head

(2012 to 2018). She held a Directorship position with LSB from 2015-2018. She obtained her Bachelor of Science degree in Marketing Management from the University of St. La Salle.

15. **Ma. Ellen A. Victor**, 64, Filipino, Senior Vice President, and is the head of the Bank's Commercial Banking Segment in charge of corporate loans and cash management services. Ms. Victor finished her Bachelor of Science degree in Accounting in De La Salle University Manila and is a Certified Public Accountant. She has more than 30 years of banking experience and previously held various positions such as Credit Evaluation Head of RCBC, Senior Lending Officer in UCPB and Eastwest Bank, Trust Investments Head of UCPB, Trust Head and Customer Service Head of Standard Chartered Bank, and Credit Administration Division Head of UCPB Savings Bank. She continuously updates her knowledge and had attended several trainings and seminars in the fields of Corporate Lending and Finance, Credit, Trust banking and AMLA, among others.

16. **Alejandro Antonio B. Gaerlan,** 49, Filipino, Senior Vice President, is the head of the Bank's Treasury-Foreign Exchange/FCDU Group. He has a Bachelor of Arts degree in Economics from Ateneo De Manila University and is a Certified Treasury Professional. Prior to joining the Bank, he has held senior management positions in Rizal Commercial Banking Corporation as an Assistant Vice President (1996-2009) and with Bank of Commerce as Vice President (2009-2016).

17. **Ramon Eduardo E. Abasolo,** 58, Filipino, Senior Vice President. He was hired as Deputy IT Head and transitioned to become the head of Customer Experience Group before assuming the role of Chief Digital Officer. He is currently the head of the Digital Banking Group+ and responsible for the digital retail business and online banking channels. He has more than 35 years of banking technology experience, holding various IT positions in Citibank Manila, Citibank Japan, and Citibank Indonesia. He was Application Development Head of BDO, Chief Technology Officer of PNB and head of Enterprise Architecture in BPI. He graduated with a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

18. **Jane K. Gocuan**, 51, Filipino, Senior Vice President. She currently is the Deputy Retail Banking Segment Head. With more than 29 years of banking experience, she started her banking career in Standard Chartered Bank in 1992 and rose through the ranks and retired as Branch Manager of its Cebu Branch (with a rank of VP) in 2007. In her 14 years with the Bank, she was deployed in Data Processing, Branch Banking (handling operations, customer service and sales) and Priority Banking. She then went on to take on larger responsibilities as Cluster Head for Vismin (FVP) at Chinatrust Commercial Bank (Branch Banking, Retail Banking Division) from 2011 to 2016 (promoted to SVP). She then took on the role of Treasury Head for Wealth Development Bank (SVP). After which she moved to DBP, where she was engaged as Sales & Distribution Head for Retail Bank, and then tasked to head the Visayas Lending Group (SVP). She obtained her Bachelor of Business Management degree from the University of the Philippines College Cebu, where she graduated Magna Cum Laude. She also earned her Master's degree in Business Management from the same school. She further completed the Treasury Certification Program run by the Ateneo-BAP Institute of Banking and holds an International Investment Advice Certificate from the Securities Institute of London.

19. **Laarni V. Ona**, 53, Filipino, Senior Vice President and Human Resource Management Group Head (HRMG) and the concurrent HRMG Head of its subsidiary, LSB. She has been in the banking industry since 1993. She started her career as a management trainee and later took on the role of a Business Manager in Philippine National Bank (PNB). Thereafter, she held positions as Executive Assistant to the CEO and later Deputy Training Head in Standard Chartered Bank Philippines. Later, as the Training Head for JP Morgan Bank, IBM and as an Organization Development (OD) Head in Union Bank of the Philippines. She joined Robinsons Bank in 2019 as the Talent Management and

Organizational Development Division Head and was appointed as the Human Resource Management Group Head in September 2020. She is certified as Professional Scrum Master, Scrum Product Owner and Professional Coach (ICF). She also attended numerous and extensive trainings and seminars involving human resource management, talent, competency and succession management, among others. She earned her degree of Bachelor of Science in Industrial Engineering from St. Louis University and finished her Masters in Business Administration from the De La Salle University.

20. **Ermelindo S. Andal, Jr.**, 49, Filipino, Senior Vice President, is the Head of Business Process Transformation of the Bank. He joined the Bank last May 2022. He oversees the Bank's Project Management Office, Systems and Methods Unit, and Business Process Management. His group is responsible for the management and implementation of enterprise projects, the regular rationalization and updating of the Bank's Policies and Manuals, and the continual process improvement and innovations. He has extensive experience in Operations Management, leading this area during his stint in UnionBank, Maybank Philippines, and EastWest Bank. He was also a former Group Chief Information Officer (CIO) and Group Data Protection Officer (DPO) of the Filinvest Group. He earned his Bachelor of Science degree in Mathematics, graduating Magna Cum Laude, and Master of Science degree in Mathematics, from the University of San Carlos in Cebu City. He has certification in Six Sigma Green Belt and Six Sigma Black Belt.

21. **Manuel G. Bosano III**, 54, Filipino, he joined the bank last July 2022 as Senior Vice President and Head of Account Management Group-3 under Corporate and Commercial Banking Segment. He has over 33 years of banking experience covering the areas of corporate/commercial banking, transaction banking, branch banking, trust and treasury. Prior to joining Rbank, he spent thirteen (13) years with Maybank Philippines handling various roles and the most recent of which was head of their Global Banking Group. He graduated from San Beda College with a degree in Bachelor of Arts majoring in Economics.

22. **Cynthia C. Bautista**, 55, Filipino, First Vice President, and the concurrent Chief Audit Officer of the Bank and LSB. She started her audit career in 1989 and before joining the Bank in 2013, she held senior audit positions in East West Bank (2009-2012) and Planters Bank (2012-2013). She also worked as an Internal Quality Review Officer of AIG Philam Savings Bank (2008-2009) and as an Operational Risk Management Officer (2001-2005) and Credit Risk Management Officer (2005-2008) of PBCom. She earned her Bachelors of Science degree in Business Administration, Major in Accounting, from the Pamantasan ng Lungsod ng Maynila (PLM). Over the years, she had attended extensive trainings on cyber-security, corporate governance, anti-money laundering, quality assurance, risk-based audit, risk management, and Basel II, among others. She is also a Certified Public Accountant.

23. **Lalaine C. Sta Ana**, 57, Filipino, First Vice President, joined the Bank on February 17, 2020, as Trust Officer and Group Head of the Bank's Trust and Investment Group. Prior to joining the bank, she headed the Corporate and Institutional Portfolio Management Division of Metrobank's Trust Banking Group. She served as Board Director of the Trust Officers Association of the Philippines (TOAP) from 2015-2019. She also held the Trust Officer position for CTBC Bank Philippines, owned by CTBC Financial Holdings, one of the largest private financial institutions in Taiwan. She held various senior management positions in Trust & Investment Services and Retail Banking Groups of Standard Chartered Bank, Philippines, where she obtained several certifications on mutual funds, bonds and premium foreign currency investments. She's a Certified Trust Practitioner of Philippine Trust Institute, where she graduated with distinction. She is a Certified SEC Registered Licensee, both as a Securities Broker and Fixed Income Salesman. She obtained her Bachelor's Degree from St. Scholastica's College, majored in Financial Management.

24. **Trisha Marie Gerette B. Gutierrez,** 53, Filipino, First Vice President & Head of Enterprise Risk Management Group, she joined the bank in 2019 as Credit Risk Management Division Head. She is formerly a Director for Credit Risk and Business Control for the Bank of Singapore Ltd. – Philippine Representative Office. She is a former Credit Officer for ING Bank N.V., Manila Branch. She is also a former Credit Risk Manager at BDO Unibank, Inc. She is a former Credit Risk Manager for Banco Satander Philippines, Inc. and a former Deputy Head of Research for Abacus Securities Corporation. She received her B.S. Business Economics from the University of the Philippines, Diliman.

25. **Romel D. Meniado,** 48, Filipino, First Vice President, and the concurrent Chief Compliance Officer (CCO) of RBank and its subsidiary bank, Legazpi Savings Bank (LSB). Prior to joining the Bank in 2009, he has worked with the Bangko Sentral ng Pilipinas for 12 years (1996-2008) as Bank Examiner. He also was the Bank's Assistant Controller (2009-2010) and Chief Audit Executive (2010-2013) before becoming as the Bank's Chief Compliance Officer (2013-2018). He was seconded to LSB as Chief Operating Officer (2018-2022) and was later on recalled to RBank as CCO on a concurrent capacity. He obtained his Bachelors of Science degree in Accountancy from the Polytechnic University of the Philippines and has a Masters degree in Business Administration from the De La Salle University, Taft. Throughout his career, he has attended numerous trainings and seminars on corporate governance, PFRS 9, anti-money laundering, finance, FATCA, strategic compliance, trust operations, Basel, money market trading, derivatives, risk management, financial investigation, among others. He is also a Certified Public Accountant.

(d) Directors and Independent Directors

Director	Person who nominated	Independent Director	Person who nominated and Relationship with Nominee
Lance Y. Gokongwei Chairman	JG Summit Capital Services Corp.	Catalino S. Abacan	Elfren Antonio S. Sarte/No relation
Mr. Frederick D. Go Vice Chairman	JG Summit Capital Services Corp.	Teodoro M. Panganiban	Elfren Antonio S. Sarte/No relation
Elfren Antonio S. Sarte Director/President & CEO	JG Summit Capital Services Corp.	Hermogenes S. Roxas[1]	Elfren Antonio S. Sarte/No relation
Robina Y. Gokongwei-Pe Director	Robinsons Retail Holdings, Inc.	Roberto S. Gaerlan	Elfren Antonio S. Sarte/No relation
Patrick Henry C. Go Director	JG Summit Capital Services Corp.	David C. Mercado[2]	Elfren Antonio S. Sarte/No relation
Omar Byron T. Mier Director	JG Summit Capital Services Corp.		ElfrenAntonio S. Sarte

[1] His term as Independent Director expired last December 18, 2022 and was immediately designated by the Board as non-executive and non-independent director effective December 19, 2022.
[2] His term as Independent Director expired on February 26, 2023 but was extended by the Monetary Board from February 27, 2023 up to the effectivity of the statutory merger of the Bank and BPI subject to the approval of the stockholders of the Bank on its annual stockholders' meeting in June 2023.

(e) Involvement in Legal Proceedings

To the knowledge and information of the Bank, none of the above-named directors, nominees, and executive officers have been involved in any of the following events during the past five (5) years and material to the evaluation:

i. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

ii. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

iii. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

iv. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

For the past five (5) years and material to the evaluation, the Bank, its affiliates, subsidiaries, directors and officers, have not been involved in any legal proceedings that would affect their ability, competence or integrity, and/or would involve a material or substantial portion of their property before any court of law, quasi-judicial body or administrative body in the Philippines or elsewhere, except in the usual routine cases directed against the Bank, arising from the ordinary conduct of its business.

All legal proceedings involving the Bank are efficiently and competently attended to and managed by a group of nine (9) in-house lawyers who are graduates of reputable law schools in the country. For its external counsels, the Bank retains the services of the following respected law firms:

- Romulo Mabanta Buenaventura Sayoc & Delos Reyes
- Valerio & Associates Law Office
- Atty. Filmore C. Gomos Law Office
- Atty. Rodrigo Talledo Law Office
- Guzman & San Gabriel Law Office

(f) Significant Employees

The Bank highly values its human resources. It expects each employee to do his share in achieving the Bank‘s set goals; in return, the Bank has in placed policies and programs for the protection and growth of its employees. There are no persons who are not executive officers of Robinsons Bank Corporation who are expected to make a significant contribution to the business.

(g) Family Relationship

1.) Mr. Lance Y. Gokongwei, Ms. Robina Y. Gokongwei-Pe, and Ms. Lisa Y. Gokongwei-Cheng are siblings.

2.) Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei, Ms. Robina Y. Gokongwei-Pe, and Ms. Lisa Y. Gokongwei-Cheng.

3.) Mr. Frederick D. Go, Mr. Patrick Henry C. Go, Mr. Brian M. Go, are cousins of Mr. Lance Y. Gokongwei, Ms. Robina Y. Gokongwei-Pe, and Ms. Lisa Y. Gokongwei-Cheng.

Item 10. Executive Compensation

(a) Summary Compensation Table

	IN MILLION PESOS			
Name	**Annual Salary**	**Bonus**	**Others**	**Total**
	(In Pesos)	**(In Pesos)**		**(In Pesos)**
2018	116,635,211.65	28,748,348.14		145,383,559.79
Executives (Headcount - 33)				
2019				
Executives (Headcount – 36)	131,360,917.76	35,157,738.01		166,518,655.77
2020				
Executives (Headcount - 37)	143,125,954.56	44,101,912.64		187,227,867.20
2021				
Executives (Headcount – 37)	158,832,929.25	39,376,541.30		198,209,470.55
2022				
Executives (Headcount – 41)	167,983,153.92	55,994,384.64		223,977,538.56
2023				
Estimate	176,382,311.62	58,794,103.87		235,176,415.49

(b) Compensation of Directors

The independent directors are entitled to a per diem of Php30,000.00 for attendance at each of the Board meeting, and Php10,000.00 for attendance at each of any committee meeting. The directors who belong to the controlling family receive Php500.00 per diem for attendance at each meeting in the Board or any committee. The President and Chief Executive Officer does not receive per diem for attendance at the Board or any committee meetings.

The aggregate amount paid by the Bank to its Directors, excluding the above executives and other officers, amounted to approximately Php2,525,500.00 in 2018, Php3,908.000.00 in 2019, Php5,168,500.00 in 2020, Php5,438,500.00 in 2021, and Php5,638,000.00 in 2022. For the year 2023, it is estimated that approximately Php 6,201,800 will be paid to the Directors.

(c) Warrants and Options Outstanding

No outstanding warrants or options are held by the Bank's Directors, President, and executive officers.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management as of December 31, 2022

(a) Directors and Management

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Lance Y. Gokongwei Chairman	Lance Y. Gokongwei	Filipino	1	0%
Common	Mr. Frederick D. Go Vice Chairman	Frederick D. Go	Filipino	1	0%
Common	Elfren Antonio S. Sarte Director/President & CEO	Elfren Antonio S. Sarte	Filipino	1	0%
Common	Robina Y. Gokongwei-Pe Director	Robina Y. Gokongwei-Pe	Filipino	1	0%
Common	Patrick Henry C. Go Director	Patrick Henry C. Go	Filipino	1	0%
Common	Omar Byron T. Mier Director	Omar Byron T. Mier	Filipino	1	0%
Common	Catalino S. Abacan, Independent Director	Catalino S. Abacan	Filipino	1	0%
Common	Teodoro M. Panganiban, Independent Director	Teodoro M. Panganiban	Filipino	1	0%
Common	Hermogenes S. Roxas Independent Director[3]	Hermogenes S. Roxas	Filipino	1	0%
Common	Ernesto C. Santiago Independent Director	Ernesto C. Santiago	Filipino	1	0%
Common	David C. Mercado Independent Director	David C. Mercado	Filipino	1	0%

(b) Other Officers, Supervisors and Staff

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Elfren Antonio S. Sarte/President & CEO	Elfren Antonio S. Sarte	Filipino	1	0%

[3] His term as Independent Director expired last December 18, 2022 and was immediately designated by the Board as non-executive and non-independent director effective December 19, 2022.

(c) Voting Trust Holders of 5% or More

Not applicable. The Bank has no existing voting trust agreements for more than 5% of its common stock with any person or persons.

(d) Changes in Control

There is no change in control of registrant and no change in control has occurred since the beginning of the last fiscal year.

Except for the proposed merger of the Bank with BPI wherein the BPI will be the surviving entity and is now pending regulatory approvals, there are also no arrangements known to the Bank, which may result in a change of control of registrant.

Item 12. Certain Relationships and Related Transactions

The Bank, in its regular course of trade and business, enters into transactions with its Directors, Officers, Stockholders, and Related Interests (DOSRI) which mainly involve loans which are duly disclosed to the BSP in accordance with the MORB.

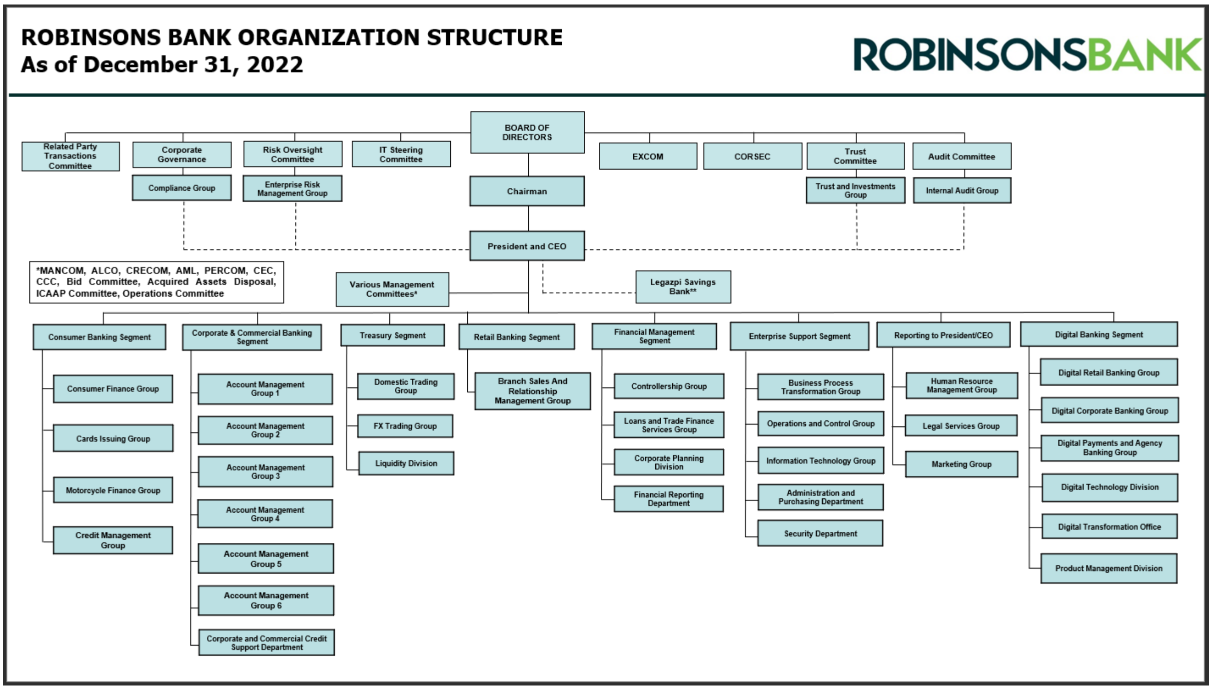
All transactions of the Bank, whether with DOSRI, related parties or non-related parties, are conducted and entered in the Bank’s best interest and on “arm’s length basis”.

There are no parties that fall outside the definition of “Related Parties” under SFAS/IAS No. 24 with whom the Bank or its related parties have a relationship that enables such parties to negotiate terms and material transactions that may not be available from other more clearly independent parties on an “arm’s length basis”.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

(a) Organizational Structure



(b) Board of Directors

The Board of the Bank represents the owners' interests in the Bank's objective to sustainably increase shareholder value and to ensure the long-term success of the business. The Board is actively responsible in ensuring that the Bank is properly managed in attaining this objective. In addition to fulfilling the Board's obligations for increased shareholder value, it also has the responsibility to protect the interests of other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.

The Board is primarily responsible for the observance of governance, including business and risk strategies, organization, and financial soundness of the Bank. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent checking and effective oversight of the Management.

Composition of the Board

The Board is composed of 11 members elected by the stockholders, five of whom are independent. All members of the Board are Filipinos and possess all the qualifications and none of the disqualifications to hold a directorship as prescribed under the Corporation Code and existing rules and regulations of the BSP and the Securities and Exchange Commission (SEC). They all passed the fit and proper test for the position of a director of the Bank, taking into account their integrity and probity, physical and mental fitness, competence, relevant education, financial literacy and training, diligence and knowledge and expertise. They are known for their independence and professionalism, and for making decisions with complete fidelity to the Bank while cognizant of their responsibilities under existing applicable laws, rules, and regulations.

The Board determines the appropriate number of its members to ensure that the number thereof is commensurate with the size and complexity of the Bank's operations. To the extent practicable, the members of the Board of Directors have been selected from a broad pool of qualified candidates. A sufficient number of qualified non-executive members had been elected to promote independence of the Board from the views of the senior management. For this purpose, non-executive members of the Board are those who are not part of the day-to-day management of banking operations.

Currently, there four (4) independent directors (ID) who are independent from Management and are free from any business or other relationship which could or could reasonably be perceived, to materially interfere with their exercise of independent judgment in carrying out their responsibilities as a director. They hold no interests or relationships with the Bank that may hinder their independence from the Bank or management or will interfere with the exercise of independent judgment in fulfilling their responsibilities. They are compliant with all the qualifications required of an independent director and none of the disqualifications as provided in the MORB. An independent director only serves as such for a maximum cumulative term of nine (9) years reckoned from 2012, after which he shall be perpetually barred from serving as Independent Director but may continue to serve as regular director. However, one independent director was allowed to extension of term beyond 9 years up to the effectivity of the statutory merger of the Bank and BPI subject to approval of the stockholders of the Bank during its annual stockholders' meeting in June 2023.

The Bank has a transparent procedure for the nomination and election of directors to the Board. Shareholders regularly nominate candidates who shall be evaluated based on qualifications provided under the MORB and a pool of qualified candidates is formed. The eleven (11) Board seats shall be filled through an election from the pool of qualified candidates.

(c) Board Meetings and Supply of Information

As provided for in the Bank's By-Laws, the Board schedules and holds regular monthly meetings and convenes special meetings when necessary. The Corporate Secretary provides the directors the notice, agenda, and meeting materials prior to each meeting. Proceedings of the meetings are properly documented and duly minuted.

In accordance with the rules and regulations of the SEC and the BSP, the members of the Board attend regular and/or special meetings in person or through teleconferencing and video conferencing which allows the directors to actively participate in the deliberations on matters taken. The Bank ensures availability of teleconferencing facilities if and when a director cannot physically attend due to unavoidable circumstances. A director may also attend the meetings by submitting written comments on the agenda to the Corporate Secretary and the Chairman prior to the meeting pursuant to Subsection X141.1 of the MORB.

In 2022, all members of the Board have substantially complied with the attendance requirement and actively participated in the deliberations on matters taken up during the regular and/or special meetings.

Name of Directors	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1.) Lance Y. Gokongwei	15	15	100.00
2.) Frederick D. Go	12	15	100.00
3.) Elfren Antonio S. Sarte	12	15	100.00
4.) Robina Y. Gokongwei-Pe	12	15	100.00
5.) Patrick Henry C. Go	12	15	100.00
6.) Omar Byron T. Mier	12	15	100.00

7.) Hermogenes S. Roxas	12	15	100.00
8.) David C. Mercado	12	15	100.00
9.) Roberto S. Gaerlan (Last BOD meeting attendance – April 27, 2022	4	4	100.00
10.) Catalino S. Abacan	15	15	100.00
11.) Teodoro M. Panganiban	15	15	100.00
12.) Ernesto C. Santiago (1st BOD meeting attendance was on June 29, 2022)	10	10	100.00

(d) Board Committees

In order to increase efficiency and gain deeper focus in specific areas, the Board has created committees, which are relative and consistent to the size, complexity of operations, long-term strategies, and risk tolerance level of the Bank. The scope, authority and responsibilities of these committees are defined in their respective board-approved charter which is subject to regular review and updated at least annually or whenever there are significant changes.

The Board has appointed the members of the committees taking into account the optimal mix of skills and experience which would allow them to fully understand, be critical and objectively evaluate the issues. To promote objectivity, the Board has appointed independent directors and non-executive directors to the greatest extent possible and ensures that such mix will not impair the collective skills, experience and effectiveness of the committees. Each of these committees maintains appropriate records (e.g., minutes of meeting) of their deliberations and decisions, subject to notation and/or confirmation of the Board. The records document the committees' fulfillment of their responsibilities and facilitate the assessment of the effective performance of their functions which is regularly and periodically conducted.

The Board has established and delegated responsibilities to seven committees, namely: the Executive Committee, the Corporate Governance Committee, the Risk Oversight Committee, the Audit Committee, the Trust Committee, the Related Party Transactions Committee, and the IT Steering Committee.

1. Executive Committee

The Bank's Executive Committee has been created as the highest credit approving body of the Bank after the Board. The Committee provides the necessary approvals for applications, deviations and other loan transactions. Resolutions of the Committee may be overruled only by the Board.

The Executive Committee provides decisions regarding applications for critical loan accounts and deviations that require careful deliberation. Approvals made are in compliance with internal policies and those required under existing laws, rules and regulations. Decisions made are influenced by the latest profitability and delinquency figures of an account or loan product.

Executive Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Lance Y. Gokongwei	46	46	100.00
2. Frederick D. Go	46	46	100.00
3. Elfren Antonio S. Sarte	46	46	100.00
4. Omar Byron T. Mier	46	46	100.00

2. *Corporate Governance Committee*

In order to proactively assist the Board in its fulfillment of its corporate governance responsibilities and ensure transparency in all of the Bank's transactions, it created the Corporate Governance Committee. The Committee ensures the Board's effectiveness and due observance of corporate governance principles, best practices and guidelines which are necessary components of what constitute sound strategic business management. It generates awareness of corporate governance within the Bank.

In particular, the Committee oversees the development and implementation of corporate governance principles and policies, reviews and evaluates the qualifications of the persons nominated to the Board as well as those nominated for election to other positions requiring appointment by the Board, decides the manner by which the Board's performance is evaluated and assists the Board in the periodic performance evaluation of the Board and its committees and executive management, and oversees the development and implementation of professional development programs for directors and officers.

The Committee is composed of five members, three of whom are independent directors including the Chairperson and Vice-Chairperson. The Committee holds regular meetings and may call for special meetings as deemed necessary. To properly evaluate its performance, the Committee meetings are properly and duly minuted.

Corporate Governance Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Hermogenes S. Roxas	12	12	100.00
2. Teodoro M. Panganiban	12	12	100.00
3. Patrick Henry C. Go	12	12	100.00
4. Omar Byron T. Mier	12	12	100.00
5. Ernesto C. Santiago (effective June 29, 2022)	6	6	100.00

Former Corporate Governance Committee Members:

Corporate Governance Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Roberto Gaerlan (Attended Jan – Apr 2022)	4	4	100.00

3. *Risk Oversight Committee*

To aid the Board in efficiently carrying out its function on risk management, it created the Risk Management Committee. This committee oversees the development and oversight of the Bank's risk management program including Trust Group and ensures an acceptable level of risk while minimizing losses. The Committee oversees the system of limits to discretionary authority that the Board delegates to management, supervises the system and ensures its effectiveness, provides and set limits and ensures that these are properly observed and that immediate corrective actions are taken should breaches occur.

The Board has appointed five members of the Committee who possess a broad-range of expertise as well as adequate knowledge of the Bank's risk exposures which enables them to develop appropriate strategies for preventing more losses when they occur. The committee members meet regularly and may call for special meetings whenever necessary.

Risk Oversight Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. David C. Mercado	12	12	100.00
2. Catalino S. Abacan	12	12	100.00
3. Omar Byron T. Mier	12	12	100.00
4. Elfren Antonio S. Sarte	12	11	92.00
5. Ernesto C. Santiago (Effective June 29, 2022)	6	6	100.00

Former Risk Oversight Committee Member:

Risk Oversight Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Roberto S. Gaerlan	5	5	100.00

4. Audit Committee

The Board has constituted an Audit Committee to provide oversight over the Bank's financial reporting policies, practices and control, and internal and external audit functions. In particular, the Committee aids the Board in monitoring and evaluating the adequacy, effectiveness, and efficiency of the Bank's internal controls system. Further, the Committee assists the Board in fulfilling its oversight responsibilities with regard to the integrity of the Bank's financial reporting process, the independence and performance of the Bank's external and internal auditors, the compliance to corporate governance policies and guidelines, and the Bank's compliance with regulatory requirements.

To carry-out its mandate, the Committee has explicit authority to investigate any matter within its terms of reference, full access and cooperation by management and full discretion to invite any director or executive officer to attend its meetings, and adequate resources to enable it to effectively discharge its functions.

As prescribed under existing rules and regulations, the Committee is composed of, to the greatest extent possible, sufficient number of independent and non-executive board members. All members of the Committee, including the Chairperson who is an ID, possess the required qualifications and none of the disqualifications. The Committee holds regular meetings and may call special meetings upon the request of the Chairperson or by at least two of its members, which proceedings are duly minuted.

Audit Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Catalino S. Abacan	12	12	100.00
2. David C. Mercado	12	12	100.00
3. Teodoro M. Panganiban	12	12	100.00
4. Hermogenes S. Roxas	12	12	100.00
5. Omar Byron T. Mier (Non-voting)	12	12	100.00

5. Trust Committee

The Trust Committee provides the overall direction and guidelines in the conduct of the Trust business, reviews plans for new investments, trust products and business development, and conducts assessment of Trust and Investments Group's performance and operational effectiveness.

Trust Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Robina Y. Gokongwei-Pe	11	11	100.00
2. Patrick Henry C. Go	11	11	100.00
3. Lance Y. Gokongwei	11	11	100.00
4. Omar Byron T. Mier	11	11	100.00
5. Lalaine C. Sta Ana	11	11	100.00

6. Related Party Transactions Committee

Pursuant to existing rules and regulations on related party transactions issued by the BSP, the Board created a Related Party Transactions Committee. This stems from the recognition of management that the Bank engages in transactions between and among related parties, which brings a need to exercise appropriate oversight and implement control systems for managing said exposures as these may potentially lead to conflict of interests if not abuses that are disadvantageous to the Bank and its depositors, creditors, and other stakeholders.

The Committee supports the Board in the exercise of appropriate oversight and implements a control system for managing exposures to related parties. It assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner and in compliance with applicable laws, rules and regulations to protect the interest of its depositors, creditors, and other stakeholders.

In particular, the Committee identifies related parties and monitors their transactions, evaluates related party transactions which are classified material and endorse the same to the Board for approval, ensures disclosure and reporting of related party transactions and oversees the implementation of a system to facilitate its functions as well as the development and periodic review of policies and procedures for related party transactions.

The Committee is composed of four members of the Board who are all independent directors. In case a member has a conflict of interest in a particular transaction, he should refrain from evaluating that particular transaction. The Chief Compliance Officer and Chief Audit Officer and/or their representatives including an executive director sit as resource persons in the said Committee.

Related Party Transactions Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Hermogenes S. Roxas	12	12	100.00
3. Catalino S. Abacan	12	12	100.00
4. David C. Mercado	12	12	100.00
5. Omar Byron T. Mier	12	12	100.00

Former Related Party Transaction Committee Members:

Related Party Transactions Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Roberto S. Gaerlan	4	4	100.00

7. IT Steering Committee

In compliance with BSP Circular 808, the Board has created the Information Technology Steering Committee which oversees a safe, sound, controlled and efficient information technology operating environment that supports the Bank's goals and objectives. In particular, the Committee, among others: reviews and monitors the performance of all IT projects; reviews the Bank's current IT infrastructure, system performance, associated risks and other significant issues and events and institutes appropriate actions to achieve the desired results; monitors and evaluates the performance of third party service providers on all information technology initiatives subject of the service contract; and reports to the Board relevant and adequate information regarding IT performance, status of major IT projects and significant issues affecting the Bank's IT operations.

The Committee is chaired by a non-executive and independent director, assisted by the Head of IT Group as Vice-Chairperson and executive officers of the Bank. The heads of Audit, Risk and Compliance are also invited in the regular and/or special meetings of the Committee as resource persons.

IT Steering Committee Members	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Meetings Attended %
1. Teodoro M. Panganiban (effective July – December 2021)	12	12	100.00
2. Hermogenes S. Roxas	12	12	100.00
3. Exequiel T. Tua	12	12	100.00
4. Eric C. Macalintal	12	12	100.00

(e) Corporate Secretary

The Bank's Corporate Secretary, who is a separate individual from its Compliance Officer, assists the Board in its duties and is responsible primarily to the corporation and its shareholders. His duties and responsibilities, among others, include assistance to the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings; Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well other documents such as the corporate seal, stock certificates, stock and transfer books, records, documents and papers of the Bank; Prepare ballots for annual elections and keep a complete and up-dated list of the stockholders and their addresses; Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise. The Bank also makes sure that the Corporate Secretary annually attends relevant trainings on corporate governance and other related topics. Presently, the Bank's Chief Legal Counsel is its concurrent Corporate Secretary.

(f) Board Training

In accordance with the Corporate Governance Manual and Subsection X141.3 of the MORB, the Corporate Governance Committee is responsible for making recommendations to the Board on the required trainings and continuing education of the directors. Relative thereto, members of the Board have attended the required corporate governance seminar for bank directors at BSP-accredited training providers, a pre-requisite for Monetary Board confirmation. These include topics on risk and governance, audit and control, and accountability. The members of the Board and members of the Senior Management regularly attend seminars on corporate governance, Anti-Money Laundering laws and regulations, and risk management for updates in these areas.

(g) Board and Committee Performance Evaluation

The Bank's Board represents the owner's interests in its objective to continuously improve its shareholders value and to achieve a successful and long-term business. The Board is actively responsible in ensuring that the Bank is properly managed to attain this result. In addition to fulfilling its obligations for increased shareholder value, it also has the responsibility to other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.

The Board is primarily responsible for the governance, including business and risk strategy, organization, and financial soundness of the Bank. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on and effective oversight of Management.

In order to increase efficiency and allow deeper focus in specific areas, the Board has created committees, which are relative and consistent to the size, complexity of operations, long-term strategies and risk tolerance level of the Bank. The scope, authority and responsibilities of these committees are defined in their respective board-approved charter which is subject to regular review and updated at least annually or whenever there are significant changes.

The Board has appointed the members of the committees taking into account the optimal mix of skills and experience which allow them to fully understand, be critical and objectively evaluate the issues. To promote objectivity, the Board has appointed independent directors and non-executive directors to the greatest extent possible and ensures that such mix will not impair the collective skills, experience and effectiveness of the committees. Each of these committees maintains appropriate records (e.g., minutes of meeting) of their deliberations and decisions, subject to notation and/or confirmation of the Board. The records document the committees' fulfillment of their responsibilities and facilitate the assessment of the effective performance of their functions which is regularly and periodically being conducted.

In order to pro-actively assist the Board in its fulfillment of its corporate governance responsibilities and ensure transparency in all of the Bank's transactions, it created the Corporate Governance Committee. The Committee ensures the Board's effectiveness and due observance of corporate governance principles, best practices and guidelines which are necessary component of what constitutes sound strategic business management. It creates awareness of corporate governance within the Bank. In particular, the Committee oversees the development and implementation of corporate governance principles and policies, reviews and evaluates the qualifications of the persons nominated to the Board as well as those nominated for election to other positions requiring appointment by the Board, decides the manner by which the Board's performance is evaluated and assists the Board in the periodic performance evaluation of the Board and its committees and executive management, among others. In this regard, annual performance evaluation of the board and board-committees is being conducted in accordance with the Bank's existing policies.

(h) President & CEO Evaluation

The performance of the President and CEO is evaluated as member of the Board and Senior Management where the results are discussed and approved by the Corporate Governance Committee and confirmed by the Board.

(i) Compliance System

The BSP issued Circular 747 "*Revised Compliance Frameworks for Banks" as amended by Circular 972,* in order to actively promote the safety and soundness of the Philippine Banking System through an enabling policy and oversight environment. Such an environment is governed by the high standards and accepted practices of good corporate governance as collectively designed by the BSP and its supervised institutions. Towards this end, a robust, dynamically-responsive and distinctly-appropriate Compliance Risk Management System has been put in place as an integral component of the Bank's culture and risk governance framework. In this respect, it is the responsibility and shared accountability of all personnel, officers and the board of directors.

Part of the Compliance Risk Management System is the Bank's strong compliance infrastructure. The Board of Directors, through the Corporate Governance Committee, exercises oversight implementation of compliance policy, ensuring policies and procedures are followed and corrective actions are taken by the management to address breaches, failures and control deficiencies identified. In its effort to address compliance risks effectively, the Board established the Compliance function and appointed a Chief Compliance Officer who is the lead operating officer on compliance. The Senior Management sees to it that applicable laws and regulations are complied with and, through the Chief Compliance Officer, render periodic reporting of compliance issues that the Bank is beset with. As Bank employee, everyone should conduct business activities in adherence to high standards of honesty and integrity and shall abide laws, regulations, rules, standards and codes of conduct and good governance applicable to our banking activities. This may cover observing market rules, managing conflict of interest, proper accounting and recording, applying best practices, compliance with tax laws, developing new products and electronic delivery channels, providing e-banking services and may also include specific areas such as prevention of money laundering and terrorist financing.

The Bank's Compliance Risk Management System is anchored on a program that ensures proper dissemination of laws, rules and regulation, self-assessment of compliance with laws, rules and regulations, validation of self-assessment and monitoring to ensure that all are compliant therewith. The Compliance Group disseminates laws, rules and regulations, including revisions or updates thereon, which are affecting the different operational areas of Bank. The different business units conduct periodic self-assessment of its compliance to relevant laws, rules and regulations through a Compliance Self-Assessment Checklist. Results of the self-assessment shall then be validated by an independent testing conducted by the Compliance Group. Any exceptions found in the self-assessment as well as independent testing are then properly reported to a Board Committee and subject of close monitoring to ensure they are properly addressed to be compliant to laws, rules and regulations. The compliance program is subject to review and revision as may be necessary to be updated with new issuances and depending on its effectiveness to achieving excellent compliance and monitoring of compliance risks.

(j) Education and Trainings

The Bank is committed to continually strengthen its compliance culture through education and training. The Compliance Group, in coordination with HRMG Training Department regularly conducts employee briefings to raise the level of awareness and understanding of the principles, concepts, and elements of good corporate governance and compliance as well updates to new laws and regulatory issuances. All new Bank employees undergo basic orientation on Compliance System, Anti-Money Laundering (AML), Risk Awareness, Information Security, Data Privacy and Corporate Governance. Refresher courses on these topics are annually given to all employees. In addition, tidbits and bulletins are also sent out to all employees as reminders of critical areas on these mandatory topics.

The members of the Board of Directors also attend seminars on Corporate Governance for bank directors from a BSP-accredited training provider upon assumption of the position and annual updates on corporate governance and Anti-Money Laundering laws and practices.

(k) Corporate Governance Manual

The Board and its management committed themselves to the principles and best practices on corporate governance. They believe that corporate governance is a necessary component of what constitutes sound business management and therefore undertake every effort necessary to create awareness within the Bank.

Toward this end, the Board adopted a corporate governance framework or the Corporate Governance Manual (Manual) that embodies the rules, systems and processes in the Bank. The framework governs the performance of the Board and management of their respective duties and responsibilities to stockholders and other stakeholders. The Manual is periodically reviewed with the objective of continually aligning the Bank's policies with the BSP and SEC circulars or issuances on corporate governance including best practices issued by the Basel Committee on Banking Supervision. This ensures that the interests of stockholders and other stakeholders are always taken into account, the directors, officers, and employees are aware of their responsibilities and the business of the Bank is conducted in a safe and sound manner.

(l) Board Compensation Policy

Board of Directors' compensation is a fee or per diem in an amount as may be determined by the Board shall be paid to each director for attendance to any meeting of the Board; provided, however, that nothing herein contained shall be construed to preclude any director from serving in any other capacity and receiving compensation therefor. Under the Bank's By-Laws, it is provided that Board shall fix the compensation and other remuneration of any Director or any other officer of the Bank should they be designated to perform executive functions or any special service to the Bank. In no case shall the total yearly compensation of directors, as such directors, exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year. However, under Section 29 of the Revised Corporation Code, which took effect on February 23, 2019, it is mandated that the directors or trustees shall not anymore participate in the determination of their own per diems or compensation. Because of this, during the annual stockholders' meeting of the Bank on June 26, 2019, the stockholders approved the delegation of the authority to determine the per diems and compensation of directors to the Chairman of the Board upon recommendation of the President and Chief Executive Officer.

(m) Dividend Policy

Subject to the Bank's By-Laws and the resolution of the Bank's Board, dividends may be declared annually or oftener as the Bank's Board may determine. The Board, however, may only declare dividends out of its surplus profits or unrestricted retained earnings after making due provisions for the necessary reserves (losses and bad debts) in accordance with the Revised Corporation Code, Securities Regulation Code, General Banking Law, MORB, and all regulations and circulars issued by the BSP.

Please refer to Part II, item 6 (c) on the Bank's declared cash dividend in 2022.

(n) Whistleblowing

Employees of the Bank are encouraged to perform the duty of disclosing to their immediate superior the existing or potential violations and wrongdoings that they are or may become aware of. The Bank's Policy on Timely Reporting of Concerns and Incidents, otherwise known as the Whistle-Blowing Policy, serves as a guide for all employees for reporting matters that breach integrity and the Bank's Code of Conduct.

(o) Code of Ethics and Policy on Conflict of Interest

The Bank's Code of Conduct for Employees exists to develop or pattern behavior in accordance to the Bank's standards, instill professional conduct, and enforce discipline and order. The Code is implemented by the Human Resources and Management Group. Copies of the Code of Conduct are given to employees upon hiring, while seminars are conducted regularly to further expound on the subject.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Reports on SEC Form 17-C

The following reports have been submitted by the Bank in 2022 and 2023 through its official disclosure letters, viz:

Report	Date Reported
Report on the Cessation of Mr. Roberto S. Gaerlan as Independent Director of the Bank by reason of his sale of his one and only share in the Bank in favor of Mr. Ernesto C. Santiago, a nominee for Independent Director, to fill up the position vacated by Mr. Gaerlan	May 19, 2022
Report on the Result of the Bank's Annual Stockholders' Meeting held on June 29, 2022 via Microsoft Teams	June 29, 2022
Report on Bank's Board approval of the proposed merger between the Bank and Bank of the Philippine Islands (BPI) with BPI as the surviving entity	September 30, 2022
Report on the Bank's Press Release entitled: "BPI and Robinsons Bank Announce Merger Plans"	September 30, 2022
Report on pertaining to Bank's approval of the following: (1) the designation of Mr. Hermogenes S. Roxas as Non-Executive and Non-Independent Director of Robinsons Bank Corporation ("Bank') effective December 19, 2022 after his term as Independent Director expires on December 18, 2022; (2) designation of Mr. Teodoro M. Panganiban as Chairman of the Bank's Corporate Governance Committee vice Mr. Hermogenes S. Roxas, effective December 19, 2022; and (3) designation of Mr. Hermogenes S. Roxas as Vice Chairman of the Bank's Corporate Governance Committee vice Mr. Teodoro M. Panganiban	November 23, 2022
Report on the Bank's Board approvals of the following: a. extension of the term of Director David C. Mercado as Independent Director ("ID") and to allow him to serve as such ID of the Bank from February 27, 2023 up to the effectivity of the statutory merger of the Bank and Bank of the Philippine Islands (BPI), subject to approval by the appropriate regulatory bodies; and b. declaration of cash dividends at Php0.2036 per share with December 1, 2022 as Record Date and December 23, 2022 as Payment Date. Under this proposal, the Bank is expected to make a cash dividend pay out to its stockholders in the amount of Php305,400,000.00	December 21, 2022
Report on re: Update - Supplement to the Merger Agreement and the Articles of Merger and Plan of Merger between the Bank and the Bank of Philippine Islands ("BPI")	January 27, 2023
Report on the approval of the Monetary Board/Bangko Sentral ng Pilipinas of the extension of the term of Director David C. Mercado as Independent Director ("ID") of the Bank allowing him to serve as such from February 27, 2023 up to the effectivity of the statutory merger of the Bank and the Bank of the Philippine Islands (BPI) subject to the approval of the Bank's stockholders during their annual stockholders' meeting in June 2023	March 20, 2023

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the city of Makati City on APR 26 2023.

By:

ELFREN ANTONIO S. SARTE
President & Chief Executive Officer
(Principal Executive Officer)

ANDRO M. YEE
Executive Vice-President &
Chief Financial Officer
(Principal Financial Officer)

EXEQUIEL T. TUA
Senior Vice-President
& Chief Operating Officer
(Principal Operating Officer)

IRMA D. VELASCO
First Vice-President &
Comptroller
(Principal Accounting Officer)

ROEL S. COSTUNA
Senior Vice-President
(Corporate Secretary)

SUBSCRIBED AND SWORN to before me this APR 26 2023 affiants exhibiting to me their Tax Identification Number as follows:

Names	Tax Identification No.
ELFREN ANTONIO S. SARTE	107-790-157
EXEQUIEL T. TUA	191-891-257
ANDRO M. YEE	117-686-278
IRMA D. VELASCO	150-387-989
ATTY. ROEL S. COSTUNA	177-087-684

Doc. No. 725;
Page No. 145;
Book No. II;
Series of 2023.

ATTY. AILEEN MARY S. CARDENAS-EJERCITO
NOTARY PUBLIC FOR AND IN MAKATI CITY
Unit 30G, The Grand Midori Tower 2, Legazpi St.,
Legazpi Village, Makati City
Roll No. 58364; Appointment No. M-067
IBP No. 276452; 01-08-2023; Northern Samar
PTR No. 1736878; 01-06-2023; Quezon City
MCLE Compliance No. VI-0007404; 04-11-2018
Commission is valid until December 31, 2023

ROBINSONSBANK
A Commercial Bank

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Robinsons Bank Corporation (the Bank) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

The Board of Directors (BOD) is responsible for overseeing the Bank's financial reporting process.

The BOD reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the shareholders, has audited the financial statements of the Bank in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Given this APR 2 6 2023 at Quezon City.

Lance Y. Gokongwei
Chairman of the Board

Elfren Antonio S. Sarte
President and Chief Executive Officer

Andro M. Yee
EVP and Chief Financial Officer

Irma D. Velasco
FVP and Controller

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
~~Quezon City~~ Makati City) S. S.

BEFORE ME, Notary Public for and in ~~Quezon City~~ Makati City this APR 2 6 2023, personally appeared the following, who are identified through competent evidence of identity, to wit:

Name	Valid IDs
Lance Y. Gokongwei	TIN 116-312-586
Elfren Antonio S. Sarte	TIN 107-790-157
Andro M. Yee	TIN 117-686-278
Irma D. Velasco	TIN 150-387-989

known to me to be the same person who executed the foregoing instrument and that they acknowledged to me that the same is their free and voluntary act and deed and that of the corporation they represent.

IN WITNESS WHEREOF, I have hereunto affixed my notarial seal at the date and place first above written.

Doc. No. 724;
Page No. 145;
Book No. II;
Series of 2023.

ATTY. AILEEN MARY S. CARDENAS-EJERCITO
NOTARY PUBLIC FOR AND IN MAKATI CITY
Unit 30G, The Grand Midori Tower 2, Legazpi St.,
Legazpi Village, Makati City
Roll No. 58364; Appointment No. M-067
IBP No. 276452; 01-08-2023; Northern Samar
PTR No. 1736878; 01-06-2023; Quezon City
MCLE Compliance No. VI-0007404; 04-11-2018
Commission is valid until December 31, 2023

REPUBLIC OF THE PHILIPPINES)
~~Quezon City~~) S. S.
Makati City

CERTIFICATION

We hereby certify that the enclosed CD copy of the Audited Financial Statements (AFS) of Robinsons Bank Corporation contains the same basic or material data in the hard copies of the AFS submitted herewith.

IN WITNESS WHEREOF, we have hereunto set our hands this APR 26 2023, in ~~Quezon City~~ Makati City.

ANDRO M. YEE
Executive Vice-President &
Chief Financial Officer

IRMA D. VELASCO
First Vice-President
Comptroller

SUBSCRIBED AND SWORN to before me this APR 26 2023, affiants exhibiting to me their proofs of identification, as follows:

Name	Proof of Identification
Andro M. Yee	TIN 117-686-278
Irma D. Velasco	TIN 150-387-989

Doc No. 723;
Page No. 145;
Book No. II;
Series of 2023.

ATTY. AILEEN MARY S. CARDENAS-EJERCITO
NOTARY PUBLIC FOR AND IN MAKATI CITY
Unit 30G, The Grand Midori Tower 2, Legazpi St.,
Legazpi Village, Makati City
Roll No. 58364; Appointment No. M-067
IBP No. 276452; 01-08-2023; Northern Samar
PTR No. 1736878; 01-06-2023; Quezon City
MCLE Compliance No. VI-0007404; 04-11-2018
Commission is valid until December 31, 2023

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Robinsons Bank Corporation and Subsidiary

Financial Statements
December 31, 2022 and 2021
and for the years ended
December 31, 2022, 2021 and 2020

and

Independent Auditor's Report

Building a better working world

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2	9	3	1	6						

COMPANY NAME

ROBINSONS BANK CORPORATION AND SUBSIDIARY

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.robinsonsbank.com.ph	8702–9500	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
15	Last week of June	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Irma D. Velasco	Irma.Velasco@robinsonsbank.com.ph	8702-9515	09988403139

CONTACT PERSON's ADDRESS

17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Robinsons Bank Corporation
17th Floor, Galleria Corporate Center
EDSA corner Ortigas Avenue
Quezon City

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated and parent company financial statements of Robinsons Bank Corporation and its subsidiary (the Group) and the parent company financial statements of Robinsons Bank Corporation (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2022 and 2021, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2022 and 2021, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which disclosed that on September 30, 2022, the Board of Directors of the Parent Company approved the merger between the Parent Company and Bank of the Philippine Islands (BPI), with BPI as the surviving entity. On January 17, 2023, the Parent Company's stockholders approved the Plan of Merger and Articles of Merger with BPI. On January 26, 2023, the Parent Company and BPI jointly filed with the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC) the request for approval of the statutory merger. As of report date, the Parent Company is waiting for the approval of the statutory merger by the BSP and the SEC. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Applicable to the Audit of the Consolidated and Parent Company Financial Statements

Allowance for Credit Losses on Loans and Receivables

The Group's and the Parent Company's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's and the Parent Company's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality, taking into account extension of payment terms and payment holidays provided as a result of the coronavirus pandemic; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts, and impact of credit enhancements extended by any party; and incorporating forward-looking information, including the impact of the coronavirus pandemic, in calculating ECL.

Allowance for credit losses on loans and receivables as of December 31, 2022 for the Group and the Parent Company amounted to ₱2.82 billion and ₱2.56 billion, respectively. Provision for credit losses on loans and receivables of the Group and the Parent Company in 2022 amounted to ₱930.34 million and ₱930.53 million, respectively.

The disclosures in relation to the allowance for credit losses on loans and receivables are included in Note 14 to the financial statements.

Audit Response

We updated our understanding of the board approved methodologies and models used for the Group's and the Parent Company's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments* to reflect an unbiased and probability-weighted outcome, and to consider time value of money and the best available forward-looking information.

We (a) assessed the Group's and the Parent Company's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place, and management's assessment of the impact of the coronavirus pandemic on the counterparties; (c) tested the Group's and Parent Company's application of internal credit risk rating system, including the impact of the coronavirus pandemic on the borrowers, by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and effects of credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) checked the reasonableness of forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge, including the impact of the coronavirus pandemic; and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We reviewed the disclosures made in the financial statements.

We involved our internal specialists in the performance of the above procedures.

Accounting for the change in business model under the fair value through other comprehensive income to hold-to-collect business model

In March 2022, the Board of Directors approved the change in the Parent Company's business model for certain debt securities due to the Parent Company's overall change in strategy brought about by significant internal and external factors that changed the Parent Company's business and liquidity requirements. As a result of the change in business model, the Parent Company reclassified a portfolio of debt securities on April 1, 2022 with an aggregate fair value of of ₱21.38 billion from 'Financial assets at fair value through other comprehensive income' to 'Investment securities at amortized cost'.

The accounting for the change in business model is significant to our audit because the amounts involved are material. Moreover, it involves the exercise of significant judgment in demonstrating that the objectives for managing the reclassified securities has changed to a hold-to-collect business model consistent with the requirements of PFRS 9.

The Parent Company's disclosures in relation to the change in business model is included in Note 7 to the financial statements.

Audit Response

We evaluated the Parent Company's change in business model. In line with our evaluation of the change in business model of the Parent company we (a) obtained an understanding of the Parent Company's objectives for its investment securities through inquiries with management and review of approved internal documentations, including the Parent Company's governance process over the change in business model. We also evaluated management's assessment for the change in business model in relation to the requirements of PFRS 9 by assessing the significance of the internal and external changes that resulted to the shift in the Parent Company's overall strategy. (b) Reviewed the reclassification adjustment made by the Parent Company based on the requirements of PFRS 9 and tested the carrying amounts of the investment securities using the effective interest method and compared against its fair values as at reclassification date; and (c) Reviewed the disclosures related to the change in business model based on the requirements of PFRS 7, *Financial Instruments: Disclosures*, PFRS 9 and Philippine Accounting Standard (PAS 1), *Presentation of Financial Statements.*

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated and parent company financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated and parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company 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 consolidated and parent company 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 consolidated and parent company 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 dnoetecting 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 Group's and Parent Company'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 Group's and Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company 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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Parent Company to express an opinion on the consolidated and parent company financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other amatters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on the Supplementary Information Required Under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BSP Circular No. 1074 in Note 33 and Revenue Regulations 15-2010 in Note 32 to the financial statements is 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 Robinsons Bank Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Juan Carlo B. Maminta.

SYCIP GORRES VELAYO & CO.

Juan Carlo Maminta

Juan Carlo B. Maminta
Partner
CPA Certificate No. 115260
Tax Identification No. 210-320-399
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 115260-SEC (Group A)
Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-132-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9564655, January 3, 2023, Makati City

April 26, 2023

ROBINSONS BANK CORPORATION AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

	Consolidated		Parent Company	
	December 31	December 31	**December 31**	December 31
	2022	2021	**2022**	2021
ASSETS				
Cash and Other Cash Items	**₱4,885,585,168**	₱3,934,989,886	**₱4,761,884,199**	₱3,828,341,816
Due from Bangko Sentral ng Pilipinas (Note 15)	**14,985,921,024**	15,781,690,745	**14,125,243,196**	15,381,126,153
Due from Other Banks (Note 6)	**3,939,935,533**	5,066,292,206	**3,909,641,443**	4,987,507,377
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Note 6)	**4,171,913,506**	14,881,826,705	**3,893,964,761**	14,764,230,901
Financial Assets at Fair Value Through Profit or Loss (Note 7)	**518,889**	1,912,412	**518,889**	1,912,412
Financial Assets at Fair Value Through Other Comprehensive Income (Notes 7 and 27)	**6,729,169,787**	26,529,627,158	**6,759,369,787**	26,559,827,158
Investment Securities at Amortized Cost (Note 7)	**33,818,190,606**	8,474,858,779	**33,798,192,506**	8,454,860,679
Loans and Receivables (Note 8)	**112,866,757,417**	99,211,620,970	**109,924,437,008**	97,373,458,296
Investments in Associates and Subsidiary (Note 9)	**423,274,389**	212,009,893	**1,720,305,648**	1,517,769,316
Property and Equipment and Right-of-Use Assets (Note 10)	**1,202,261,180**	1,333,352,694	**1,101,310,310**	1,209,790,544
Investment Properties (Note 11)	**1,205,297,167**	786,054,165	**1,107,278,793**	689,338,223
Branch Licenses (Note 12)	**1,001,765,969**	1,001,290,316	**380,855,969**	380,380,316
Goodwill (Note 9)	**244,327,006**	244,327,006	**–**	–
Deferred Tax Asset - net (Note 25)	**733,794,160**	709,044,297	**804,326,243**	732,623,798
Other Assets (Note 13)	**1,620,848,053**	1,600,912,671	**1,604,290,089**	1,587,415,350
	₱187,829,559,854	₱179,769,809,903	**₱183,891,618,841**	₱177,468,582,339
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 15 and 26)				
Demand	**₱28,721,183,838**	₱27,391,606,583	**₱28,526,389,844**	₱27,167,701,634
Savings	**95,450,695,898**	104,013,916,574	**92,111,755,266**	102,339,934,817
Time	**20,351,745,473**	15,632,738,812	**20,085,582,243**	15,350,209,898
Long-term negotiable certificates of deposit	**1,776,813,247**	5,948,312,591	**1,776,813,247**	5,948,312,591
	146,300,438,456	152,986,574,560	**142,500,540,600**	150,806,158,940
Bills Payable (Note 18)	**15,425,589,469**	2,500,000,000	**15,425,589,469**	2,500,000,000
Manager's Checks	**901,291,948**	1,066,036,319	**901,291,948**	1,066,036,319
Accrued Expenses (Note 19)	**1,371,876,466**	1,003,366,425	**1,333,187,972**	983,182,735
Other Liabilities (Note 19)	**3,979,701,996**	3,776,713,461	**3,880,347,333**	3,676,085,207
	167,978,898,335	161,332,690,765	**164,040,957,322**	159,031,463,201
Equity				
Common stock (Note 21)	**15,000,000,000**	15,000,000,000	**15,000,000,000**	15,000,000,000
Surplus	**4,824,185,600**	3,853,493,610	**4,824,185,600**	3,853,493,610
Surplus reserves (Notes 21 and 27)	**646,231,958**	519,845,104	**646,231,958**	519,845,104
Remeasurement gains (losses) on retirement plan (Note 22)	**17,990,778**	(55,592,558)	**14,763,644**	(49,242,065)
Remeasurement gains (losses) on associates and subsidiary's retirement plan (Note 22)	**298,045**	298,045	**3,525,179**	(6,052,448)
Net unrealized losses on financial assets at FVOCI (Note 7)	**(670,121,245)**	(907,253,190)	**(670,121,245)**	(907,253,190)
Cumulative translation adjustments	**32,076,383**	26,328,127	**32,076,383**	26,328,127
	19,850,661,519	18,437,119,138	**19,850,661,519**	18,437,119,138
	₱187,829,559,854	₱179,769,809,903	**₱183,891,618,841**	₱177,468,582,339

See accompanying Notes to Financial Statements

ROBINSONS BANK CORPORATION AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated			Parent Company		
	Years Ended December 31			Year Ended December 31		
	2022	2021	2020	**2022**	2021	2020
INTEREST INCOME ON						
Loans and receivables (Note 8)	**₱7,793,541,841**	₱6,823,094,568	₱6,610,326,864	**₱7,476,961,176**	₱6,499,125,796	₱6,242,583,242
Investment securities (Note 7)						
Investment securities at amortized cost	**1,037,600,843**	306,095,545	359,266,259	**1,036,696,463**	305,200,711	356,597,283
Finnacial assets at FVOCI	**548,679,143**	881,815,686	600,818,834	**548,679,143**	881,815,686	599,893,471
Financial assets at FVTPL	**1,488,724**	9,836,701	3,830,150	**1,488,724**	9,836,701	3,830,150
Interbank loans receivable/Securities purchased under resale agreements (Note 6)	**234,217,296**	218,581,434	176,769,283	**227,857,512**	216,422,605	172,755,151
Due from Bangko Sentral ng Pilipinas and other banks (Note 6)	**106,791,941**	72,986,811	85,998,369	**91,011,364**	66,205,304	76,355,724
	9,722,319,788	8,312,410,745	7,837,009,759	**9,382,694,382**	7,978,606,803	7,452,015,021
INTEREST EXPENSE ON						
Deposit liabilities (Notes 15 and 26)	**1,644,750,631**	1,025,484,452	1,375,240,744	**1,587,863,049**	995,154,005	1,343,523,076
Bills payable (Note 18)	**394,464,739**	18,293,385	83,744,050	**394,464,739**	18,293,385	83,744,050
Lease liability (Note 23)	**35,803,915**	42,911,819	46,351,280	**31,410,463**	38,320,827	41,572,352
Bonds payable (Note 17)	–	404,956,621	538,439,589	–	404,956,621	538,439,589
	2,075,019,285	1,491,646,277	2,043,775,663	**2,013,738,251**	1,456,724,838	2,007,279,067
NET INTEREST INCOME	**7,647,300,503**	6,820,764,468	5,793,234,096	**7,368,956,131**	6,521,881,965	5,444,735,954
Service fees and commission income (Note 24)	**901,908,479**	619,362,748	398,347,991	**892,425,840**	617,785,879	396,966,418
Service fees and commission expense (Note 24)	**400,804,803**	205,178,039	166,465,129	**388,782,543**	197,080,257	162,637,217
NET SERVICE FEE AND COMMISSION INCOME	**501,103,676**	414,184,709	231,882,862	**503,643,297**	420,705,622	234,329,201
Foreign exchange gains (losses) - net	**144,971,172**	51,023,324	(93,066,592)	**144,971,172**	51,023,324	(93,066,592)
Trading and securities gains - net (Note 7)	**23,101,675**	354,168,869	748,311,268	**23,101,675**	354,168,869	748,311,268
Gains on sale of investment securities at amortized cost and loans and receivables (Notes 7 and 8)	**5,242,383**	–	193,846,467	–	–	190,914,608
Loss on loan modification (Note 8)	–	–	(273,536,633)	–	–	(194,323,399)
Miscellaneous (Note 24)	**301,163,346**	282,096,521	98,996,115	**278,480,601**	256,226,996	81,460,921
TOTAL OPERATING INCOME	**8,622,882,755**	7,922,237,891	6,699,667,583	**8,319,152,876**	7,604,006,776	6,412,361,961
OPERATING EXPENSES						
Compensation and fringe benefits (Notes 22 and 26)	**1,755,048,001**	1,587,686,651	1,438,673,152	**1,654,592,427**	1,463,371,168	1,312,593,031
Provision for credit and impairment losses (Note 14)	**964,881,150**	1,304,264,925	1,102,054,520	**965,063,086**	1,275,553,174	1,050,618,813
Depreciation and amortization (Note 10)	**721,596,052**	738,412,604	686,938,574	**679,580,023**	691,106,117	644,224,626
Taxes and licenses (Note 25)	**605,019,900**	625,883,099	615,142,199	**578,020,849**	604,163,357	597,714,584
Information technology	**524,165,057**	330,620,656	336,216,069	**505,835,260**	313,480,424	321,227,844
Occupancy and equipment-related costs (Notes 23 and 26)	**402,574,603**	310,040,086	255,422,315	**385,641,453**	290,912,513	236,460,734
Insurance	**398,121,545**	311,847,345	244,027,024	**389,903,592**	303,967,045	236,180,659
Security, messengerial and janitorial	**359,582,250**	222,744,576	237,278,850	**331,527,089**	178,752,902	201,519,001
Communication	**105,973,132**	108,408,425	117,167,165	**103,411,222**	105,516,520	113,683,485
Entertainment, amusement, and recreation	**77,116,890**	99,916,160	97,929,702	**76,420,602**	98,450,224	96,087,509
Management and professional fees	**31,442,696**	24,461,259	24,870,525	**27,577,443**	21,781,328	22,878,680
Miscellaneous (Note 24)	**834,131,649**	738,654,370	638,739,356	**811,696,930**	728,661,325	615,231,379
TOTAL OPERATING EXPENSES	**6,779,652,925**	6,402,940,156	5,794,459,451	**6,509,269,976**	6,075,716,097	5,448,420,345
INCOME BEFORE SHARE IN NET INCOME OF ASSOCIATES AND SUBSIDIARY	**1,843,229,830**	1,519,297,735	905,208,132	**1,809,882,900**	1,528,290,679	963,941,616
SHARE IN NET INCOME (LOSS) OF ASSOCIATES AND SUBSIDIARY (Note 9)	**(107,465,837)**	3,145,148	–	**(125,771,628)**	5,144,344	(51,034,028)
INCOME BEFORE INCOME TAX	**1,735,763,993**	1,522,442,883	905,208,132	**1,684,111,272**	1,533,435,023	912,907,588
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 25)	**333,285,149**	306,337,839	(29,378,785)	**281,632,428**	317,329,979	(21,679,329)
NET INCOME	**₱1,402,478,844**	₱1,216,105,044	₱934,586,917	**₱1,402,478,844**	₱1,216,105,044	₱934,586,917

See accompanying Notes to Financial Statements.

	Consolidated			Parent Company		
	Years Ended December 31			Years Ended December 31		
	2022	2021	2022	**2022**	2021	2022
NET INCOME	**₱1,402,478,844**	₱1,216,105,044	₱934,586,917	**₱1,402,478,844**	₱1,216,105,044	₱934,586,917
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX						
Item that may not be reclassified to profit or loss						
Change in remeasurement gains (losses) on retirement plan net of tax (Note 22)	**73,583,336**	(23,751,247)	7,330,199	**64,005,709**	(22,491,538)	8,454,575
Change in remeasurement losses on associates and subsidiary's retirement plan net of tax (Note 22)	–	298,045	–	**9,577,627**	(961,664)	(1,124,376)
Change in net unrealized losses on equity financial assets at fair value through other comprehensive income (Note 7)	**(5,162,500)**	(5,250,000)	(4,014,940)	**(5,162,500)**	(5,250,000)	(4,014,940)
Items that may be reclassified to profit or loss						
Change in allowance on debt financial assets at fair value through other comprehensive income (Note 7)	**(4,325,154)**	2,929,559	1,364,730	**(4,325,154)**	2,929,559	1,364,730
Change in net unrealized gains (losses) on debt financial assets at fair value through other comprehensive income (Note 7)	**246,619,599**	(1,128,613,504)	238,455,320	**246,619,599**	(1,128,613,504)	238,455,320
Translation adjustments	**5,748,256**	49,786,864	87,417,783	**5,748,256**	49,786,864	87,417,783
	316,463,537	(1,104,600,283)	330,553,092	**316,463,537**	(1,104,600,283)	330,553,092
TOTAL COMPREHENSIVE INCOME	**₱1,718,942,381**	₱111,504,761	₱1,265,140,009	**₱1,718,942,381**	₱111,504,761	₱1,265,140,009

See accompanying Notes to Financial Statements.

ROBINSONS BANK CORPORATION AND SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY

	Consolidated							
	Common Stock (Note 21)	**Surplus (Note 21)**	**Surplus Reserves (Notes 21 and 27)**	**Remeasurement Gains (Losses) on Retirement Plan (Note 22)**	**Remeasurement Gains (Losses) on Associates's Retirement Plan (Note 9)**	**Net Unrealized Losses on Financial Assets At Fair Value Through Other Comprehensive Income**	**Cumulative Translation Adjustments**	**Total**
Balance at January 1, 2022	**₱15,000,000,000**	**₱3,853,493,610**	**₱519,845,104**	**(₱55,592,558)**	**₱298,045**	**(₱907,253,190)**	**₱26,328,127**	**₱18,437,119,138**
Total comprehensive income for the year	–	**1,402,478,844**	–	**73,583,336**	–	**237,131,945**	**5,748,256**	**1,718,942,381**
Dividend declaration (Note 21)	–	**(305,400,000)**	–	–	–	–	–	**(305,400,000)**
Appropriations for expected credit losses and trust reserves (Note 21)	–	**(126,386,854)**	**126,386,854**	–	–	–	–	–
Balance at December 31, 2022	**₱15,000,000,000**	**₱4,824,185,600**	**₱646,231,958**	**₱ 17,990,778**	**₱298,045**	**(₱670,121,245)**	**₱32,076,383**	**₱19,850,661,519**
Balance at January 1, 2021	₱15,000,000,000	₱2,621,857,074	₱535,376,596	(₱31,841,311)	₱–	₱223,680,755	(₱23,458,737)	₱18,325,614,377
Total comprehensive income (loss) for the year	–	1,216,105,044	–	(23,751,247)	298,045	(1,130,933,945)	49,786,864	111,504,761
Appropriations for expected credit losses and trust reserves (Note 21)	–	15,531,492	(15,531,492)	–	–	–	–	–
Balance at December 31, 2021	₱15,000,000,000	₱3,853,493,610	₱519,845,104	(₱55,592,558)	₱298,045	(₱907,253,190)	₱26,328,127	₱18,437,119,138
Balance at January 1, 2020	₱15,000,000,000	₱1,672,850,201	₱549,796,552	(₱39,171,510)	₱–	(₱12,124,355)	(₱110,876,520)	₱17,060,474,368
Total comprehensive income for the year	–	934,586,917	–	7,330,199	–	235,805,110	87,417,783	1,265,140,009
Appropriations for expected credit losses (Note 21)	–	14,419,956	(14,419,956)	–	–	–	–	–
Balance at December 31, 2020	₱15,000,000,000	₱2,621,857,074	₱535,376,596	(₱31,841,311)	₱–	₱223,680,755	(₱23,458,737)	₱18,325,614,377

See accompanying Notes to Financial Statements.

	Parent							
	Common Stock (Note 21)	**Surplus (Note 21)**	**Surplus Reserves (Notes 21 and 27)**	**Remeasurement Gains (Losses) on Retirement Plan (Note 22)**	**Remeasurement Gains (Losses) on Associates and Subsidiary's Retirement Plan (Note 22)**	**Net Unrealized Gains (Losses) on Financial Assets At Fair Value Through Other Comprehensive Income**	**Cumulative Translation Adjustments**	**Total**
Balance at January 1, 2022	**₱15,000,000,000**	**₱3,853,493,610**	**₱519,845,104**	**(₱49,242,065)**	**(₱6,052,448)**	**(₱907,253,190)**	**₱26,328,127**	**₱18,437,119,138**
Total comprehensive income for the year	–	**1,402,478,844**	–	**64,005,709**	**9,577,627**	**237,131,945**	**5,748,256**	**1,718,942,381**
Dividend declaration	–	**(305,400,000)**	–	–	–	–	–	**(305,400,000)**
Appropriations for expected credit losses and trust reserves (Note 21)	–	**(126,386,854)**	**126,386,854**	–	–	–	–	–
Balance at December 31, 2022	**₱15,000,000,000**	**₱4,824,185,600**	**₱646,231,958**	**₱14,763,644**	**₱3,525,179**	**(₱670,121,245)**	**₱32,076,383**	**₱19,850,661,519**
Balance at January 1, 2021	₱15,000,000,000	₱2,621,857,074	₱535,376,596	(₱26,750,527)	(₱5,090,784)	₱223,680,755	(₱23,458,737)	₱18,325,614,377
Total comprehensive income (loss) for the year	–	1,216,105,044	–	(22,491,538)	(961,664)	(1,130,933,945)	49,786,864	111,504,761
Appropriations for expected credit losses and trust reserves (Note 21)	–	15,531,492	(15,531,492)	–	–	–	–	–
Balance at December 31, 2021	₱15,000,000,000	₱3,853,493,610	₱519,845,104	(₱49,242,065)	(₱6,052,448)	(₱907,253,190)	₱26,328,127	₱18,437,119,138
Balance at January 1, 2020	₱15,000,000,000	₱1,672,850,201	₱549,796,552	(₱35,205,102)	(₱3,966,408)	(₱12,124,355)	(₱110,876,520)	₱17,060,474,368
Total comprehensive income (loss) for the year	–	934,586,917	-	8,454,575	(1,124,376)	235,805,110	87,417,783	1,265,140,009
Appropriations for expected credit losses (Note 21)	–	14,419,956	(14,419,956)	–	–	–	–	–
Balance at December 31, 2020	₱15,000,000,000	₱2,621,857,074	₱535,376,596	(₱26,750,527)	(₱5,090,784)	₱223,680,755	(₱23,458,737)	₱18,325,614,377

ROBINSONS BANK CORPORATION AND SUBSIDIARY
STATEMENTS OF CASH FLOWS

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	**₱1,735,763,993**	₱1,522,442,883	₱905,208,132	**₱1,684,111,272**	₱1,533,435,023	₱912,907,588
Adjustments for:						
Provision for credit and impairment losses (Notes 7, 13 amd 14)	**964,881,150**	1,304,264,925	1,102,054,520	**965,063,086**	1,275,553,174	1,050,618,813
Depreciation and amortization (Note 10)	**721,596,052**	738,412,604	686,938,574	**679,580,023**	691,106,117	644,224,626
Loss on sale of repossessed chattels (Note 24)	**141,775,152**	126,254,759	119,281,078	**142,926,252**	142,438,995	120,922,822
Share in net loss (income) of subsidiary and associates (Note 9)	**107,465,837**	(3,145,148)	–	**125,771,628**	(5,144,344)	51,034,028
Loss (gain) on initial recognition of investment properties (Note 24)	**(105,905,880)**	(83,805,485)	48,301,239	**(102,522,762)**	(77,809,494)	48,659,416
Amortization of premium or discount on financial assets and liabilities (Notes 7, 17 and 18)	**80,481,487**	48,111,127	71,547,766	**75,239,104**	48,111,127	71,547,766
Retirement expense (Note 22)	**64,706,073**	55,920,782	60,060,465	**53,640,665**	50,676,995	55,587,638
Interest on lease liability (Note 23)	**35,803,915**	42,911,819	46,351,280	**31,410,463**	38,320,827	41,572,352
Gain on sale of investment properties (Note 24)	**(31,621,478)**	(13,874,289)	(3,560,023)	**(31,621,478)**	(13,874,289)	(3,560,023)
Loss on initial recognition of repossessed chattels (Note 24)	**21,819,912**	17,915,263	511,114	**21,819,912**	17,915,263	511,114
Gain on sale of financial assets at FVOCI (Note 7)	**(19,948,028)**	(348,228,663)	(719,488,025)	**(19,948,028)**	348,228,663	(719,488,025)
Gain on sale of investment securities at amortized cost and loans receivables (Note 7)	**(5,242,383)**	–	(193,846,467)	**–**	–	(190,914,608)
Gain on sale of property and equipment (Notes 10 and 24)	**(5,076,514)**	(30,413,145)	(1,909,732)	**(5,014,760)**	(30,015,977)	(1,705,218)
Unrealized loss (gain) on financial assets at fair value through profit or loss (Note 7)	**1,320,230**	(1,990,536)	1,019,209	**1,320,230**	(1,990,536)	1,019,209
Net unrealized gain on derivative liability (Note 7)	**–**	–	(556,022)	**–**	–	(556,022)
Decrease (increase) in:						
Loans and receivables	**(18,154,699,995)**	(14,694,614,466)	(7,872,786,380)	**(17,043,846,021)**	(15,001,165,226)	(7,898,662,835)
Financial assets at fair value through profit or loss	**73,293**	87,154,857	(83,160,060)	**73,293**	87,154,857	(83,160,060)
Other assets	**(6,039,631)**	(219,710,083)	199,535,193	**(3,266,967)**	(341,077,968)	(57,871,322)
Increase (decrease) in:						
Deposit liabilities	**(6,411,093,751)**	35,539,163,754	19,845,784,861	**(8,030,575,987)**	35,413,409,019	19,761,198,639
Manager's checks	**(164,744,371)**	(86,306,736)	77,828,510	**(164,744,371)**	(86,306,736)	77,828,510
Accrued expenses and other liabilities	**820,546,092**	398,241,068	856,769,634	**792,669,160**	395,514,769	870,598,744
Net cash provided by (used in) operations	**(20,208,138,845)**	24,398,705,290	15,145,884,866	**(20,827,915,286)**	24,484,480,259	14,752,313,152
Income taxes paid	**(381,921,526)**	(255,097,058)	(273,884,962)	**(376,138,954)**	(251,552,000)	(265,809,493)
Dividends received	**37,800,000**	–	–	**37,800,000**	–	–
Contributions paid on retirement plan	–	–	(528,706,790)	–	–	(264,353,395)
Benefit payments from own fund	**(16,556,544)**	–	–	**(5,121,222)**	–	–
Net cash provided by (used in) operating activities	**(20,568,816,915)**	24,143,608,232	14,343,293,114	**(21,171,375,462)**	24,232,928,259	14,222,150,264
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Financial assets at FVOCI	**(14,297,231,883)**	(23,550,379,091)	(24,733,662,297)	**(14,297,231,883)**	(23,550,379,091)	(24,733,662,297)
Investment securities at amortized cost	**(8,600,242,257)**	(912,516,473)	(860,922,314)	**(8,600,242,257)**	(912,516,473)	(860,922,314)
Invesment in associates (Note 9)	**(356,530,333)**	(212,009,893)	–	**(356,530,333)**	(212,009,893)	–
Property and equipment (Notes 10 and 30)	**(275,419,035)**	(184,873,545)	(119,669,900)	**(272,905,759)**	(170,252,443)	(110,572,277)

(Forward)

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Software cost (Note 13)	**(₱147,207,442)**	(₱164,410,549)	(₱111,931,805)	**(₱145,782,696)**	(₱162,431,815)	(₱99,074,005)
Branch license (Note 12)	**(475,653)**	(552,372)	(809,575)	**(475,653)**	(552,372)	(499,575)
Proceeds from sale of:						
Financial assets at FVOCI	**10,617,111,786**	15,553,852,614	20,343,881,852	**10,617,111,786**	15,553,852,613	20,343,881,852
Repossessed chattels	**541,930,615**	516,657,918	254,814,691	**540,186,431**	497,722,069	374,095,767
Investment properties	**97,282,138**	71,889,149	18,176,350	**89,435,222**	48,722,312	8,212,177
Property and equipment	**17,866,282**	63,926,035	3,593,886	**17,635,952**	63,538,822	3,352,387
Investment securities at amortized cost	**–**	–	3,727,059,369	**–**	–	3,543,816,428
Proceeds from maturity of:						
Investment securities at amortized cost	**8,931,762,270**	487,023,117	633,340,923	**8,931,762,270**	487,023,117	633,340,923
Net cash used in investing activities	**(3,471,153,512)**	(8,331,393,090)	(846,128,820)	**(3,477,036,920)**	(8,357,283,154)	(898,030,934)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable (Note 18 and Note 30)	**13,000,000,000**	2,500,000,000	–	**13,000,000,000**	2,500,000,000	–
Payments of lease liability (Notes 23 and Note 30)	**(341,822,140)**	(328,115,803)	(241,916,872)	**(322,408,522)**	(312,183,240)	(230,799,333)
Payment of dividends	**(305,400,000)**	–	–	**(305,400,000)**	–	–
Payments of bonds payable (Notes 18 and Note 30)	**–**	(10,000,000,000)	(2,050,000,000)	**–**	(10,000,000,000)	(2,050,000,000)
Net cash provided by (used in) financing activities	**12,352,777,860**	(7,828,115,803)	(2,291,916,872)	**12,372,191,478**	(7,812,183,240)	(2,280,799,333)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	**5,748,256**	49,786,864	87,417,783	**5,748,256**	49,786,864	87,417,783
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(11,681,444,311)**	8,033,886,203	11,292,665,205	**(12,270,472,648)**	8,113,248,729	11,130,737,780
CASH AND CASH EQUIVALENTS AT JANUARY 1						
Cash and other cash items	**3,934,989,886**	2,863,029,038	3,249,359,133	**3,828,341,816**	2,749,958,446	3,176,490,713
Due from Bangko Sentral ng Pilipinas	**15,781,690,745**	20,367,518,731	12,216,191,774	**15,381,126,153**	19,922,550,239	11,824,524,807
Due from other banks	**5,066,292,206**	3,904,608,310	2,463,991,767	**4,987,507,377**	3,809,357,748	2,374,076,786
Interbank loans receivable and Securities purchased under resale agreements (Note 6)	**14,881,826,705**	4,495,757,260	2,408,705,460	**14,764,230,901**	4,366,091,085	2,342,127,432
	39,664,799,542	31,630,913,339	20,338,248,134	**38,961,206,247**	30,847,957,518	19,717,219,738
CASH AND CASH EQUIVALENTS AT DECEMBER 31						
Cash and other cash items	**4,885,585,168**	3,934,989,886	2,863,029,038	**4,761,884,199**	3,828,341,816	2,749,958,446
Due from Bangko Sentral ng Pilipinas	**14,985,921,024**	15,781,690,745	20,367,518,731	**14,125,243,196**	15,381,126,153	19,922,550,239
Due from other banks	**3,939,935,533**	5,066,292,206	3,904,608,310	**3,909,641,443**	4,987,507,377	3,809,357,748
Interbank loans receivable and securities purchased under resale agreements (Note 6)	**4,171,913,506**	14,881,826,705	4,495,757,260	**3,893,964,761**	14,764,230,901	4,366,091,085
	₱27,983,355,231	₱39,664,799,542	₱31,630,913,339	**₱26,690,733,599**	₱38,961,206,247	₱30,847,957,518
OPERATIONAL CASH FLOWS FROM INTEREST						
Interest received	**₱9,653,550,463**	₱8,318,359,037	₱7,341,053,981	**₱9,297,808,930**	₱7,963,790,795	₱7,004,365,929
Interest paid	**1,881,340,071**	1,545,086,731	2,109,289,105	**1,825,782,407**	1,508,913,442	2,072,101,259

See accompanying Notes to Financial Statements

ROBINSONS BANK CORPORATION AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Bank Corporation (the Parent Company or the Bank) was domiciled and incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on April 28, 1966 and acquired its license from Bangko Sentral ng Pilipinas (BSP) to operate as a commercial bank on March 1, 2002. On March 21, 2013, the SEC granted the license extending the Bank's corporate life for another fifty (50) years. Presently, the Bank's corporate life is perpetual pursuant to the Revised Corporation Code.

The registered address and principal place of business of the Parent Company is at 17th Floor, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City.

The Parent Company is 60.00% and 40.00% owned by JG Summit Capital Services Corp. (JGSCSC) and Robinsons Retail Holdings, Inc. (RRHI), respectively. The ultimate parent company of the Bank is JG Summit Holdings, Inc. The Parent Company has several debt issuances that were listed in the Philippine Dealing and Exchange Corporation (PDEx) (see Note 17).

On September 30, 2022, the Board of Directors of the Parent Company approved the plan of merger of the Parent Company with the Bank of Philippine Islands (BPI), with BPI as the surviving entity. On November 16, 2022, the Parent Company notified the Philippine Competition Commission (PCC) about the proposed statutory merger with BPI.

On January 17, 2023, at the special stockholders' meeting of the Parent Company called for the purpose, its stockholders owning more than two thirds (2/3) of all issued and outstanding shares approved the plan of merger and articles of merger with BPI. On January 26, 2023, the Parent Company and BPI jointly filed with the BSP and SEC their request for approval of their statutory merger. To date, the statutory merger of the Parent Company and BPI is still awaiting approvals of the aforementioned government regulators. Completion of all approvals is targeted by the last quarter of 2023 and legal merger is expected to take effect by January 1, 2024. The merger is seen as a strategic move that will unlock various synergies across businesses, expand customer bases, and enhance the overall banking experience of the Parent Company's customers with the combined network. (see Note 31).

The Parent Company and its subsidiary and associates (collectively referred to as the "Group") which are all incorporated in the Philippines are engaged in the following businesses:

Subsidiary and Associates	Principal place of business	Line of Business	Effective Percentage of Ownership **December 31, 2022**	 December 31, 2021
Legazpi Savings Bank (LSB)	738 Building, Rizal Street, Barangay Sagpon, Old Albay, Legazpi City	Banking	**99.93**	99.93
Unicon Insurance Brokers Corporation	25th floor Robinsons Equitable Tower, ADB Avenue corner Poveda St. Ortigas Center, Pasig City	Insurance Broker	**40.00**	40.00
GoTyme Bank Corporation	30F Robinsons Cyberscape Gamma, Topaz & Ruby Roads, Ortigas Center, Brgy. San Antonio, Pasig City, Philippines,1605	Digital Banking	**20.00**	20.00

2. Summary of Significant Accounting Policies

Basis of Preparation
The financial statements of the Parent Company reflect the accounts of the Regular Banking Unit (RBU) and the Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine Peso (PHP) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in PHP (see accounting policy on Foreign Currency Translation). The financial statements individually prepared for these units are combined and inter-unit accounts and transactions are eliminated. The financial statements are presented in PHP, and all amounts are rounded to the nearest peso (₱), except when otherwise indicated.

Statement of Compliance
The consolidated and parent company financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Presentation of Financial Statements
The Group and the Parent Company present its statements of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement within twelve (12) months after the statement of financial position date (current) and more than twelve (12) months after the statement of financial position date (non-current) is presented in Note 20.

The Group and the Parent Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Bank and all of the counterparties. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group and of the Parent Company. This is not generally the case with master-netting agreements, where the related assets and liabilities are presented gross in the statement of financial position.

Basis of Consolidation
The consolidated financial statements of the Group are prepared for the same reporting period as the subsidiary, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full in the consolidation.

A subsidiary is fully consolidated from the date on which control is transferred to the Parent Company. Control is achieved where the Parent Company is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary ceases when control is transferred out of the Parent Company. The results of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

A change in the Parent Company's ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Parent Company.

When a change in ownership interest of a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company:

- derecognizes the related assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests;
- derecognizes the related other comprehensive income (OCI) recorded in equity and recycles the same to statement of income or surplus;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained; and
- recognizes any surplus or deficit in statement of income.

Changes in Accounting Policies and Disclosures

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have any material impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, Business Combinations to avoid the issue of potential ‘day 2’gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, Provisions, Contingent Liabilities and Contingent Assets or Philippine-IFRIC 21, Levies, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- Annual Improvements to PFRSs 2018-2020 Cycle

    - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

      The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

    - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

      The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

    - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

      The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

<u>Standards Issued but not yet Effective</u>

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Significant Accounting Policies

Fair Value Measurement
For measurement and disclosure purposes, the Group determines the fair value of an asset or a liability at initial measurement date or at each statement of financial position date. Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If the asset or liability measured at fair value has a bid and ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value, regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:
- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the measurement is unobservable.

External appraisers are involved for valuation of significant non-financial assets such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For purposes of the fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy (see Note 5).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole at the end of each statement of financial position).

Foreign Currency Translation
The consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company's functional currency.

Transactions and balances
The books of accounts of the RBU are maintained in PHP, while those of the FCDU are maintained in USD. For financial reporting purposes, FCDU accounts and the foreign currency-denominated monetary assets and liabilities in the RBU are translated into their PHP equivalents based on the Bankers Association of the Philippines (BAP) closing rate prevailing at the statement of financial position date and for, foreign currency-denominated income and expenses based on the spot exchange rate at the date of the transaction. Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities in the RBU are credited to or charged against the statement of income under 'Foreign exchange gain (loss) - net' in the year in which the rates change. Foreign exchange differences arising on translation of FCDU accounts to peso are taken to other comprehensive income (OCI) under 'Translation adjustments'.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined.

Cash and Cash Equivalents
For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, amounts due from BSP and other banks, interbank loans receivable and Securities Purchased Under Resale Agreements (SPURA) with original maturities of three (3) months or less from dates of placements and that are subject to insignificant risk of changes in value. Due from BSP includes the statutory reserves required by the BSP which the Group considers as cash equivalents wherein withdrawals can be made to meet the Group's cash requirements as allowed by the BSP.

Repurchase and Reverse Repurchase Agreements
Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as 'Securities sold under repurchase agreements (SSURA)', reflecting the economic substance of such transaction.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The corresponding cash paid, including accrued interest, is recognized in the statement of financial position as SPURA, and is considered a loan to the counterparty.

The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the effective interest rate (EIR) method.

Financial Instruments - Initial Recognition and Subsequent Measurement
Date of recognition
Purchases or sales of financial instruments that require delivery of assets within the time frame established by regulation or convention in the market are recognized on the settlement date. Settlement date accounting refers to (a) recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Group. Deposits, amounts due from banks and customers and loans are recognized when cash is received by the Group or advanced to the borrowers. Derivatives are recognized on a trade date - the date that the Group becomes a party to the contractual provisions of

the instrument. Trade date accounting refers to (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Initial recognition of financial instruments
All financial instruments are initially recognized at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.

'Day 1' difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or computed based on valuation technique whose variables include only data from observable markets, the Group recognizes the difference between the transaction price and the fair value (a 'Day 1' difference) in the statement of income unless it qualifies for recognition as some other type of asset or liability. In cases where fair value is determined using data which are not observable from the market, the difference between the transaction price and the model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the amount of 'Day 1' difference.

<u>Classification and Measurement of Financial Assets</u>
Classification and measurement
The classification and measurement of financial assets is driven by the entity's contractual cash flow characteristics of the financial assets and business model for managing the financial assets.

As part of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the 'solely payments of principal and interest' (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g. if there are repayments of principal or amortization of the premium or discount).

Business model assessment
The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but a higher level of aggregated portfolios and is based on observable factors such as:
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stresscase' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Group's measurement categories are described below:

Investment securities at amortized cost
Financial assets are measured at amortized cost if both of the following conditions are met:
- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

As of December 31, 2022 and 2021, the Group's investment securities at amortized cost are presented in the statement of financial position as 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and SPURA', 'Investment securities at amortized cost', 'Loans and receivables', 'Accrued interest receivables' and certain accounts under 'Other assets'.

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

Financial assets at FVTPL
Debt instruments that neither meet the amortized cost nor the FVOCI criteria, or that meet the criteria but the Group has chosen to designate as at FVTPL at initial recognition, are classified as financial assets at FVTPL.

Equity investments are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include government securities, corporate bonds and equity securities which are held for trading purposes.

A financial asset is considered as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or,
- it is a derivative that is not designated and effective as a hedging instrument or financial guarantee.

Financial assets at FVTPL are measured at fair value. Related transaction costs are recognized directly as expense in profit or loss. Gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVTPL and gains or losses arising from disposals of these instruments are included in 'Trading and securities gains - net' account in the statements of income.

Interest recognized based on the modified effective interest rate of these investments is reported in statements of income under 'Interest income' account while dividend income is reported in statements of income under 'Miscellaneous income' account when the right of payment has been established.

Financial assets at FVOCI - equity investments
At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI, however, such designation is not permitted if the equity investment is held by the Group for trading. The Group has designated certain equity instruments as at FVOCI on initial application of PFRS 9.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in 'Net unrealized gains (losses) on financial assets at FVOCI' in the statements of financial position. When the asset is disposed of, the cumulative gain or loss previously recognized in the Net unrealized fair value gains (losses) on financial assets at FVOCI account is not reclassified to profit or loss, but is reclassified directly to Surplus free account. Any dividends earned on holding these equity instruments are recognized in profit or loss under 'Miscellaneous Income' account.

Financial assets at FVOCI - debt investments
The Group applies the new category under PFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:
- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value being recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. The ECL calculation for financial assets at FVOCI is explained in the 'Impairment of Financial Assets' section.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria; and, (iii) from FVTOCI to amortized cost if the objective the business model changes so that the fair value criteria are no longer met but the amortized cost criteria are still met and the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Derivatives recorded at FVTPL
The Parent Company is a counterparty to derivative contracts, such as currency forwards and currency swaps. These derivatives are entered into as a service to customers and as a means of reducing or managing their respective foreign exchange exposures, as well as for trading purposes. Such derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives are taken directly to the statement of income and are

included in ‘Trading and securities gains - net’. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Reclassification of financial assets
The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument’s contractual cash flows meet the amortized cost criteria; and, (iii) from FVOCI to amortized cost if the objective the business model changes so that the fair value criteria are no longer met but the amortized cost criteria are still met and the instrument’s contractual cash flows meet the amortized cost criteria.

If the Group reclassifies a financial asset out of the FVOCI measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. This adjustment affects other comprehensive income but does not affect profit or loss and therefore is not a reclassification adjustment. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

A change in the objective of the Group’s business model will be effected only at the beginning of the next reporting period following the change in the business model.

<u>Offsetting Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group and the Parent Company assess that they have currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group, the Parent Company and all of the counterparties.

Income and expenses are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group and the Parent Company.

<u>Derecognition of Financial Assets and Liabilities</u>
Financial asset
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:
- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control over the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control over the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered SPPI

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new ' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Financial liability
A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Exchange or modification of financial liabilities
The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Impairment of Financial Assets
The Group and the Parent Company record the allowance for expected credit losses for all loans and receivables and other debt financial assets not held at FVTPL, all referred to as 'financial instruments'. Equity instruments are not subject to impairment under PFRS 9.

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

Staging assessment
A three-stage approach for impairment of financial assets is used, based on whether there has been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognized.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all financial instruments which have not experienced a SICR since initial recognition or is considered of low credit risk as of the reporting date. The criteria for determining whether an account should be assessed under Stage 1 are as follows: (i) past due up to 30 days except for microfinance loans wherein days past due for Stage 1 accounts is 0 - 6 days; (ii) accounts tagged as 'Current' are tagged as Stage 1 accounts; (iii) no significant increase in the probability of default. The Group recognizes a 12-month ECL for Stage 1 financial instruments.

- Stage 2 is comprised of all financial instruments which have experienced a SICR since initial recognition. A SICR is generally deemed present in accounts with: (i) more than 30 days up to 90 days past due, except for microfinance loans; (ii) loan especially mentioned or substandard; or (iii) which credit rating has deteriorated by at least two (2) notches down; or (iv) in specific industries specifically identified by the Group to have been heavily impacted by the pandemic. For the commercial loans, stage 2 criteria (i), (ii), (iii) and (iv) are considered; while for the retail loans, only stage 2 criteria (i) is used. The Group recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Stage 3 is comprised of all financial assets that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognizes a lifetime ECL for Stage 3 financial instruments.

Definition of "default" and "restored"
The Group classifies a financial instrument as in default when it is credit impaired, or becomes past due on its contractual payments for more than 90 days. As part of a qualitative assessment of whether a customer is in default, the Group considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e. restored) if there is sufficient evidence to support that full collection is probable and payments are received for at least six months.

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

Significant increase in credit risk
The assessment of whether there has been a significant increase in credit risk is based on an increase in the probability of a default occurring since initial recognition. The SICR criteria vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower

or counterparty is determined to require close monitoring or with well-defined credit weaknesses. For exposures without internal credit grades, if contractual payments are more than a specified days past due threshold, the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL.

ECL parameters and methodologies
ECL is a function of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

The PD is an estimate of the likelihood of default over a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historic data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio.

The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It makes use of defaulted accounts that have either been identified as cured, restructured, or liquidated. The Group segmented its LGD based on homogenous risk characteristics and calculated the corresponding averages based on security.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

Forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A broad range of forward-looking information are considered as economic inputs, such as GDP growth, exchange rate, interest rate, inflation rate and other economic indicators.

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Group applied the general approach for its receivable from customer. The Group used sophisticated method on its large-scale and medium-scale businesses and motorcycle loans. While simplified models using vintage loss rate approach was used for the remaining portfolios (i.e., home, auto, personal loans (secured and unsecured), microfinance and small-scale business).

Debt instruments measured at fair value through OCI
The ECLs for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets are measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

Consumer loans and credit card receivables
The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and the Group's expectations, the period over which the Group calculates ECLs for these products, is up to five years.

Restructured loans
Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered as past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur.

Write-offs
Financial assets are written off either partially or in their entirety when the Group no longer expects collections or recoveries within a foreseeable future. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to 'Provision for impairment and credit losses' account.

Investment in Subsidiary
Subsidiary pertains to entity over which the Parent Company has control. Investment in a subsidiary in the separate financial statements is accounted for using the equity method. Under the equity method, the investment in a subsidiary is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group and the Parent Company's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the subsidiary is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statement of income reflects the Parent Company's share of the results of operations of the subsidiary. Any change in OCI of the investee is presented as part of the Group and the Parent Company's OCI. In addition, when there has been a change recognized directly in the equity of the subsidiary, the Parent Company recognizes its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Parent Company's share of profit or loss of a subsidiary is shown on the face of the statement of income under 'Share in net income (loss) of a subsidiary' and represents profit or loss after tax in the subsidiary.

The financial statements of the subsidiary are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Parent Company determines whether it is necessary to recognize an impairment loss on its investment in a subsidiary. At each statement of financial position date, the Parent Company determines whether there is objective evidence that the investment in a subsidiary is impaired. If there is such evidence, the Parent Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, then recognizes the loss in the statement of income.

Upon loss of control over the subsidiary, the Parent Company measures and recognizes any retained investment at its fair value.

As of December 31, 2022 and December 31, 2021, the sole and wholly owned subsidiary of the Parent Company is LSB (see Note 9).

Investment in Associates

Associates pertain to all entities over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. In the consolidated financial statements, investment in associates is accounted for under the equity method of accounting.

The investments in its associates are accounted for using the equity method of accounting. Under the equity method, the investments in associates are carried in the consolidated and parent company statement of financial position at cost plus post-acquisition changes in the Parent Company's share in the net assets of the associates. The consolidated and parent company statement of comprehensive income reflects the share of the results of operations of the associates. Where there has been a change recognized in the investees' other comprehensive income, the Parent Company recognizes its share of any changes and discloses this, when applicable, in the other comprehensive income. Profits and losses arising from transactions between the Parent Company and the associate are eliminated to the extent of the interest in the associates.

Upon loss of significant influence over the associate, the Parent Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment and Right-of-Use Assets

Land is stated at cost less any impairment in value. Depreciable property and equipment are carried at cost less accumulated depreciation and amortization, and any impairment in value.

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

Depreciation and amortization is calculated using the straight-line method over the estimated useful life of the depreciable assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases and the estimated useful lives of the improvements.

The estimated useful lives of property and equipment follow:

Building	25 years
Transportation equipment	5 years
Leasehold improvements	5 years
Furniture, fixtures and equipment	3 to 5 years

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

The carrying values of the property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized in the statement of income (see accounting policy on Impairment of Non-financial Assets).

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

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Investment Properties
Investment properties are measured initially at cost, including transaction costs. Transaction costs represent nonrefundable taxes such as capital gains tax and documentary stamp tax that are for the account of the Group. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured in which case the investment property acquired is measured at the carrying amount of asset given up. Foreclosed properties are classified as ‘Investment properties’ upon: a) entry of judgment in case of judicial foreclosure; b) execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or c) notarization of the Deed of Dacion in case of dation in payment (dacion en pago).

The difference between the fair value of the asset acquired and the carrying amount of the asset given up is recognized as ‘Gain (loss) on initial recognition of investment properties’ under ‘Miscellaneous income’ in the statement of income.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value.

Investment properties are derecognized when they have either been disposed of or when they are permanently withdrawn from use and no future benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income under 'Miscellaneous income' in the year of retirement or disposal.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged against income in the year in which the costs are incurred.

Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties but not to exceed ten (10) years for buildings and condominium units.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost of the property for subsequent accounting is its carrying value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in compliance with the policy stated under property and equipment up to the date of change in use.

Other Assets - Repossessed Chattels

Repossessed chattels represent other properties acquired in settlement of loan receivables comprising mainly of repossessed vehicles. Repossessed chattels are stated at cost less accumulated depreciation and impairment in value. Depreciation is calculated on a straight-line basis using the remaining useful lives of the vehicles from the time of acquisition. The useful lives of repossessed chattels are estimated to be three (3) to five (5) years.

Business Combinations and Goodwill

Business combinations are accounted for using the purchase method of accounting. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities but excluding future restructuring) of the acquired business at fair value. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognized directly in the statement of income in the year of acquisition.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Parent Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if event or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated at each of the Parent Company's cash-generating units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, and is not larger that an operating segment in accordance with PFRS 8, *Operating Segments*.

Where goodwill has been allocated to a CGU and part of the operation within the unit is disposed of, the goodwill associated with the operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

When subsidiaries are sold, the difference between the selling price and net assets plus cumulative translation differences and goodwill is recognized in the statement of income.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each statement of financial position date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as change in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

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

Branch licenses

Branch licenses arise from the acquisition of branches and lincenses of a local bank by Group. The Group's branch licenses have indefinite useful lives and are subject to annual individual impairment testing. These are tested for impairment annually either individually or at the CGU level. Such intangibles are not amortized. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Software costs
Software costs are carried at cost less accumulated amortization and any impairment loss. Software costs are amortized on a straight-line basis over the estimated useful life which ranges from three (3) to seven (7) years.

Impairment of Non-financial Assets
Property and equipment, right-of-use assets, investment in subsidiary and associates, investment properties and repossessed chattels
At each statement of financial position date, the Group assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged to operations in the year in which it arises. An assessment is made at each statement of financial position date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset (or CGU) is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually at the statement of financial position date either individually or at the CGU level, as appropriate. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Revenue Recognition
Revenue is recognized to the extent that it is probable that future economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The Group concluded that it is acting as a principal in all of its revenue arrangements except for commission income arrangements.

PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The five-step model is as follows:
a) Identify the contract(s) with a customer
b) Identify the performance obligations in the contract
c) Determine the transaction price
d) Allocate the transaction price to the performance obligation in the contract
e) Recognize revenue when (or as) the entity satisfies a performance obligation

Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The following specific recognition criteria must also be met before revenue is recognized:

Revenues within the scope of PFRS 15

Service fees and commission income
Fees earned for the provision of services over a period of time are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, portfolio fees, commission income, credit-related fees and other service and management fees. Fees on deposit-related accounts are recognized only upon collection or accrued when there is reasonable degree of certainty as to its collection.

Income from sale of property and equipment, investment properties and repossessed chattels
Income from sale of property and equipment, investment properties and repossessed chattels is recognized at point-in-time upon completion of the earning process and the collectability of the sales price is reasonably assured.

Other income
Other income is recognized when earned at a point in time and is recorded under 'Miscellaneous income' in the statement of income.

Revenues outside the scope of PFRS 15

Interest income
For all financial instruments measured at amortized cost and interest-bearing financial instruments, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income'.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Interest income - finance lease
The excess of aggregate lease rentals plus the estimated residual value over the cost of the leased investment property constitutes the unearned lease income. Residual values represent estimated proceeds from the disposal of investment property at the time lease is estimated. The unearned lease

income is amortized over the term of the lease, commencing on the month the lease is executed using the EIR method.

Unearned lease income ceases to be amortized when the lease contract receivables become past due for more than three months.

Dividend income
Dividend income, included in 'Miscellaneous income', is recognized when the Group's right to receive payment is established.

Trading and securities gains - net
Trading and securities gains - net represents results arising from disposal of AFS and HTM investments and trading activities including all gains and losses from changes in fair value of financial assets at FVTPL.

Gains on sale of investment securities at amortized cost
Gains on sale of investment securities at amortized cost is recognized when the risk and rewards of the amortized cost securities are transferred to the buyer at an amount equal to the difference of the selling price and the carrying amount of the securities.

Rental income
Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Miscellaneous income'.

Expense Recognition
Expenses are recognized when it is probable that decrease in future economic benefits related to the decrease in asset or an increase in liability has occurred and that the decrease in economic benefits can be measured reliably. Expenses that may arise in the course of ordinary regular activities of the Group include, among others, the operating expenses on the Group's operation.

Operating expenses
Operating expenses constitute costs which arise in the normal business operation and are recognized when incurred.

Taxes and licenses
This includes all other taxes, local and national, including gross receipts taxes (GRT), documentary stamp taxes, real estate taxes, licenses and permit fees and are recognized when incurred.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:
a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
b) a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
c) there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as lessor
Finance leases, where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item to the lessee, are included in the statement of financial position under 'Loans and receivables' account. A lease receivable is recognized at an amount equal to the net investment in the lease. All income resulting from the receivables is included in 'Interest income on loans and receivables' in the statement of income.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Group as lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are presented under 'Property and equipment' in the consolidated and parent company statement of financial position and are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease liabilities are presented under 'Other liabilities' in the consolidated and parent company statement of financial position.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option), except for office/building, parking and ATM spaces. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Retirement Cost
The Group has a noncontributory defined benefit retirement plan. The retirement cost of the Group is actuarially determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense' in the statement of income.

Contingent Liabilities and Contingent Assets

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

Income Taxes

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the statement of financial position date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused net operating loss carryover (NOLCO) and carryforward of unsed tax benefits from excess of the minimum corporate income tax (MCIT) over regular corporate income tax (RCIT).

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settles, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority

Tax benefits acquired as part of a business combination, but not satisfying criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. If the Group changes the structure of its internal organization in a manner that causes the composition of its reportable segment to change, the corresponding information for earlier periods, including interim periods, shall be restated unless the information is not available and the cost to develop it would be excessive. Financial information on business segments is presented in Note 29.

Events after the Reporting Period
Post year-end events that provide additional information about the Group's position at the statement of financial position date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's financial statements requires the management of the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities at the statement of financial position date. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Judgments
The preparation of the financial statements requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Evaluation of business model in managing financial instruments
The Group manages its financial assets based on business models that maintain an adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

The Group's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to, taking into consideration the objectives of each business model established by the Group, various risks and key performance indicators being reviewed and monitored by responsible officers, as well as the manner of compensation for them.

The Parent Company's BOD approved its documentation of business models which contains broad categories of business models. The business model includes the Parent Bank's lending activities as well as treasury business activities broken down into liquidity and investment portfolios.

In addition, PFRS 9 provides that the Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. In making the assessment, the Group considers the significance of the changes in its strategy that is demonstrable to internal and external parties. The Group also considers the impact of the change in strategy to its overall risk profile to determine whether the objectives in managing its financial assets have changed. Please refer to Note 7 for details.

Uncertainties over income tax treatments
The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a highly regulated environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

The Group applies significant judgment whether it is probable that a particular uncertain income tax treatment will be acceptable to the taxation authority. The Group considers the following:
- Past experience related to similar tax treatments
- Legal advice or case law related to other entities
- Practice guidelines published by the taxation authority that are applicable to the case

The Group reassesses the judgement if the facts and circumstances on which the judgement was based change or as a result of new information that affects the judgement.

<u>Estimates</u>
a) *Expected credit losses on financial assets*
The Group reviews its financial assets and commitments at each reporting date to determine the amount of expected credit losses to be recognized in the balance sheet and any changes thereto in the statement of income. In particular, judgments and estimates by management are required in determining the following:
    - whether a financial asset has had a significant increase in credit risk since initial recognition; whether default has taken place and what comprises a default;
    - macro-economic factors that are relevant in measuring a financial asset's probability of
    - default as well as the Group's forecast of these macro-economic factors;
    - probability weights applied over a range of possible outcomes;
    - sufficiency and appropriateness of data used and relationships assumed in building the
    - components of the Group's expected credit loss models;
    - measuring the exposure at default for unused commitments on which an expected credit loss
    - should be recognized and the applicable loss rate

    As of December 31, 2022 and 2021, the Group also identified specific accounts within industries that would need to be assessed separately for ECL purposes. The status of the accounts and the potential impact of the pandemic to these accounts were considered by the Group in the assessment. The Group also considered the potential direction of the maccroeconomic indicators because of the pandemic in the scenario generation and the assignment of probabilities for each scenario.

    The details of the expected credit losses on financial assets are presented in Notes 7, 8, and 14.

b) *Impairment of non-financial assets*

Investment properties and repossessed chattels

The Group assesses impairment on investment properties and repossessed chattels whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

a. significant underperformance relative to expected historical or projected future operating results;
b. significant changes in the manner of use of the acquired assets or the strategy for overall business; and
c. significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the fair value less costs to sell for investment properties and repossessed chattels. Recoverable amounts are estimated for individual assets.

The carrying values of and the allowance for impairment losses, if any, on investment properties and repossessed chattels of the Group and of the Parent Company are disclosed in Notes 11, 13 and 14.

Branch licenses

Branch License is considered an intangible asset with an indefinite useful life and it is required to be tested for impairment annually by comparing its carrying amount with its recoverable amount, irrespective of whether there is any indication that it may be impaired.

The recoverable amount of the CGU, the Branch Banking Unit, has been determined based on a value in use calculations using cash flow projections from financial budgets approve by senior management covering a five-year period. The Group used the cost of equity as discount rate. Key assumptions used in the value in use calculation are pre-tax discount rate and growth rate, which are at 15.85% and 6.47%, respectively as of December 31, 2022 and 13.83% and 4.46%, respectively as of December 31, 2021. Management believes that no reasonably possible change in any of the key assumptions used would cause the carrying value of the CGUs to exceed their recoverable amount. The carrying values of and allowance for impairment losses on branch licenses of the Group are disclosed in Note 12.

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events of changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income.

The Group estimated the discount rate used for the computation of the net present value be referenced to industry cost of capital. The recoverable amount of the CGU, has been determined based on a value in use calculations using cash flow projections from financial budgets approve by senior management covering a five-year period. Average growth rate was derived from the average increase in annual income during the last five (5) years.

Key assumptions used in the value in use calculation are pre-tax discount rate and growth rate, which are at 14.49% and 5.19%, respectively as of December 31, 2022 and 12.80% and 5.06%, respectively as of December 31, 2021. Management believes that no reasonably possible change in any of the key assumptions used would cause the carrying value of the CGUs to exceed their recoverable amount.

The carrying values of goodwill of the Group are disclosed in Note 9.

Present value of retirement liability
The cost of defined benefit retirement plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumed discount rates were determined using market yields on Philippine government bonds with terms consistent with the expected employee benefit payouts as of the statement of financial position date.

The present values of the Group and the Parent Company's defined benefit obligation as of December 31, 2022 and 2021 are disclosed in Note 22.

4. Financial Risk Management Objectives and Polices

The main risks arising from the Group's financial instruments are credit, market and liquidity risks. In general, the Group's risk management objective is to ensure that risks taken are within the Group's risk appetite, which is assessed based on the Group's capital adequacy framework. The risk management process involves risk identification, measurement, control and monitoring.

The Group recognizes that risk management is the responsibility of the entire organization. Accordingly, all employees are expected to manage risks relating to their own responsibilities. Nonetheless, there are specialized entities within the Group that perform certain risk management functions.

The Board of Directors (BOD) ultimately oversees and approves significant matters related to risk management throughout the Parent Company, upon the review and recommendation of various committees composed of members of the BOD and Senior Management. Among the Parent Company's committees are:

- the Corporate Governance Committee, which ensures the BOD's effectiveness and due observance of the corporate governance principles and guidelines;
- the Risk Oversight Committee (ROC), which is responsible for the development and oversight of the Parent Company's risk management program;
- the Audit Committee, which examines the Parent Company's framework of risk management, control and governance process to ensure that these are adequate and functional; and
- the Credit Committee, which recommends credit policies and evaluates credit applications.

The following units within the Parent Company jointly perform risk management functions on a daily basis:

- Compliance for regulatory risk;
- Treasury for funding and liquidity risk;
- Credit Management Group for credit risk;

- Enterprise Risk Management Group (ERMG) for various risks, including market risk; credit and operational risks; and
- Internal Audit for the evaluation of the adequacy of internal control systems, covering operational risk.

These units submit various risk reports to the Management Committee, the ROC and the BOD, among others.

Specific risk management disclosures, including mitigation, measurement and control, are in the succeeding sections.

Credit Risk

Credit risk may be defined as the possibility of loss due to the failure of a customer/borrower or counterparty to perform its obligation to the Group.

The Group has several credit risk mitigation practices:

- The Group offers a variety of loan products with substantial collateral values. The latter part of this credit risk section discusses collateral and other credit enhancements.
- Limits are set on the amount of credit risk that the Group is willing to take for customers and counterparties, and exposures are monitored against such credit limits.
- The Group also observes related regulatory limits such as the single borrower's limit (SBL) and directors, officers, stockholders and related interests (DOSRI) ceiling.
- To protect against settlement risk, the Group employs a delivery-versus-payment (DvP) settlement system, wherein payment is effected only when the corresponding asset has been delivered.
- There is an internal credit risk rating system (ICRRS) in place, providing a structured format for collating and analyzing borrower data to arrive at a summary indicator of credit risk.
- Past due and non-performing loan (NPL) ratios are also used to measure and monitor the quality of the loan portfolio

In view of the heightened credit risk arising from the pandemic, at the start of the Enhanced Community Quarantine (ECQ) in 2020, the Group conducted a credit risk assessment or rapid review process to assess the effect of the pandemic on loan portfolios. Account assessment during the onset of the pandemic is an inherent process in the conduct of credit assessment of borrowers within the bounds of the existing credit policies. The Group identified and segmented borrowers based on the following major factors: (a) ownership, (b) payment performance, (c) financials or financial condition of borrower, (d) industry where the borrower operates in, as well as industry prospects, (e) the effect of the pandemic and the ECQ / community quarantines on the operations of the borrower, and (f) collateral position.

This has enabled the Group to focus on potential major risks and the comparison of all borrowers or credit exposures across business lines and borrower credit worthiness. The Group also revisited the credit risk rating to capture risk level.

Maximum exposure to credit risk

The table below shows the Group's net credit risk exposure for financial assets with maximum exposure to credit risk different from its carrying amounts after considering the financial effect of collateral and other credit enhancements:

	Consolidated			
	December 31, 2022			
	Carrying Amount	**Fair Value of Collateral**	**Financial Effect of Collateral**	**Maximum Exposure to Credit Risk**
Interbank loans receivables and SPURA	**₱4,171,913,506**	**₱2,971,913,506**	**₱2,971,913,506**	**₱1,200,000,000**
Loans and receivables:				
Receivables from customers:				
Commercial	**62,237,519,099**	**33,030,252,190**	**31,684,419,330**	**30,553,099,769**
Real estate	**33,779,334,139**	**46,780,558,243**	**28,475,487,476**	**5,303,846,663**
Consumption	**13,028,035,811**	**7,915,445,143**	**3,174,949,736**	**9,853,086,075**
Domestic bills purchased	**461,467,080**	**–**	**–**	**461,467,080**
Other receivables:				
Accrued interest receivable	**1,432,606,920**	**–**	**–**	**1,432,606,920**
Accounts receivable	**1,722,269,061**	**–**	**–**	**1,722,269,061**
Sales contract receivable	**205,525,307**	**362,756,734**	**184,447,959**	**21,077,348**
	₱117,038,670,923	**₱91,060,925,816**	**₱66,491,218,007**	**₱50,547,452,916**

	Parent Company			
	December 31, 2022			
	Carrying Amount	**Fair Value of Collateral**	**Financial Effect of Collateral**	**Maximum Exposure to Credit Risk**
Interbank loans receivables and SPURA	**₱3,893,964,761**	**₱2,693,964,761**	**₱2,693,964,761**	**₱1,200,000,000**
Loans and receivables:				
Receivables from customers:				
Commercial	**62,303,440,564**	**32,964,765,725**	**31,682,096,502**	**30,621,344,062**
Real estate	**33,804,436,288**	**46,756,878,527**	**28,469,712,683**	**5,334,723,605**
Consumption	**10,069,742,619**	**7,864,434,692**	**3,164,069,932**	**6,905,672,687**
Domestic bills purchased	**461,467,080**	**–**	**–**	**461,467,080**
Other receivables:				
Accrued interest receivable	**1,417,015,363**	**–**	**–**	**1,417,015,363**
Accounts receivable	**1,670,921,214**	**–**	**–**	**1,670,921,214**
Sales contract receivable	**197,413,880**	**336,465,381**	**176,336,532**	**21,077,348**
	₱113,818,401,769	**₱90,616,509,086**	**₱66,186,180,410**	**₱47,632,221,359**

	Consolidated			
	December 31, 2021			
	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral	Maximum Exposure to Credit Risk
Interbank loans receivables and SPURA	₱14,881,826,705	₱14,881,826,705	₱14,881,826,705	₱–
Loans and receivables:				
Receivables from customers:				
Commercial	56,604,768,568	26,619,399,677	25,245,413,866	31,359,354,702
Real estate	29,222,292,971	44,506,945,629	27,293,001,211	1,929,291,760
Consumption	10,321,390,441	3,052,894,035	2,624,172,960	7,697,217,481
Domestic bills purchased	516,654,187	516,654,187	516,654,187	–
Other receivables:				
Accrued interest receivable	1,355,330,553	–	–	1,355,330,553
Accounts receivable	1,050,502,948	–	–	1,050,502,948
Sales contract receivable	140,681,302	339,352,955	140,681,302	–
	₱114,093,447,675	₱89,917,073,188	₱70,701,750,231	₱43,391,697,444

	Parent Company			
	December 31, 2021			
	Carrying Amount	Fair Value of Collateral	Financial Effect of Collateral	Maximum Exposure to Credit Risk
Interbank loans receivables and SPURA	₱14,764,230,901	₱14,764,230,901	₱14,764,230,901	₱–
Loans and receivables:				
Receivables from customers:				
Commercial	56,615,522,242	26,347,645,112	25,188,197,923	31,427,324,319
Real estate	29,081,206,269	44,203,874,077	27,151,914,509	1,929,291,760
Consumption	8,663,099,856	2,827,605,266	2,515,817,477	6,147,282,379
Domestic bills purchased	516,654,187	516,654,187	516,654,187	–
Other receivables:				
Accrued interest receivable	1,325,679,161	–	–	1,325,679,161
Accounts receivable	1,049,046,613	–	–	1,049,046,613
Sales contract receivable	122,249,968	245,516,474	122,249,968	–
	₱112,137,689,197	₱88,905,526,017	₱70,259,064,965	₱41,878,624,232

Offsetting of financial assets and financial liabilities

The following table shows the effect of rights of set-off associated with the recognized financial assets and financial liabilities of the Group:

	Consolidated					
	Gross amounts of recognized financial instruments	Gross amounts set-off in accordance with the PAS 32 offsetting criteria	Net amount presented in statements of financial position	Effect of remaining rights of set-off that do not meet PAS 32 offsetting criteria: Financial instruments	Financial collateral	Net exposure
December 31, 2022						
Financial Assets						
SPURA (Note 6)	**₱2,971,913,506**	**₱–**	**₱2,971,913,506**	₱–	**₱2,971,913,506**	₱–
Total	**₱2,971,913,506**	**₱–**	**₱2,971,913,506**	₱–	**₱2,971,913,506**	₱–
Financial Liabilities						
Derivative liabilities (Note 7)	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
December 31, 2021						
Financial Assets						
SPURA (Note 6)	₱14,881,826,705	₱–	₱14,881,826,705	₱–	₱14,881,826,705	₱–
Total	₱14,881,826,705	₱–	₱14,881,826,705	₱–	₱14,881,826,705	₱–
Financial Liabilities						
Derivative liabilities (Note 7)	₱–	₱–	₱–	₱–	₱–	₱–

Collateral and other credit enhancement

The amount and type of collateral required depends on an assessment of credit risk. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- Mortgages over real estate and vehicle for consumer lending
- Chattels over inventory and receivable for commercial lending
- Government securities for interbank lending

It is the Group's policy to dispose repossessed properties in an orderly fashion. In general, the proceeds are used to reduce or repay the outstanding claim, and are not occupied for business use.

Concentration of credit

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The tables below show the distribution of maximum exposure to credit risk by industry sector of the Group before taking into account collateral held and other credit enhancements (in millions):

	Consolidated		
	December 31, 2022		
	Loans and Receivables*	Investment Securities**	Total
Real estate activities	₱39,839	₱4,410	₱44,249
Financial and insurance activities	28,302	63	28,365
Manufacturing	17,586	126	17,712
Wholesale and retail trade; repair of motor vehicles and motorcycles	14,883	−	14,883
Transportation and storage	14,139	50	14,189
Electricity, gas, steam and air-conditioning supply	9,396	3,916	13,312
Construction	5,711	−	5,711
Accommodation and food service activities	4,895	−	4,895
Arts, entertainment and recreation	2,754	−	2,754
Administrative and support service activities	2,106	−	2,106
Water supply, sewerage, waste management and remediation activities	2,044	−	2,044
Agriculture, forestry and fishing	1,174	−	1,174
Information and communication	921	−	921
Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use	911	−	911
Other service activities	4,036	31,984	36,020
	148,697	40,549	189,246
Less allowance for credit losses	2,859	1	2860
	₱145,838	₱40,548	₱186,386

**All financial assets other than investment securities and cash on hand (net of UID), including guarantees issued and committed credit lines*
***Financial assets at FVTPL, FVOCI and amortized cost*

	Parent Company		
	December 31, 2022		
	Loans and Receivables*	Investment Securities**	Total
Real estate activities	₱39,896	₱4,440	₱44,336
Financial and insurance activities	27,057	63	27,120
Manufacturing	17,585	126	17,711
Wholesale and retail trade; repair of motor vehicles and motorcycles	14,800	−	14,800
Transportation and storage	14,138	50	14,188
Electricity, gas, steam and air-conditioning supply	9,395	3,916	13,311
Construction	5,703	−	5,703
Accommodation and food service activities	4,895	−	4,895
Arts, entertainment and recreation	2,754	−	2,754
Administrative and support service activities	2,106	−	2,106
Water supply, sewerage, waste management and remediation activities	2,044	−	2,044
Agriculture, forestry and fishing	1,111	−	1,111
Information and communication	921	−	921
Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use	911	−	911
Other service activities	698	31,964	32,662
	144,014	40,559	184,573
Less allowance for credit losses	2,602	1	2,603
	₱141,412	₱40,558	₱181,970

**All financial assets other than investment securities and cash on hand (net of UID), including guarantees issued and committed credit lines*
***Financial assets at FVTPL, FVOCI and amortized cost*

	Consolidated		
	December 31, 2021		
	Loans and Receivables*	Investment Securities**	Total
Real estate activities	₱35,290	₱3,126	₱38,416
Financial and insurance activities	38,499	210	38,709
Manufacturing	13,171	1,042	14,213
Wholesale and retail trade; repair of motor vehicles and motorcycles	13,112	–	13,112
Transportation and storage	9,996	809	10,805
Electricity, gas, steam and air-conditioning supply	6,131	4,882	11,013
Construction	3,867	–	3,867
Accommodation and food service activities	2,576	–	2,576
Arts, entertainment and recreation	1,784	–	1,784
Administrative and support service activities	293	–	293
Water supply, sewerage, waste management and remediation activities	2,922	–	2,922
Agriculture, forestry and fishing	713	–	713
Information and communication	645	–	645
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	–	–	–
Other service activities	21,715	24,938	46,653
	150,714	35,007	185,721
Less allowance for credit losses	2,385	1	2,386
	₱148,329	₱35,006	₱183,335

**All financial assets other than investment securities and cash on hand (net of UID), including guarantees issued and committed credit lines*
***Financial assets at FVTPL, FVOCI and amortized cost*

	Parent Company		
	December 31, 2021		
	Loans and Receivables*	Investment Securities**	Total
Real estate activities	₱35,103	₱3,126	₱38,229
Financial and insurance activities	37,895	240	38,135
Manufacturing	13,165	1,042	14,207
Wholesale and retail trade; repair of motor vehicles and motorcycles	12,917	–	12,917
Transportation and storage	9,994	809	10,803
Electricity, gas, steam and air-conditioning supply	6,131	4,882	11,013
Construction	3,848	–	3,848
Accommodation and food service activities	2,576	–	2,576
Arts, entertainment and recreation	1,784	–	1,784
Administrative and support service activities	293		293
Water supply, sewerage, waste management and remediation activities	2,922		2,922
Agriculture, forestry and fishing	638	–	638
Information and communication	645	–	645
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	–	–	–
Other service activities	20,092	24,918	45,010
	148,003	35,017	183,020
Less allowance for credit losses	2,121	1	2,122
	₱145,882	₱35,016	₱180,898

**All financial assets other than investment securities and cash on hand (net of UID), including guarantees issued and committed credit lines*
***Financial assets at FVTPL, FVOCI and amortized cost*

Credit quality

Parent Company
The credit quality of financial assets is managed by the Parent Company using an internal credit rating system for the purpose of measuring credit risk in a consistent manner as accurately as possible. The model on risk ratings is assessed regularly as Parent Company uses this information as a tool for business and financial decision making.

The rating categories are further described below.

Grades	**Categories**	**Description**
High grade		
Risk rating 1	Excellent	Lowest probability of default; exceptionally strong capacity for financial commitments; highly unlikely to be adversely affected by foreseeable events.
Risk rating 2	Super Prime	Very low probability of default; very strong capacity for payment of financial commitments; less vulnerable to foreseeable events.
Risk rating 3	Prime	Low probability of default; strong capacity for payment of financial commitments; may be more vulnerable to adverse business/economic conditions.
Risk rating 4	Very Good	Moderately low probability of default; more than adequate capacity for payment of financial commitments; but adverse business/economic conditions are more likely to impair this capacity.
Risk rating 5	Good	More pronounced probability of default; business or financial flexibility exists which supports the servicing of financial commitments; vulnerable to adverse business/economic changes.
Standard		
Risk rating 6	Satisfactory	Material probability of default is present, but a margin of safety remains; financial commitments are currently being met although the capacity for continued payment is vulnerable to deterioration in the business/economic condition.
Risk rating 7	Average	Greater probability of default which is reflected in the volatility of earnings and overall performance; repayment source is presently adequate; however, prolonged unfavorable economic period would create deterioration beyond acceptable levels.
Risk rating 8	Fair	Sufficiently pronounced probability of default, although borrowers should still be able to withstand normal business cycles; any prolonged unfavorable economic/market conditions would create an immediate deterioration of cash flow beyond acceptable levels.

Sub-standard grade		
Risk rating 9	Marginal	Elevated level of probability of default, with limited margin; Repayment source is adequate to marginal.
Risk rating 10	Watchlist	Unfavorable industry or company specific risk factors represent a concern, financial strength may be marginal; will find it difficult to cope with significant downturn.
Risk rating 11	Special mention	Loans have potential weaknesses that deserve close attention; borrower has reached a point where there is a real risk that the borrower's ability to pay the interest and repay the principal timely could be jeopardize due to evidence of weakness in the borrower's financial condition.
Risk rating 12	Substandard	Substantial and unreasonable degree of risk to the institution because of unfavorable record or unsatisfactory characteristics; with well-defined weakness(es) that jeopardize their liquidation. e.g. negative cash flow, in case of fraud.
Past due and impaired		
Risk rating 13	Doubtful	Weaknesses similar to "Substandard", but with added characteristics that make liquidation highly improbable.
Risk rating 14	Loss	Uncollectible or worthless.

The Parent Company's ICRR system intends to provide a structure to define the credit portfolio, and consists of an initial rating for the borrower risk adjusted for the facility risk. Inputs include an assessment of management, credit experience, financial condition, industry outlook, documentation, security and term.

Below is the staging parameters adopted by the Parent Company:

Staging Parameter	**Stage**	**Description**
Staging by Days Past Due		*Applicable to all loan products.*
	1	Accounts with 0 – 30 days past due (applicable for all loan products except for microfinancing loans wherein days past due for Stage 1 accounts is 0 – 6 days).
	2	Accounts with 31 – 90 days past due (applicable for all loan products except for microfinancing loans wherein days past due for Stage 2 accounts is 7 – 10 days).
	3	Accounts with days past due of 91 days and above (applicable for all loan products except for microfinancing loans wherein days past due for Stage 3 accounts is 11 days and above).
Staging by Status		*Applicable to all loan products except for Microfinance.*
	1	Accounts tagged as Current in its Status are classified under Stage 1.
	2	Accounts tagged as Past due performing in its Status are classified under Stage 2.
	3	Accounts tagged as ITL and NPL in its Status are classified under Stage 3.

Staging by Origination Rating vs Current Rating		*Applicable to Commercial Loans (Large Scale and Medium Scale) only.*
	1	If no movement in the ratings from origination rating against the latest rating, the staging will be based on the current ICRRS rating. If the account's current rating is either Excellent, Super Prime, Prime, Very Good, Good, Satisfactory, Average, Fair, the account will be tagged under Stage 1.
	2	If the account's current rating/equivalent Risk Level deteriorates by 2 notches from its origination rating/equivalent Risk Level, the account is tagged under Stage 2. If no movement in the ratings from origination rating against the latest rating, the staging will be based on the latest ICRRS rating. If the account's latest Rating is either Marginal, Watchlist or Especially Mentioned, account will be tagged under Stage 2.
	1	If maturity date of the account is after the cut-off date of the ECL Calculation and if the days leading up to the cut-off date of the ECL Calculation from the maturity date is less than 30 days, the account is tagged under Stage 1 (For Microfinance loans, if maturity date of the account is after the cut-off date of the ECL Calculation, and if the days leading up to the cut-off date from the maturity date is less than 7 days, the account is tagged under Stage 1).
	3	If maturity date of the account is prior to the cut-off date of the ECL Calculation and if the days leading up to the cut-off date of the ECL Calculation from the maturity date is more than 30 days, the account is tagged under Stage 3 (For Microfinance loans, if maturity date of the account is prior the cut-off date of the ECL Calculation, and if the days leading up to the cut-off date from the maturity date is more than 10 days, the account is tagged under Stage 3).

The following tables show the credit quality per class of loans and receivables, gross of allowance for credit losses and unearned interest and discount of the Group and Parent Company (in millions):

	Consolidated			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Receivable from customers:				
Commercial				
Neither Past Due nor Impaired				
High grade	**₱10,728**	–	**₱–**	**₱10,728**
Standard	**33,714**	–	–	**33,714**
Substandard	**3,538**	–	–	**3,538**
Unrated	**742**	–	–	**742**
Past due but not impaired	–	**12,653**	–	**12,653**
Past due and impaired	–	–	**2,595**	**2,595**
	48,722	**12,653**	**2,595**	**63,970**
Real estate				
Neither Past Due nor Impaired				
High grade	–	–	–	–
Standard	**3**	–	–	**3**

(Forward)

	Consolidated			
	December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Substandard	₱–	₱–	₱–	₱–
Unrated	31,537	–	–	31,537
Past due but not impaired	–	1,184	–	1,184
Past due and impaired	–	–	1,558	1,558
	31,540	1,184	1,558	34,282
Consumption				
Neither Past Due nor Impaired				
High grade	–	–	–	–
Standard	–	–	–	–
Substandard	–	–	–	–
Unrated	12,379	–	–	12,379
Past due but not impaired	–	656	–	656
Past due and impaired	–	–	729	729
	12,379	656	729	13,764
Domestic bills purchased				
Neither Past Due nor Impaired				
High grade	284	–	–	284
Standard	–	–	–	–
Substandard	176	–	–	176
Unrated	1	–	–	1
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
	461	–	–	461
Total receivable from customers	93,102	14,493	4,882	112,477
Other receivables:				
Neither Past Due nor Impaired				
High grade	56	–	–	56
Standard	675	–	–	675
Substandard	20	10	–	30
Unrated	2194	–	–	2,194
Past due but not impaired	–	192	–	192
Past due and impaired	–	–	370	370
	2,945	202	370	3,517
	₱96,047	₱14,695	₱5,252	₱115,994

	Parent Company			
	December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Commercial				
Neither Past Due nor Impaired				
High grade	₱10,728	₱–	₱–	₱10,728
Standard	33,713	–	–	33,713
Substandard	3,605	–	–	3,605
Unrated	742	–	–	742
Past due but not impaired	–	12,653	–	12,653
Past due and impaired	–	–	2,556	2,556
	48,788	12,653	2,556	63,997
Real estate				
Neither Past Due nor Impaired				
High grade	–	–	–	–
Standard	–	–	–	–
Substandard	–	–	–	–
Unrated	31,537	–	–	31,537
Past due but not impaired	–	1,184	–	1,184
Past due and impaired	–	–	1,554	1,554
	31,537	1,184	1,554	34,275

(Forward)

	Parent Company			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Consumption				
Neither Past Due nor Impaired				
High grade	**₱–**	**₱–**	**₱–**	**₱–**
Standard	–	–	–	–
Substandard	–	–	–	–
Unrated	**9,299**	–	–	**9,299**
Past due but not impaired	–	**635**	–	**635**
Past due and impaired	–	–	**502**	**502**
	9,299	**635**	**502**	**10,436**
Domestic bills purchased				
Neither Past Due nor Impaired				
High grade	**284**	–	–	**284**
Standard	–	–	–	–
Substandard	**176**	–	–	**176**
Unrated	**1**	–	–	**1**
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
	461	–	–	**461**
Total receivable from customers	**90,085**	**14,472**	**4,612**	**109,169**
Other receivables:				
Neither Past Due nor Impaired				
High grade	**56**	–	–	**56**
Standard	**675**	–	–	**675**
Substandard	**20**	**10**	–	**30**
Unrated	**2,161**		–	**2,161**
Past due but not impaired	–	**174**	–	**174**
Past due and impaired	–	–	**334**	**334**
	2,912	**184**	**334**	**3,430**
	₱92,997	**₱14,656**	**₱4,946**	**₱112,599**

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Commercial				
Neither Past Due nor Impaired				
High grade	₱16,742	₱2,273	₱–	₱19,015
Standard	17,118	10,304	–	27,422
Substandard	2,564	7,786	–	10,350
Unrated	179	–	–	179
Past due but not impaired	–	25	–	25
Past due and impaired	–	–	888	888
	36,603	20,388	888	57,879
Real estate				
Neither Past Due nor Impaired				
Standard	233	–	–	233
Substandard	16	–	–	16
Unrated	26,536	–	–	26,536
Past due but not impaired	–	1,314	–	1,314
Past due and impaired	–	–	1,619	1,619
	26,785	1,314	1,619	29,718
Consumption				
Neither Past Due nor Impaired				
High grade	19	–	–	19
Standard	1,716	–	–	1,716
Substandard	77	–	–	77
Unrated	7,867	171	–	8,038

(Forward)

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Past due but not impaired	₱–	₱472	₱–	₱472
Past due and impaired	–	–	776	776
	9,679	643	776	11,098
Domestic bills purchased				
Neither Past Due nor Impaired				
High grade	489	–	–	489
Standard	28	–	–	28
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
	517	–	–	517
Total receivable from customers	73,584	22,345	3,283	99,212
Other receivables:				
Neither Past Due nor Impaired				
High grade	623	17	–	640
Standard	514	72	–	586
Substandard	18	111	–	129
Unrated	505	8	–	513
Past due but not impaired	–	45	–	45
Past due and impaired	–	–	766	766
	1,660	253	766	2,679
	₱75,244	₱22,598	₱4,049	₱101,891

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Commercial				
Neither Past Due nor Impaired				
High grade	₱16,742	₱2,273	₱–	₱19,015
Standard	17,066	10,304	–	27,370
Substandard	2,630	7,786	–	10,416
Unrated	179	–	–	179
Past due but not impaired	–	25	–	25
Past due and impaired	–	–	839	839
	36,617	20,388	839	57,844
Real estate				
Neither Past Due nor Impaired				
High grade	–	–	–	–
Standard	109	–	–	109
Substandard	–	–	–	–
Unrated	26,537	–	–	26,537
Past due but not impaired	–	1,312	–	1,312
Past due and impaired	–	–	1,618	1,618
	26,646	1,312	1,618	29,576
Consumption				
Neither Past Due nor Impaired				
High grade	19	–	–	19
Standard	116	–	–	116
Substandard	17	–	–	17
Unrated	7,777	172	–	7,949
Past due but not impaired	–	439	–	439
Past due and impaired	–	–	607	607
	7,929	611	607	9,147

(Forward)

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Domestic bills purchased				
Neither Past Due nor Impaired				
High grade	₱489	₱–	₱–	₱489
Standard	28	–	–	28
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
	517	–	–	517
Total receivable from customers	71,709	22,311	3,064	97,084
Other receivables:				
Neither Past Due nor Impaired				
High grade	623	17	–	640
Standard	484	72	–	556
Substandard	8	111	–	119
Unrated	494	8	–	502
Past due but not impaired	–	42	–	42
Past due and impaired	–	–	734	734
	1,609	250	734	2,593
	₱73,318	₱22,561	₱3,798	₱99,677

External ratings
In ensuring ~~a~~ quality of investment portfolio, the Parent Company monitors credit risk from investments using credit ratings primarily based on Standard and Poor (S&P), Moody's and/or Fitch when available; otherwise, rating is based on mapped internal credit risk ratings (ICRRS). When the counterparty has no available external or internal ratings, it is included under "Unrated".

Credit quality of due from BSP and other banks and interbank loans receivable are based on available accredited international and local credit raters using Fitch as standard of rating.

The Parent Company assigns the following credit quality groupings based on ratings prior to PFRS 9 adoption as follows:

Credit Quality	**Fitch**	**Moody's**	**S&P**	**Stage**
High Grade	AAA to A-	Aaa to A3	AAA to A-	1
Standard Grade	BBB+ to BBB-	Baa1 to Ba3	BBB+ to BBB-	1
Substandard Grade	BB+ to C-	B1 to Ca	BB+ to C	2
Past due and impaired	D	C	D	3

The following tables show the credit quality per class of financial assets other than receivables from customers and other receivables of the Group and Parent Company (in millions):

	Consolidated			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Financial assets at FVTPL				
Standard	**₱1**	**₱–**	**₱–**	**₱1**
Financial assets at FVOCI				
Government securities				
Standard	**2,657**	**–**	**–**	**2,657**
Substandard	**–**	**114**	**–**	**114**
Private bonds				
Standard	**3,503**	**–**	**–**	**3,503**
Substandard	**–**	**250**	**–**	**250**

(Forward)

	Consolidated			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
HTC Securities				
Government securities				
Standard	**₱22,791**	**₱–**	**₱–**	**₱22,791**
Investment securities at amortized cost				
Private bonds				
Standard	**10,737**	**–**	**–**	**10,737**
Substandard	**–**	**292**	**–**	**292**
Loans and receivables:				
Due from BSP				
Standard	**14,986**	**–**	**–**	**14,986**
Due from other banks				
Standard	**3,940**	**–**	**–**	**3,940**
Interbank loans receivable and SPURA				
Standard	**4,172**	**–**	**–**	**4,172**
Other assets:				
Refundable deposits				
Standard	**73**	**–**	**–**	**73**
	₱62,860	**₱656**	**₱–**	**₱63,516**

	Parent Company			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Financial assets at FVTPL				
Standard	**₱1**	**₱–**	**₱–**	**₱1**
Financial assets at FVOCI				
Government securities				
Standard	**2,657**	**–**	**–**	**2,657**
Substandard	**–**	**114**	**–**	**114**
Private bonds				
Standard	**3,503**	**–**	**–**	**3,503**
Substandard	**–**	**250**	**–**	**250**
Investment securities at amortized cost				
Government securities				
Standard	**22,791**	**–**	**–**	**22,791**
Investment securities at amortized cost				
Private bonds				
Standard	**10,717**	**–**	**–**	**10,717**
Substandard	**–**	**292**	**–**	**292**
Loans and receivables:				
Due from BSP				
Standard	**14,125**	**–**	**–**	**14,125**
Due from other banks				
Standard	**3,910**	**–**	**–**	**3,910**
Interbank loans receivable and SPURA				
Standard	**3,894**	**–**	**–**	**3,894**
Other assets:				
Refundable deposits				
Standard	**70**	**–**	**–**	**70**
	₱61,668	**₱656**	**₱–**	**₱62,324**

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Financial assets at FVTPL				
Standard	₱2	₱–	₱–	₱2
Financial assets at FVOCI				
Government securities				
Standard	15,090	–	–	15,090
Private bonds				
Standard	11,229	–	–	11,229
Investment securities at amortized cost				
Government securities				
Standard	6,656	–	–	6,656
Private bonds				
Standard	1,820	–	–	1,820
Loans and receivables:				
Due from BSP				
Standard	15,782	–	–	15,782
Due from other banks				
Standard	5,066	–	–	5,066
Interbank loans receivable and SPURA				
Standard	14,882	–	–	14,882
Other assets:				
Refundable deposits				
Standard	72	–	–	72
	₱70,599	₱–	₱–	₱70,599

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Financial assets at FVTPL				
Standard	₱2	₱–	₱–	₱2
Financial assets at FVOCI				
Government securities				
Standard	15,090	–	–	15,090
Private bonds				
Standard	11,229	–	–	11,229
Investment securities at amortized cost				
Government securities				
Standard	6,656	–	–	6,656
Private bonds				
Standard	1,800	–	–	1,800
Loans and receivables:				
Due from BSP				
Standard	15,381	–	–	15,381
Due from other banks				
Standard	4,988	–	–	4,988
Interbank loans receivable and SPURA				
Standard	14,764	–	–	14,764
Other assets:				
Refundable deposits				
Standard	69	–	–	69
	₱69,979	₱–	₱–	₱69,979

As of December 31, 2022, the Group's and Parent Company's commitments and guaranty issued amounting to ₱4.64 billion, ₱0.04 billion and ₱4.42 billion have a risk rating class of High Grade, Standard Grade and Unrated, respectively (see Note 28).

As of December 31, 2021, the Group's and Parent Company's commitments and guaranty issued amounting to ₱5.45 billion, ₱0.20 billion and ₱3.86 billion have a risk rating class of High Grade, Standard Grade and Unrated, respectively (see Note 28).

Liquidity risk

Liquidity risk may be defined as the possibility of loss due to the Group's inability to meet its financial obligations when they become due. Liquidity risk is considered in the Group's assets and liabilities management. The Group seeks to lengthen liability maturities, diversify existing fund sources, and continuously develop new instruments that cater to different segments of the market.The Parent Company's Assets and Liabilities Committee (ALCO) is composed of some members of the Senior Management including the Lending Groups and Treasury Group Heads. ALCO conducts weekly meetings.

The Parent Company also has specialized units that help monitor market and regulatory developments pertinent to interest rates and liquidity position, as well as prepare cash position reports as needed to measure the liquidity and reserves position of the Parent Company.

The Parent Company also keeps credit lines with financial institutions, as well as a pool of liquid or highly marketable securities. Reserves management is another specialized function within the Bank, complying with BSP reserve requirements, which may be a buffer against unforeseen liquidity drains.

The liquidity or maturity gap report is another tool for measuring liquidity risk. Although available contractual maturity dates are generally used for putting instruments into time bands, expected liquidation periods, often based on historical data, are used if contractual maturity dates are unavailable.

The liquidity gap per time band is computed by getting the difference between the inflows and outflows within the time band. A positive liquidity gap is an estimate of the Group's net excess funds for the time band.

A negative liquidity gap is an estimate of a future funding requirement of the Group. Although such gaps are a normal part of the business, a significant negative amount may bring significant liquidity risk.

To help control liquidity risk arising from negative liquidity gaps, maximum cumulative outflow (MCO) targets are set for time bands up to one (1) year.

Analysis of financial instruments by remaining maturities

The table below summarized the maturity profile of the Group's financial instruments based on contractual maturity except for financial assets at FVTPL and FVOCI which and based on expected disposal (in millions):

	Consolidated					
	December 31, 2022					
	On demand	**Up to 3 months**	**Over 3 up to 12 months**	**Over 1 to 5 Years**	**Over 5 years**	**Total**
Financial Assets						
Cash and other cash items	**₱4,886**	**₱–**	**₱–**	**₱–**	**₱–**	**₱4,886**
Due from BSP*	**9,939**	**5,052**	**–**	**–**	**–**	**14,991**
Due from other banks*	**31**	**3,910**	**–**	**–**	**–**	**3,941**
Interbank loans receivable and SPURA*	**–**	**4,175**	**–**	**–**	**–**	**4,175**
Financial assets at FVTPL*	**–**	**1**	**–**	**–**	**–**	**1**
Financial assets at FVOCI*	**–**	**3,028**	**195**	**3,974**	**1,089**	**8,286**
Investment securities at amortized cost*	**–**	**595**	**4,985**	**10,814**	**30,262**	**46,656**
Loans and receivables*	**187**	**27,650**	**21,073**	**45,176**	**47,029**	**141,115**
Refundable deposits	**–**	**16**	**15**	**46**	**3**	**80**
	₱15,043	**₱44,427**	**₱26,268**	**₱60,010**	**₱78,383**	**₱224,131**

(Forward)

	Consolidated					
	December 31, 2022					
	On demand	**Up to 3 months**	**Over 3 up to 12 months**	**Over 1 to 5 Years**	**Over 5 years**	**Total**
Financial Liabilities						
Deposit liabilities*	**₱121,820**	**₱9,702**	**₱1,923**	**₱13,914**	**₱4**	**₱147,363**
Bills payable*	**–**	**179**	**5,870**	**10,772**	**–**	**16,821**
Manager's checks	**–**	**901**	**–**	**–**	**–**	**901**
Lease liabilities*	**31**	**2**	**57**	**648**	**8**	**746**
Accrued expenses and other liabilities	**18**	**4,320**	**–**	**51**	**–**	**4,389**
	121,869	**15,104**	**7,850**	**25,385**	**12**	**170,220**
Committed credit lines	**3,669**	**–**	**–**	**–**	**–**	**3,669**
	125,538	**15,104**	**7,850**	**25,385**	**12**	**173,889**
	(₱110,495)	**₱29,323**	**₱18,418**	**₱34,625**	**₱78,371**	**₱50,242**

**Includes future interest*

	Parent Company					
	December 31, 2022					
	On demand	**Up to 3 months**	**Over 3 up to 12 months**	**Over 1 to 5 Years**	**Over 5 years**	**Total**
Financial Assets						
Cash and other cash items	**₱4,762**	**₱–**	**₱–**	**₱–**	**₱–**	**₱4,762**
Due from BSP	**9,825**	**4,305**	**–**	**–**	**–**	**14,130**
Due from other banks	**–**	**3,910**	**–**	**–**	**–**	**3,910**
Interbank loans receivable and SPURA*	**–**	**3,897**	**–**	**–**	**–**	**3,897**
Financial assets at FVTPL*	**–**	**1**	**–**	**–**	**–**	**1**
Financial assets at FVOCI*	**–**	**3,028**	**195**	**4,004**	**1,089**	**8,316**
Investment securities at amortized cost*	**–**	**595**	**4,985**	**10,794**	**30,262**	**46,636**
Loans and receivables*	**–**	**27,641**	**21,030**	**42,497**	**46,674**	**137,842**
Refundable deposits	**–**	**16**	**15**	**44**		**75**
	14,587	**43,393**	**26,225**	**57,339**	**78,025**	**219,569**
Financial Liabilities						
Deposit liabilities*	**120,669**	**7,447**	**1,800**	**13,526**	**3**	**143,445**
Bills payable*	**–**	**179**	**5,870**	**10,772**	**–**	**16,821**
Manager's checks	**–**	**901**	**–**	**–**	**–**	**901**
Lease liabilities*	**–**	**2**	**57**	**648**	**8**	**715**
Accrued expenses and other liabilities	**–**	**4,289**	**–**	**–**	**–**	**4,289**
	120,669	**12,818**	**7,727**	**24,946**	**11**	**166,171**
Committed credit lines	**3,669**	**–**	**–**	**–**	**–**	**3,669**
	124,338	**12,818**	**7,727**	**24,946**	**11**	**169,840**
	(₱109,751)	**₱30,575**	**₱18,498**	**₱32,393**	**₱78,014**	**₱49,729**

**Includes future interest*

	Consolidated					
	2021					
	On demand	Up to 3 months	Over 3 up to 12 months	Over 1 to 5 Years	Over 5 years	Total
Financial Assets						
Cash and other cash items	₱3,935	₱–	₱–	₱–	₱–	₱3,935
Due from BSP	15,782	–	–	–	–	15,782
Due from other banks	5,073	–	–	–	–	5,073
Interbank loans receivable and SPURA*	–	14,885	–	–	–	14,885
Financial assets at FVTPL*	–	2	–	–	–	2
Financial assets at FVOCI*	–	388	1,151	10,218	19,933	31,690

(Forward)

	Consolidated					
	2021					
	On demand	Up to 3 months	Over 3 up to 12 months	Over 1 to 5 Years	Over 5 years	Total
Investment securities at amortized cost*	₱–	₱867	₱410	₱6,058	₱2,589	₱9,924
Loans and receivables*	246	18,977	15,772	30,423	39,704	105,122
Refundable deposits	–	2	4	35	31	72
	25,036	35,121	17,337	46,734	62,257	186,485
Financial Liabilities						
Deposit liabilities*	93,884	42,473	9,598	10,164	5	156,124
Bills payable*	–	23	69	2,684	–	2,776
Manager's checks	–	1,066	–	–	–	1,066
Lease liabilities*	–	–	20	962	14	996
Accrued expenses and other liabilities*	32	4,697	–	59	–	4,788
	93,916	48,259	9,687	13,869	19	165,750
Committed credit lines	7,660	–	–	–	–	7,660
	101,576	48,259	9,687	13,869	19	173,410
	(₱76,540)	(₱13,138)	₱7,650	₱32,865	₱62,238	₱13,075

**Includes future interest*

	Parent Company					
	December 31, 2021					
	On demand	Up to 3 months	Over 3 up to 12 months	Over 1 to 5 Years	Over 5 years	Total
Financial Assets						
Cash and other cash items	₱3,828	₱–	₱–	₱–	₱–	₱3,828
Due from BSP	15,381	–	–	–	–	15,381
Due from other banks	4,988	–	–	–	–	4,988
Interbank loans receivable and SPURA*	–	14,767	–	–	–	14,767
Financial assets at FVTPL*	–	2	–	–	–	2
Financial assets at FVOCI*	–	388	1,151	10,218	19,933	31,690
Investment securities at amortized cost*	–	867	409	6,037	2,589	9,902
Loans and receivables*	–	18,977	15,772	30,423	39,704	104,876
Refundable deposits	–	2	4	32	31	69
	24,197	35,003	17,336	46,710	62,257	185,503
Financial Liabilities						
Deposit liabilities*	91,976	42,120	9,358	9,695	2	153,151
Bills payable*	–	23	69	2,684	–	2,776
Manager's checks	–	1,066	–	–	–	1,066
Lease liabilities*	–	–	20	903	14	937
Accrued expenses and other liabilities*	–	4,659	–	–	–	4,659
	91,976	47,868	9,447	13,282	16	162,589
Committed credit lines	7,660	–	–	–	–	7,660
	99,636	47,868	9,447	13,282	16	170,249
	(₱75,439)	(₱12,865)	₱7,889	₱33,428	₱62,241	₱15,254

**Includes future interest*

Market Risk

Market risk may be defined as the possibility of loss due to adverse movements in market factors such as rates and prices. Market risk is present in both trading and non-trading activities. These are the risk to earnings or capital arising from changes in the value of traded portfolios of financial instruments. The risk arises from market-making, dealing and position-taking in quoted debt securities and foreign exchange.

The Parent Company observes market risk limits, which are approved by the BOD and reviewed at least annually. Limits are set in such a way as to ensure that risks taken are based on the Parent Company's existing capital adequacy framework, and corresponding monitoring reports are prepared regularly by an independent risk management unit.

When limits are breached, approval is sought from successive levels of authority depending on the amount of the excess. Limit breaches are periodically presented to the BOD.

Value-at-Risk (VaR) is computed to estimate potential losses arising from market movements. The Parent Company calculates and monitors VaR and profit or loss on a daily basis.

VaR objectives and methodology
VaR is used by the Parent Company to measure market risk exposure from its trading and investment activities. VaR is an estimate of the maximum decline in value on a given position over a specified holding period in a normal market environment, with a given probability of occurrence. The Parent Company uses the historical simulation method in estimating VaR. The historical simulation method is a non-parametric approach to VaR calculation, in which asset returns are not subject to any functional distribution assumption. VaR is estimated directly from historical data without deriving parameters or making assumptions about the entire data distribution.

In employing the historical simulation method, the Parent Company assumes a 500 historical data (approximately 2 years). The Parent Company updates its dataset on a daily basis per Parent Company policy, VaR is based on a 1-day holding period and a confidence level of 99%.

VaR methodology limitations and assumptions
Discussed below are the limitations and assumptions applied by the Parent Company on its VaR methodology:

a. VaR is a statistical estimate; thus, it does not give the precise amount of loss the Parent Company may incur in the future;
b. VaR is not designed to give the probability of bank failure, but only attempts to quantify losses that may arise from a Parent Company's exposure to market risk;
c. Since VaR is computed from end-of-day positions and market factors, VaR does not capture intraday market risk.
d. VaR systems depend on historical data. It attempts to forecast likely future losses using past data. As such, this assumes that past relationships will continue to hold in the future. Therefore, market shifts (i.e., an unexpected collapse of the market) will not be captured and may inflict losses larger than VaR; and
e. The limitation relating to the pattern of historical returns being indicative of future returns is addressed by supplementing VaR with daily stress testing reported to the ROC, ALCO and the concerned risk-takers.

VaR back testing is the process by which financial institutions periodically compare ex-post profit or loss with the ex-ante VaR figures to gauge the robustness of the VaR model. The Parent Company performs monthly back testing.

The Parent Company's VaR figures are as follows (in millions):

	December 31, 2022			
	Average Daily	**Lowest**	**Highest**	**December 31**
Local interest rates	–	–	–	–
Foreign interest rate	**($0.0176)**	**($0.0650)**	**($0.0001)**	**($0.0001)**

	December 31, 2021			
	Average Daily	Lowest	Highest	December 31
Local interest rates	(0.0470)	(1.3386)	(0.0006)	–
Foreign interest rate	($0.0011)	($0.0274)	($0.0004)	($0.0004)

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The sensitivity analysis below shows the impact of movement in interest rates on FVOCI investments of the Parent Company as of December 31, 2022 and 2021 (in millions).

December 31, 2022	**Net Carrying Value**	**+100 bps parallel shift in yield curve**	**-100 bps parallel shift in yield curve**
Peso Denominated FVOCI	**₱3,952**	**(₱143)**	**₱143**
Dollar Denominated FVOCI (in PHP)	**2,572**	**-111**	**111**

December 31, 2021	Net Carrying Value	+100 bps parallel shift in yield curve	-100 bps parallel shift in yield curve
Peso Denominated FVOCI	₱12,735	(₱704)	₱704
Dollar Denominated FVOCI (in PHP)	13,584	(1,427)	1,427

The effects of the movement in interest rates on FVOCI investments are recorded under 'other comprehensive income'.

The Parent Company's ALCO surveys the interest rate environment, adjusts the interest rates for the Parent Company's loans and deposits, assesses investment opportunities and reviews the structure of assets and liabilities. The Parent Company uses Earnings-at-Risk (EaR) as a tool for measuring and managing interest rate risk in the banking book.

Equity price risk
Equity price risk is the risk that the fair values of the equities will decrease as a result of changes in the levels of equity indices and the value of the individual stocks. As of December 31, 2022 and December 31, 2021, the Group's FVOCI equity investments (mainly quoted equity securities) amounted to ₱172.29 million and ₱177.45 million, respectively. Management assessed that the equity price risk on these equity securities to be insignificant.

Earnings-at-Risk objectives and methodology
EaR is a statistical measure of the likely impact of changes in interest rates to the Bank's net interest income (NII). To do this, repricing gaps (difference between interest rate-sensitive assets and liabilities) are classified according to time to repricing and multiplied with applicable historical interest rate volatility, although available contractual repricing dates are generally used for putting instruments into time bands, contractual maturity dates (e.g., for fixed rate instruments) or expected liquidation periods often based on historical data are used alternatively. The repricing gap per time band is computed by getting the difference between the inflows and outflows within the time band.

A positive repricing gap implies that the Parent Company's NII could decline if interest rates decrease upon repricing. A negative repricing gap implies that the Parent Company's NII could decline if interest rates increase upon repricing. Although such gaps are a normal part of the business, a significant change may bring significant interest rate risk.

To help control interest rate risk arising from repricing gaps, maximum repricing gap and EaR/NII targets are set for time bands up to one year. EaR is prepared and reported to the ROC monthly.

The Parent Company's EaR figures are as follows (in millions):

	December 31, 2022			
	Average	**Highest**	**Lowest**	**December 31**
Instruments sensitive to local interest rates	**₱293.77**	**₱632.64**	**₱67.72**	**₱241.41**
Instruments sensitive to foreign interest rates	**$5.61**	**$11.63**	**$2.60**	**$11.63**

	December 31, 2021			
	Average	Highest	Lowest	December 31
Instruments sensitive to local interest rates	₱311.64	₱520.74	₱101.98	₱355.16
Instruments sensitive to foreign interest rates	$2.45	$2.99	$2.12	$2.99

Economic value of equity
Economic value of equity or EVE, a complement of EaR, has been started to be utilized by the Bank to measure IRRBB on a quarterly basis starting December 31, 2021. Consistent with Basel guidelines for calculating EVE, the measure compute for the change in the net present value of the bank's assets, liabilities, and off-balance sheet items subject to specific interest rate shock and stress scenarios throughout their remaining life. It measures the theoretical change in the net present value of the balance sheet excluding equity and therefore depicts the change in equity value resulting from an interest rate shock, called ΔEVE. Under this method, the value of equity under alternative stress scenarios is compared with the value under a base scenario.

As of December 31, 2022 and 2021, the Parent Company's EVE stood at 12.97% and 11.61%, respectively; of the Bank's Tier 1 Capital.

Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The BOD has set limits on positions by currency. In accordance with the Parent Company's policy, positions are monitored on a daily basis and are used to ensure positions are maintained within established limits.

December 31, 2022		**Profit/Loss**	**Other comprehensive income**
+10% USD appreciation	**USD**	**₱28,335,177**	**₱34,541,892**
	Other Foreign Currencies*	**8,959,998**	**32,099,216**
-10% USD depreciation	**USD**	**(28,335,177)**	**(34,541,892)**
	Other Foreign Currencies*	**(8,959,998)**	**(32,099,216)**

**Significant position held in EUR, GBP and AUD*

December 31, 2021		Profit/Loss	Other comprehensive income
+10% USD appreciation	USD	(₱9,813,853)	₱43,804,651
	Other Foreign Currencies*	2,314,543	1,532,392
-10% USD depreciation	USD	9,813,853	(43,804,651)
	Other Foreign Currencies*	(2,314,543)	(1,532,392)

**Significant position held in EUR, GBP and AUD*

5. **Fair Value Measurement**

The methods and assumptions used by the Group in estimating the Group's assets and liabilities are:

Cash and other cash items, due from BSP, due from other banks, interbank loans receivable/securities purchased under resale agreements, accrued interest receivables, accounts receivable, savings and demand deposits
Carrying value approximates fair value given the short-term nature of these financial assets and financial liabilities and insignificant risk of changes in value.

Trading and investment securities
Fair values of debt securities and equity investments are generally based on quoted market prices. If the fair value of financial assets cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models using inputs from observable markets subject to a degree of judgment. For equity investments that are not quoted, the fair value are derived using the net asset value method.

Derivative instruments
Fair values of quoted warrants are based on quoted market prices. Other derivative products are valued using valuation techniques using market observable inputs including foreign exchange rates and interest rate curves prevailing at the statements of financial position date.

For interest rate swaps, cross-currency swaps and foreign exchange contracts, discounted cash flow model is applied. This valuation model discounts each cash flow of the derivatives at a rate that is dependent on the tenor of the cash flow.

Receivables from customers
Fair values are estimated using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of receivables at current market rates ranging from 4.91% to 50.00% in 2022 and 4.77% to 42.00% in 2021. Where the instruments reprice on a short-term basis or have a relatively short maturity, the carrying amounts approximate fair values.

Other receivables - accounts receivable and accrued interest receivable
Carrying amounts approximate fair values given their short-term nature.

Investment properties
Fair value of investment properties are based on market data (or direct sales comparison) approach. This approach relies on the comparison of recent sale transactions or offerings of similar properties which have occurred and/or offered with close proximity to the subject property.

The fair values of the Group's investment properties have been determined by appraisers, including independent external appraisers, in the basis of the recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time of the valuations are made.

The Group has determined that the highest and best use of the property used for the land and building is its current use.

Refundable deposits
Fair values are estimated using the discounted cash flow methodology, using the average market price for similar types of receivables with maturities consistent to the receivable being valued. Where the instruments reprice on a short-term basis or have a relatively short maturity, the carrying amounts approximate fair values.

Time deposits
Fair values are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued.

Long-term negotiable certificates of deposit (LTNCD)
Fair values of LTNCD are estimated using quoted price for identical assets or liabilities in markets that are not active.

Bills payable
Fair Values of the bills payable are estimated using quoted price for identical assets or liabilities in markets that are not active.

Other financial liabilities
Carrying amounts approximate fair values due to either the demand nature or the relatively short-term maturities of these liabilities.

The following tables show the Group's assets and liabilities carries at fair value and those whose fair value are required to be disclosed, analyzed among those whose fair value is based on:

- Quoted market prices in active markets for identical assets or liabilities (Level 1); and
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole at the end of each statement of financial position).

There were some transfers between Level 1 and Level 2 fair value measurements for investment securities, but none noted for other financial assets and no transfers into and out of Level 3 fair value measurements in December 2022 and 2021.

	Consolidated				
	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
At FVPL	**₱518,889**	**₱–**	**₱518,889**	**₱–**	**₱518,889**
At FVOCI:					
Government securities	**2,771,089,142**	**571,028,800**	**2,200,060,342**	–	**2,771,089,142**
Private bonds	**3,752,835,056**	**1,588,410,623**	**2,164,424,433**	–	**3,752,835,056**
Quoted equity securities	**172,287,500**	**172,287,500**	–	–	**172,287,500**
Unquoted equity securities	**32,958,089**	–	–	**32,958,089**	**32,958,089**
	₱6,729,688,676	**₱2,331,726,923**	**₱4,365,003,664**	**₱32,958,089**	**₱6,729,688,676**

(Forward)

	Consolidated				
	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost	**₱33,818,190,606**	**₱5,826,933,336**	**₱24,421,742,960**	**₱–**	**₱30,248,676,296**
Loans and receivables:					
Receivables from customers:					
Commercial	**62,237,519,099**	**–**	**–**	**60,797,482,589**	**60,797,482,589**
Real estate	**33,779,334,139**	**–**	**–**	**26,749,896,304**	**26,749,896,304**
Consumption	**13,028,035,811**	**–**	**–**	**11,040,323,600**	**11,040,323,600**
Domestic bills purchased	**461,467,080**	**–**	**–**	**461,467,080**	**461,467,080**
Other receivables:		**–**	**–**		
Sales contract receivable	**205,525,307**	**–**	**–**	**178,924,914**	**178,924,914**
Accrued interest receivables	**1,432,606,920**	**–**	**–**	**1,432,606,920**	**1,432,606,920**
Accounts receivable	**1,722,269,061**	**–**	**–**	**1,722,269,061**	**1,722,269,061**
Refundable deposits	**72,765,257**	**–**	**–**	**69,738,386**	**69,738,386**
Non-Financial Assets	**–**	**–**	**–**	**–**	**–**
Investment properties	**1,205,297,167**	**–**	**–**	**1,848,854,461**	**1,848,854,461**
	₱147,963,010,447	**₱5,826,933,336**	**₱24,421,742,960**	**₱104,301,563,315**	**₱134,550,239,611**
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities:					
Demand	**₱28,721,183,838**	**₱–**	**₱–**	**₱28,721,183,838**	**₱28,721,183,838**
Savings	**95,450,695,898**	**–**	**–**	**95,466,226,301**	**95,466,226,301**
Time	**20,351,745,473**	**–**	**–**	**20,100,508,081**	**20,100,508,081**
Long-term negotiable certificates of Deposits	**1,776,813,247**	**–**	**1,721,346,883**	**–**	**1,721,346,883**
Bills payable	**15,425,589,469**	**–**	**–**	**14,871,593,616**	**14,871,593,616**
	₱161,726,027,925	**₱–**	**₱1,721,346,883**	**₱159,159,511,836**	**₱160,880,858,719**

	Parent Company				
	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
At FVTPL	**₱518,889**	**₱–**	**₱518,889**	**₱–**	**₱518,889**
At FVOCI:					
Government securities	**2,771,089,142**	**571,028,800**	**2,200,060,342**	**–**	**2,771,089,142**
Private bonds	**3,752,835,056**	**1,588,410,623**	**2,164,424,433**	**–**	**3,752,835,056**
Quoted equity securities	**172,287,500**	**172,287,500**	**–**	**–**	**172,287,500**
Unquoted equity securities	**63,158,089**	**–**	**–**	**63,158,089**	**63,158,089**
	₱6,759,888,676	**₱2,331,726,923**	**₱4,365,003,664**	**₱63,158,089**	**₱6,759,888,676**
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost	**₱33,798,192,506**	**₱5,806,736,255**	**₱24,421,742,960**	**₱–**	**₱30,228,479,215**
Loans and receivables:					
Receivables from customers:					
Commercial	**62,303,440,564**	**–**	**–**	**60,756,155,783**	**60,756,155,783**
Real estate	**33,804,436,288**	**–**	**–**	**26,742,878,007**	**26,742,878,007**
Consumption	**10,069,742,619**	**–**	**–**	**7,815,782,227**	**7,815,782,227**
Domestic bills purchased	**461,467,080**	**–**	**–**	**461,467,080**	**461,467,080**
Other receivables:					
Sales contract receivable	**197,413,880**	**–**	**–**	**173,079,231**	**173,079,231**
Accrued interest receivables	**1,417,015,363**	**–**	**–**	**1,414,600,955**	**1,414,600,955**
Accounts receivable	**1,670,921,214**	**–**	**–**	**1,670,921,214**	**1,670,921,214**
Refundable deposits	**70,435,279**	**–**	**–**	**67,526,516**	**67,526,516**
Non-Financial Assets					
Investment properties	**1,107,278,793**	**–**	**–**	**1,653,705,336**	**1,653,705,336**
	₱144,900,343,586	**₱5,806,736,255**	**₱24,421,742,960**	**₱100,756,116,349**	**₱130,984,595,564**
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities:					
Demand	**₱28,526,389,844**	**₱-**	**₱-**	**₱28,526,389,844**	**₱28,526,389,844**
Savings	**92,111,755,266**	**–**	**–**	**92,111,755,266**	**92,111,755,266**
Time	**20,085,582,243**	**–**	**–**	**19,825,422,783**	**19,825,422,783**
Long-term negotiable certificates of deposits	**1,776,813,247**	**–**	**1,721,346,883**	**–**	**1,721,346,883**
Bills payable	**15,425,589,469**	**–**	**–**	**14,871,593,616**	**14,871,593,616**
	₱157,926,130,069	**₱–**	**₱1,721,346,883**	**₱155,335,161,509**	**₱157,056,508,392**

	Consolidated				
	December 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
At FVPL	₱1,912,412	₱–	₱1,912,412	₱–	₱1,912,412
At FVOCI:					
Government securities	15,090,212,356	2,593,217,459	12,496,994,897	–	15,090,212,356
Private bonds	11,229,006,713	7,972,124,726	3,256,881,987	–	11,229,006,713
Quoted equity securities	177,450,000	177,450,000	–	–	177,450,000
Unquoted equity securities	32,958,089	–	–	32,958,089	32,958,089
	₱26,531,539,570	₱10,742,792,185	₱15,755,789,296	₱32, 958,089	₱26,531,539,570
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost	₱8,474,858,779	₱3,771,254,829	₱4,562,093,154	₱–	₱8,333,347,983
Loans and receivables:					
Receivables from customers:					
Commercial	56,604,768,568	–	–	58,004,035,901	58,004,035,901
Real estate	29,222,292,971	–	–	29,929,438,297	29,929,438,297
Consumption	10,321,390,441	–	–	10,853,525,958	10,853,525,958
Domestic bills purchased	516,654,187	–	–	516,654,187	516,654,187
Other receivables:					
Sales contract receivable	140,804,584	–	–	175,883,210	175,883,210
Accrued interest receivables	55,838,963	–	–	55,838,963	55,838,963
Accounts receivable	16,173,645	–	–	16,173,645	16,173,645
Refundable deposits	71,920,404	–	–	69,706,696	69,706,696
Non-Financial Asset					
Investment properties	786,054,165	–	–	2,769,953,736	2,769,953,736
	₱106,210,756,707	₱3,771,254,829	₱4,562,093,154	₱102,391,210,593	₱110,724,558,576
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities:					
Demand	₱27,391,606,583	₱–	₱–	₱27,391,606,583	₱27,391,606,583
Savings	104,013,916,574	–	–	104,013,916,574	104,013,916,574
Time	15,632,738,812	–	–	16,405,343,121	16,405,343,121
Long-term negotiable certificates of Deposits	5,948,312,591	–	5,914,739,244	–	5,914,739,244
Bills payable	2,500,000,000	–	–	2,465,960,727	2,465,960,727
	₱155,486,574,560	₱–	₱5,914,739,244	₱150,276,827,005	₱156,191,566,249

	Parent Company				
	December 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
At FVTPL	₱1,912,412	₱–	₱1,912,412	₱–	₱1,912,412
At FVOCI:					
Government securities	15,090,212,356	2,593,217,459	12,496,994,897	–	15,090,212,356
Private bonds	11,229,006,713	7,972,124,726	3,256,881,987	–	11,229,006,713
Quoted equity securities	177,450,000	177,450,000	–	–	177,450,000
Unquoted equity securities	63,158,089	–	–	63,158,089	63,158,089
	₱26,561,739,570	₱10,742,792,185	₱15,755,789,296	₱63,158,089	₱26,561,739,570
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost	₱8,454,860,679	₱3,751,469,379	₱4,562,093,154	₱–	₱8,313,562,533
Loans and receivables:					
Receivables from customers:					
Commercial	56,615,522,242	–	–	57,902,064,735	57,902,064,735
Real estate	29,081,206,269	–	–	29,787,672,177	29,787,672,177
Consumption	8,663,099,856	–	–	8,997,339,919	8,997,339,919
Domestic bills purchased	516,654,187	–	–	516,654,187	516,654,187
Other receivables:					
Sales contract receivable	122,249,968	–	–	162,009,310	162,009,310
Refundable deposits	69,493,297	–	–	67,643,236	67,643,236
Non-Financial Assets					
Investment properties	689,338,223	–	–	2,573,567,472	2,573,567,472
	₱104,212,424,721	₱3,751,469,379	₱ 4,562,093,154	₱100,006,951,036	₱108,320,513,569

(Forward)

	Parent Company				
	December 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities:					
Demand	₱27,167,701,634	₱–	₱–	₱27,167,701,634	₱27,167,701,634
Savings	102,339,934,817	–	–	102,339,934,817	102,339,934,817
Time	15,350,209,898	–	–	16,122,814,207	16,122,814,207
Long-term negotiable certificates of deposits	5,948,312,591	–	5,914,739,244	–	5,914,739,244
Bills payable	2,500,000,000	–	–	2,465,960,727	2,465,960,727
	₱153,306,158,940	₱–	₱5,914,739,244	₱148,096,411,385	₱154,011,150,629

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole at the end of each statement of financial position).

There were some transfers between Level 1 and Level 2 fair value measurements for investment securities, but none noted for other financial assets and no transfers into and out of Level 3 fair value measurements in December 31, 2022 and 2021.

Description of significant unobservable inputs to valuation:

Consolidated

Accounts	Valuation Technique	Significant Unobservable Inputs
Loans and receivables	Discounted cash flow method	4.91% - 50.00% incremental lending rate
Investment properties		
Land	Market data approach	Price per square meter, size, shape, location, time element and discount
Building	Cost approach	Cost per square meter, size, shape, location, condition and time element
Refundable deposits	Discounted cash flow method	3.91% - 11.00% risk premium rate
Time deposits	Discounted cash flow method	0.10% - 3.50% risk premium rate
Unquoted equity instruments	Adjusted net asset value method	30% degree of lack of marketability

Parent Company

Accounts	Valuation Technique	Significant Unobservable Inputs
Loans and receivables	Discounted cash flow method	4.91% - 50.00% incremental lending rate
Investment properties		
Land	Market data approach	Price per square meter, size, shape, location, time element and discount
Building	Cost approach	Cost per square meter, size, shape, location, condition and time element
Refundable deposits	Discounted cash flow method	3.91% - 6.6585% risk free rate
Time deposits	Discounted cash flow method	0.10% - 2.50% risk premium rate
Unquoted equity instruments	Adjusted net asset value method	30% degree of lack of marketability

Significant increases (decreases) in price per square meter and size of investment properties would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in discount would result in a significantly lower (higher) fair value of the properties. Significant increase (decrease) in degree of lack of marketability would result in lower (higher) fair value of unquoted equity securities. Significant increase (decrease) in the risk premium would result in lower (higher) fair value of loans and receivables and refundable deposits.

Significant unobservable inputs

Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of the lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investor's perceptions of the market over time. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Degree of lack of marketability	Marketability is the degree to which ownership interest can be converted to cash quickly without unreasonable experience and with certainty of the amount of proceeds.
Risk premium	A risk premium is the investment return an asset is expected to yield in excess of the risk-free rate of return.

6. Due from Other Banks, Interbank Loans Receivable and Securities Purchased Under Resale Agreement

Due from Other Banks

This account consists of:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Foreign banks	**₱2,309,066,650**	₱3,558,915,203	**₱2,309,066,650**	₱3,558,915,203
Local banks	**1,630,868,883**	1,507,377,003	**1,600,574,793**	1,428,592,174
	₱3,939,935,533	₱5,066,292,206	**₱3,909,641,443**	₱4,987,507,377

For the years ended December 31, 2022, 2021 and 2020, peso-denominated due from other banks bear nominal interest rates ranging from 0.05% to 0.15%, 0.10% to 0.625% and 0.05% to 0.25%, respectively, while foreign currency-denominated due from other banks bear nominal interest rates ranging from 0.03% to 0.10%, 0.10% to 0.17% and 0.03% to 0.25%, respectively.

Total interest income on 'Due from other banks' earned by the Group amounted to ₱13.94 million, ₱2.40 million and ₱4.80 million for the years ended December 31, 2022, 2021 and 2020, respectively, while total interest income earned by the Parent Company amounted to ₱13.84 million, ₱2.32 million and ₱4.70 million for the years ended December 31, 2022, December 31, 2021 and 2020, respectively.

Total interest income on 'Due from Bangko Sentral ng Pilipinas (BSP)' earned by the Group amounted to ₱92.85 million, ₱70.59 million and ₱81.20 million for the years ended December 31, 2022, 2021 and 2020, respectively, while total interest income earned by Parent Company earned ₱77.17 million, ₱63.89 million and ₱71.66 million for the years ended December 31, 2022, 2021 and 2020, respectively, presented in 'Interest income on Due from Bangko Sentral ng Pilipinas (BSP) and other banks' in the statements of income.

Interbank Loans and Receivable and Securities Purchased Under Resale Agreement

This account consists of:

	Consolidated		**Parent Company**	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Securities purchased under resale agreements	**₱2,971,913,506**	₱14,881,826,705	**₱2,693,964,761**	₱14,764,230,901
Interbank loans receivable	**1,200,000,000**	−	**1,200,000,000**	−
	₱4,171,913,506	₱14,881,826,705	**₱3,893,964,761**	₱14,764,230,901

Interbank loans receivable of the Parent Company from the BSP has a remaining maturity of three (3) days as at December 31, 2022 and 2021, respectively. The Securities Purchased under Resale Agreement (SPURA) of the Group is composed of reverse repurchase placements (RRP) with the BSP. As of December 31, 2022 and 2021, placement on SPURA with the BSP had a remaining maturity of three (3) days and one (1) day to three (3) days, respectively. The fair value of the related collateral of SPURA is disclosed in Note 4.

The interest income of the Group for the years ended December 31, 2022, 2021 and 2020 from interbank loan receivable and SPURA amounted to ₱234.22 million, ₱218.58 million and ₱176.77 million, respectively.

The interest income of Parent Company for the years ended December 31, 2022, 2021 and 2020 from interbank loan receivable and SPURA amounted to ₱227.86 million, ₱216.42 million and ₱172.76 million, respectively.

7. Investment Securities

Financial Assets at FVTPL

This account consists of investments by the Parent Company in:

	December 31, 2022	December 31, 2021
Government securities	**₱518,889**	₱1,912,412

The nominal annual interest rates of peso-denominated government securities is at nil in December 31, 2022, 2.63% to 8.13% in December 31, 2021, and at 8.00% in December 31, 2020. The nominal annual interest rates of foreign currency-denominated government securities is 3.00% in December 31, 2022, and range from 2.75% to 6.75% in December 31, 2021 and from 3.00% to 3.75% in 2020.

Movements in the Group's and Parent Company's derivative financial instruments follow:

	December 31, 2022	December 31, 2021
Balance at January 1	**₱–**	₱556,022
Changes in fair value	**17,458,715**	–
Settled transactions	**(17,458,715)**	(556,022)
Balance at December 31	**₱–**	₱–

Financial Assets at Fair Value through Other Comprehensive Income
The financial assets at fair value through other comprehensive income of the Group and Parent Company consist of the following:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Government securities	**₱2,771,089,142**	₱15,090,212,356	**₱2,771,089,142**	₱15,090,212,356
Private bonds	**3,752,835,056**	11,229,006,713	**3,752,835,056**	11,229,006,713
Quoted equity securities	**172,287,500**	177,450,000	**172,287,500**	177,450,000
Unquoted equity securities	**32,958,089**	32,958,089	**63,158,089**	63,158,089
	₱6,729,169,787	₱26,529,627,158	**₱6,759,369,787**	₱26,559,827,158

As of December 31, 2022 and 2021, the quoted equity securities of the Group consist of preferred shares of stocks in a publicly listed corporation.

Investments in unquoted equity securities include investment in shares of stock of Philippine Clearing House Corporation (PCHC), BancNet, and LGU Guarantee Corporation. These investments are required to be held by the Parent Company as part of its operations. The Parent Company does not have any plans to sell these shares in the future. Fair values of these securities are derived based on the adjusted net asset value method.

As of December 31, 2022 and 2021, the unquoted equity securities of the Parent Company include redeemable preferred shares of LSB amounting to ₱30.20 million equivalent to 30,200 shares.

The range of the Group's effective interest rate on government securities are as follows:

	2022	2021	2020
Peso-denominated securities	**3.75%-7.50%**	2.63%-8.13%	1.89%-5.09%
Foreign currency-denominated securities	**4.34%-5.80%**	2.75%-6.75%	2.86%-6.47%

The range of the Group's effective interest rate on the private bonds are as follows:

	2022	2021	2020
Peso-denominated securities	**4.82%-6.49%**	3.63%-6.49%	3.15%-5.32%
Foreign currency-denominated securities	**3.91%-10.05%**	3.30%-7.25%	1.92%-7.25%

In 2022, 2021 and 2020, dividend income from equity securities presented under 'Miscellaneous income - others' of the Group and the Parent Company amounted to ₱8.92 million, ₱13.04 million and ₱14.89 million, respectively (see Note 24).

Movements in net unrealized losses of the Group and the Parent Company included in the carrying value of 'FVOCI investments' follow:

	December 31, 2022	December 31, 2021
Balances at January 1	**(₱907,253,190)**	₱223,680,755
Changes due to reclassification to HTC	**2,667,978,768**	–
Fair value losses during the year	**(2,446,469,697)**	(1,482,092,167)
Realized gains taken to profit or loss	**19,948,028**	348,228,663
Change in unrealized losses on FVOCI investments	**(665,796,091)**	(910,182,749)
Provision for (reversal of) impairment loss	**(4,325,154)**	2,929,559
Balances at December 31	**(₱670,121,245)**	(₱907,253,190)

Investment Securities at Amortized Cost

The investment securities at amortized cost of the Group and Parent Company consist of the following as of:

	Consolidated		**Parent Company**	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Government securities	**₱22,790,522,641**	₱6,655,527,338	**₱22,790,522,641**	₱6,655,527,338
Private bonds	**11,028,576,923**	1,820,142,305	**11,008,576,923**	1,800,142,305
	33,819,099,564	8,475,669,643	**33,799,099,564**	8,455,669,643
Less allowance for impairment losses (Note 14)	**908,958**	810,864	**907,058**	808,964
	₱33,818,190,606	₱8,474,858,779	**₱33,798,192,506**	₱8,454,860,679

The effective interest rates for peso-denominated investment securities at amortized cost of the Group range from 1.76% to 7.50%, 1.97% to 5.70%, and 1.69% to 4.85% for the years ended December 31, 2022, 2021 and 2020, respectively.

The effective interest rates for foreign currency-denominated investment securities at amortized cost of the Group range from 3.06% to 10.05%, at 2.75% and at 2.75% for the years ended December 31, 2022, 2021 and 2020, respectively.

Interest income on investment securities of the Group and the Parent Company consists of:

	Consolidated			**Parent Company**		
	December 31, 2022	December 31, 2021	December 31, 2020	**December 31, 2022**	December 31, 2021	December 31, 2020
Investment securities at amortized cost	**₱1,037,600,843**	₱306,095,545	₱359,266,259	**₱1,036,696,463**	₱305,200,711	₱356,597,283
Financial assets at FVOCI	**548,679,143**	881,815,686	600,818,834	**548,679,143**	881,815,686	599,893,471
Financial assets at FVTPL	**1,488,724**	9,836,701	3,830,150	**1,488,724**	9,836,701	3,830,150
	₱1,587,768,710	₱1,197,747,932	₱963,915,243	**₱1,586,864,330**	₱1,196,853,098	₱960,320,904

In March 2022, the Board of Directors approved the change in the Parent Company's PFRS 9 business model due to the Parent Company's overall change in strategy brought about by significant internal and external factors. Strategically aligned with the shift in the Parent Company's original long-term direction and positioning under its enhanced five-year plan, the Parent Company redesigned its business model to also include the Board-approved plan to purchase certain assets (including 12 branches subject to regulatory approval) and assumption of certain liabilities of LSB as this impacts the Parent Company's growth path, operations, new target market, and new customer base. The change in strategy will allow the Parent Company to cross-sell loan products within a banking group (the Parent Company and LSB). The Group has embarked on transformation strategy which includes digitization initiatives, among others. With the change in strategy, LSB has changed its business operations and processes to fit for purpose a one-product, least-cost operation, focusing only to the Automatic Payroll Deduction System (APDS) market nationwide. The change in strategy will allow the Group to scale up the APDS business in a timely and efficient manner. The renewed focus to one product will also help LSB better manage credit risk. The planned purchase of the Parent Company of the twelve (12) branches was approved by the PDIC on March 1, 2022. On the same day, the Parent Company submitted the application to the BSP. As a result, the Parent Company acquired certain assets including 12 branches and assumption of certain liabilities of LSB. The transfer of the 12 LSB branches, which is subject to regulatory approval, will expand the distribution center of the Group. New processes and incentive system will be introduced to manage and market the new deposit products and services to expand the Parent Company's capacity to offer new deposit products and services. This significant change in the Parent Company's and Subsidiary's operational activity is expected to generate additional funding from the group necessitating a change in the way the matched assets in the banking book are being managed. Based on the new strategy of the Parent Company, the Parent Company's operational liquidity requirement will be served by funding from deposits and maturing investment portfolio.

As a result, on April 1, 2022, the Group reclassified a portfolio of USD-denominated and peso-denominated debt securities with aggregate fair value of ₱21.38 billion from FVOCI to HTC to address the business and liquidity requirements of the change in the Group's operational activity (see Note 3). The debt securities reclassified are carried at amortized on reclassification date amounting to ₱24.05 billion, resulting to a reversal of net unrealized losses amounting to ₱2.67 billion recorded under 'Other comprehensive income'.

Immediately after the approval for the change in business model, the Parent Company and LSB also started the transfer of LSB's loan portfolio to the Parent Company. As of December 31, 2022, the planned sale of LSB assets to the Parent Company has been perfected and has allowed LSB to focus and implement its new one-product strategy and has expanded its APDS loan book by 183.38% (loan level to ₱3.94 billion as of December 31, 2022 from ₱1.39 billion as of 2021) since the implementation of this strategy. In July 2022, the Parent Company also started the regular purchase of qualified APDS loans from LSB to allow continued growth for LSB while managing the liquidity of the Group at the Parent Company level.

On October 7, 2022, the Parent Company deferred the application with BSP in contemplation of the merger with BPI as the Parent Company has foremost considered its customers' convenience. If branches will be transferred to the Parent Company and immediately thereafter will be transferred again to BPI, customer experience might significantly suffer and the Parent Company would incur the attendant cost twice. The merger was not contemplated when the Parent Company has approved the change in business model in March 2022. The Parent Company continue to implement its digital strategy which is the core component of of its enhanced Objective Goals Strategies and Measures 2026. The change in operational strategy has generated additional fresh funds amounting to ₱19.80 billion and is expected to support the Parent Company's operational liquidity requirement (see Notes 4 and 21). The regulatory application will be pursued by the Parent Company in consultation with BPI. As of December 31, 2022, the major and more critical pillars of the Parent Company's enhanced OGSM 2026 have already been implemented.

As December 31, 2022, had the peso and foreign currency denominated government securities and private bonds not been reclassified to investment at amortized cost, the fair value should have been at ₱19.94 billion , the net unrealized losses that would have been recognized in other comprehensive income for the year ended December 31, 2022 is ₱1.43 billion and the cumulative net unrealized losses of the reclassified investments as of December 31, 2022 would have been ₱5.01 billion.

The effective interest rates of the reclassified investments of the Parent Company as of April 1, 2022 range from 2.36% to 4.87% for peso-denominated government securities, 3.60% to 4.09% for foreign currency-denominated government securities, 3.63% to 5.26% for peso-denominated private bonds and 3.56% to 5.39% for foreign currency-denominated private bonds.

The interest income from the date of reclassification until the year ended December 31, 2022 from the Parent Company's reclassified peso-denominated government securities, foreign currency-denominated government securities, peso-denominated private bonds and foreign currency-denominated private bonds amounted to ₱185.64 million, ₱180.49 million, ₱58.57 million and ₱210.32 million, respectively.

Trading and securities gains - net' of the Group and the Parent Company consist of:

	2022	2021	2020
Net realized gains on financial assets at FVOCI taken to profit or loss	**₱19,948,028**	₱348,228,663	₱719,488,025
Realized gain on derivatives	**17,691,707**	–	16,495,935
Net realized gains (losses) on sale of financial assets at FVTPL	**(13,217,830)**	3,949,670	13,346,517
Unrealized mark-to-market gains (losses) on financial assets at FVTPL	**(1,320,230)**	1,990,536	(1,575,231)
Net unrealized gains on derivatives	**–**	–	556,022
	₱23,101,675	₱354,168,869	₱748,311,268

In 2020, the Parent Company sold peso-currency denominated securities under HTC portfolio with carrying value of ₱3.35 billion resulting in a gain on disposal amounting to ₱190.91 million. Prior to the disposal, the Parent Company noted significant withdrawals from depositors because of the imposition of the community quarantine protocols. The Parent Company anticipated further pressures to liquidity because of the implementation of the Republic Act No. 11468 or the "Bayanihan To Heal as One Act" which grants a moratorium on all loan payments falling due within the period of enhanced community quarantine for a minimum of thirty (30) days without incurring interests, penalties, fees, or other charges. The remaining HTC securities of the Parent Company will remain to be under a HTC business model.

Furthermore, LSB also disposed peso-currency denominated securities under the HTC portfolio with carrying value of ₱180.98 million, resulting in a gain on disposal amounting to ₱2.93 million in 2020. The sale was due to a change in LSB's intention on the instruments from holding to collect principal and interest to realizing the gains from the disposal of the securities in view of the impact of the COVID-19 pandemic. The remaining HTC securities of LSB will remain to be under a HTC business model.

8. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Receivables from customers:				
Commercial (Note 26)	**₱63,970,036,199**	₱57,879,055,931	**₱63,996,679,011**	₱57,845,038,489
Real estate	**34,282,151,263**	29,718,350,075	**34,275,126,968**	29,575,845,505
Consumption	**13,763,621,808**	11,098,264,008	**10,436,277,995**	9,147,205,107
Domestic bills purchased (Note 26)	**461,467,080**	516,654,187	**461,467,080**	516,654,187
	112,477,276,350	99,212,324,201	**109,169,551,054**	97,084,743,288
Other receivables:				
Accrued interest receivable	**1,509,026,583**	1,440,257,258	**1,469,303,874**	1,384,418,422
Accounts receivable	**1,764,599,203**	1,088,396,700	**1,713,432,439**	1,078,613,211
Sales contract receivable	**243,327,513**	149,161,833	**247,515,107**	130,607,217
	115,994,229,649	101,890,139,992	**112,599,802,474**	99,678,382,138
Less: Unearned interest and discount	**307,993,399**	293,352,196	**112,558,278**	184,000,588
	115,686,236,250	101,596,787,796	**112,487,244,196**	99,494,381,550
Less: Allowance for credit losses (Note 14)	**2,819,478,833**	2,385,166,826	**2,562,807,188**	2,120,923,254
	₱112,866,757,417	₱99,211,620,970	**₱109,924,437,008**	₱97,373,458,296

On May 26, 2017, the Parent Company entered into a purchase of receivables agreement with Robinsons Land Corporation (RLC) whereby, the Parent Company will purchase, on a without recourse basis, certain finance lease receivables of RLC up to an aggregate amount of ₱2.00 billion. On June 29, 2018, the Bank entered into an agreement with RLC thereby increasing the aggregate amount of lease receivables to be purchased to ₱3.00 billion. In 2022 and 2021, total lease receivables purchased by the Parent Company amounted to ₱22.06 million and ₱44.08 million, respectively.

The Parent Company's acquisition cost of the lease receivables approximate the fair value at the acquisition date. As of December 31, 2022 and December 31, 2021, the carrying amount of these receivables amounting to ₱0.78 billion and ₱1.10 billion, respectively, is included under 'Real estate' loans of the Parent Company.

Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	December 31, 2022	December 31, 2021	December 31, 2020	**December 31, 2022**	December 31, 2021	December 31, 2020
Receivables from customers:						
Commercial	**₱3,415,020,079**	₱3,172,436,964	₱3,264,858,500	**₱3,413,289,926**	₱3,167,128,114	₱3,245,475,026
Real Estate	**2,234,874,877**	1,882,471,009	1,422,641,207	**2,232,528,593**	1,873,906,913	1,416,120,522
Consumption	**2,138,333,862**	1,762,786,129	1,918,354,973	**1,827,429,417**	1,455,557,940	1,578,947,654
Domestic bills purchased	**61,016**	113,598	73,149	**61,016**	113,598	73,149
Others	**5,252,007**	5,286,868	4,399,035	**3,652,224**	2,419,231	1,966,891
	₱7,793,541,841	₱6,823,094,568	₱6,610,326,864	**₱7,476,961,176**	₱6,499,125,796	₱6,242,583,242

Receivables from customers earns annual effective interest rates, as follow:

	Consolidated			Parent Company		
	December 31, 2022	December 31, 2021	December 31, 2020	**December 31, 2022**	December 31, 2021	December 31, 2020
Effective interest rate	**0.99%-54.07%**	0.58%-73.04%	2.00%-56.10%	**1.64%-54.07%**	1.30%-73.04%	2.00%-56.10%

Others consist of accrued interest receivables, sales contract receivables, accounts receivables and lease receivables.

The range of effective interest rates of the Group's sales contract receivables are as follows:

Period/Year	Interest Rate
December 31, 2022	**8.00% to 54.18%**
December 31, 2021	8.75% to 54.18%
December 31, 2020	6.50% to 54.18%

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other charges.

In 2020, the Group, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, has offered financial reliefs to its borrowers/counterparties as a response to the effect of the COVID-19 pandemic. These relief measures included the following:

- Restructuring of existing receivables including extension of payment terms
- Relief for principal and interest repayments

Based on the Group's assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecogmaunition of the affected financial assets. Total modification loss on receivables from customers recognized in the statement of income for the Company amounted to nil for the Group and nil for the Parent Company for the years ended December 31, 2022 and 2021 while ₱273.54 million for the Group and ₱194.32 million for the Parent Company for December 31, 2020.

Accretion of interest on receivables from customers amounted to ₱28.94 million, ₱125.70 million and ₱199.53 million for the Group and ₱24.03 million, ₱107.96 million and ₱144.09 million for the Parent Company for the years ended December 31, 2022, 2021 and 2020 respectively.

On March 31, 2022, LSB sold its consumer loans to the Parent Company with a carrying value of 273.93 million. On April 30, 2022, LSB sold its its microfinance loans to Malayan Savings Bank with a carrying value of 72.77 million. The sale was approved by LSB's BOD on October 21, 2021 and January 20, 2022, respectively. This is part of LSB's change in strategic thrust, that of focusing solely on the DepEd APDS loans business. As a result, LSB recognized gain on sale of loans to third parties amounting to ₱5.24 million for the year ended December 31, 2022 (see Notes 3 and 24).

9. Investment in Associates and Subsidiary

This account consists of investments in:

	% of Ownership		Consolidated		Parent Company	
	2022	2021	**2022**	2021	**2022**	2021
Subsidiary:						
Cost:						
LSB	**100.00**	100.00	**₱–**	₱–	**₱1,131,000,000**	₱1,131,000,000
Accumulated equity in net income						
Balance at January 1			**–**	–	**181,109,916**	179,110,720
Share in net income (loss)			**–**	–	**(18,305,791)**	1,999,196
Balance at December 31			**–**	–	**162,804,125**	181,109,916
Accumulated equity in OCI						
Balance at January 1					**(6,350,493)**	(5,090,784)
Remeasurement gains on defined benefit plans			–	–	**9,577,627**	(1,259,709)
Balance at December 31			–	–	**3,227,134**	(6,350,493)
			₱–	₱–	**₱1,297,031,259**	₱1,305,759,423
Associates:						
Cost:						
UIBC	**40.00**	40.00	**₱208,566,700**	₱–	**₱208,566,700**	₱–
GoTyme	**20.00**	20.00	**356,530,333**	208,566,700	**356,530,333**	208,566,700
			565,097,033	208,566,700	**565,097,033**	208,566,700
Accumulated equity in net income						
Balance at January 1			**3,145,148**	–	**3,145,148**	–
Share in net income (loss)			**(107,465,837)**	3,145,148	**(107,465,837)**	3,145,148
Balance at December 31			**(104,320,689)**	3,145,148	**(104,320,689)**	3,145,148
Accumulated equity in OCI						
Balance at January 1			**298,045**	–	**298,045**	–
Remeasurement gains on defined benefit plans			**–**	298,045	**–**	298,045
Balance at December 31			**298,045**	298,045	**298,045**	298,045
Dividend received			**(37,800,000)**		**(37,800,000)**	
			423,274,389	212,009,893	**423,274,389**	212,009,893
			₱423,274,389	₱212,009,893	**₱1,720,305,648**	₱1,517,769,316

<u>Investment in Subsidiary</u>

On December 26, 2012, the MB of the BSP approved the share purchase agreement (SPA) covering the Parent Company's acquisition of almost 100.00% common shares of LSB. The deeds of sale to implement the SPA were executed afterwards. Currently, the Parent Company owns 99.93% of LSB in combined common and redeemable preferred shares.

In addition to the approval of the acquisition, the MB of the BSP approved the following merger incentives:

1. Grant of several branch licenses to the Parent Company in restricted areas and waiver of corresponding ₱20.00 million special branch licensing fee for each restricted branch license, subject to the following conditions: (a) the establishment of the awarded branches in restricted areas shall be subject to compliance with all other applicable provisions on branch establishment prescribed under Section X151 of the Manual of Regulations for Banks (MORB); and (b) branches shall be opened within three (3) years from BSP final approval of the Parent Company's acquisition of LSB.

2. Waiver of (a) the monetary penalties aggregating ₱6.40 million as of November 30, 2012 for violation of laws assessed by BSP on LSB, except penalties accruing to other parties, e.g., Micro, Small and Medium Enterprises Development Council Fund. Such waiver shall not preclude BSP from pursuing watchlisting and imposition of non-monetary and administrative sanctions (e.g., fines, disqualifications, suspensions and/or removal from office) against the directors and officers of LSB in

accordance with applicable banking laws and regulations, without prejudice to the filing of criminal cases against liable persons under Section 34, 35 and 36 of Republic Act No. 7653 (the New Central Bank Act); (b) the applicable restrictions/ceilings on transactions between the Parent Company and LSB, for a period of three months, with respect to the Parent Company's liquidity support to LSB (through deposits to and/or purchase of receivables from LSB).

3. Staggered booking, up to five (5) years from final BSP approval of the Parent Company's acquisition of LSB, of the ₱274.10 million required allowance for probable losses on LSB's risk assets. The periodic amortization shall be charged against current operations, in accordance with the regulatory accounting guidelines for deferred loss recognition under Appendix 56a (to Subsection X394.10) of the MORB. The unamortized losses shall be deducted from qualifying capital for purposes of capital adequacy ratio computation and from computation of LSB's unimpaired capital under Subsection X116.1 of the MORB.

4. Retention of the thrift branch license of LSB on its existing eleven (11) branches, for its operations as a wholly-owned subsidiary of the Parent Company to pursue microfinance and country-side banking.

Based on the foregoing events, the Parent Company acquired effective control and management of LSB as of December 26, 2012. Accordingly, in accordance with PFRS 3, *Business Combinations*, the Parent Company's date of acquisition of LSB is December 26, 2012. However, for convenience purposes, the Group used December 31, 2012 as the cut-off in determining the fair value of the net assets of LSB. Therefore, only the fair values of the identifiable assets and liabilities of LSB as December 31, 2012 were consolidated and the profit and loss of LSB for the year ended December 31, 2012 were excluded from the Group's consolidated financial statements as of December 31, 2012.

The acquisition resulted in recognition of goodwill amounting to ₱244.33 million. As of December 31, 2022 and December 31, 2021, goodwill amounted to ₱244.33 million. No impairment loss was recognized in 2022 and 2021.

The financial highlights of LSB in 2022 and 2021 follow:

	December 31, 2022	December 31, 2021
Total assets	**₱4,648,815,101**	₱2,961,377,520
Total liabilities	**4,052,593,366**	2,345,156,121
Net assets	**596,221,735**	616,221,399
Net income (loss)	**(18,305,791)**	1,999,196

As discussed in Note 8, LSB sold its consumer loans to the Parent Company and third party bank in 2022. This is part of LSB's change in strategic thrust that of focusing solely on the DepEd APDS loans business (see Notes 8 and 24).

Investment in Associates

Unicon Insurance Brokers Corporation

On February 11, 2021, the Parent Company entered into a subscription agreement with Unicon Insurance Brokers Corporation (UIBC), a related party, to subscribe 85,667 common shares out of the unissued authorized capital stock, representing forty percent (40.00%) of UIBC's issued and outstanding shares. The subscription price for the subscribed shares is P100 per share or an equivalent amount of ₱8.57 million based on the book value of UIBC as of December 31, 2020.

The subscription of the Parent Company with UIBC was approved by the BSP. The Parent Company accounted for the investment in UIBC as an investment in associate.

GoTyme Bank Corporation
On February 18, 2021, the Parent Company entered into a joint venture agreement with Robinsons Land Corporation (RLC), Robinsons Retail Holdings, Inc (RRHI) and Tyme Global Limited (TGL) to establish a joint venture company (JVC) which will operate a digital bank in the Philippines and have its own banking license and independent governance structure, subject to the approval of the Bangko Sentral ng Pilipinas (BSP). The initial funding and capital structure required the Parent Company, RLC and RRHI, named as the founding shareholders, to contribute a pro rata portion up to ₱1.25 billion.

The shareholder percentage of the Parent Company, RLC, RRHI and TGL upon incorporation shall be 20.00%, 20.00%, 20.00% and 40.00%, respectively of the share capital and voting rights of the JVC.

On August 24, 2021 the BSP approved the Parent Company to make an equity investment of ₱250 million or representing 20.00% ownership of the digital bank which was named GoTyme Bank Corporation (GoTyme). After securing Certificate of Authority to Register from the Monetary Board, the Securities and Exchange Commission (SEC) approved the Certificate of Incroporation of GoTyme Bank Corporation on December 28, 2021.

On May 25, 2022, in response to GoTyme's request for capital call, the BOD of the Parent Company approved to make an additional equity investment of up to Php356.53 million in GoTyme. This request for additional equity investment was approved by the Monetary Board on October 5, 2022.

The Parent Company accounted for the investment in GoTyme as an investment in associate.

Dividends received
In 2022, the Group has received ₱37.80 million and nil dividends from UIBC and GoTyme, respectively.

Summarized statements of financial position of the Group's associates as of December 31, 2022 and 2021:

	2022		2021	
	UIBC	**GoTyme**	UIBC	GoTyme
Current assets	**₱243,489,101**	**₱1,474,884,498**	₱174,187,087	₱1,079,538,302
Noncurrent assets	**57,461,390**	**731,599,011**	15,427,093	338,840,395
Current liabilities	**78,064,697**	**388,055,411**	38,024,246	83,746,335
Noncurrent liabilities	**20,082,705**	**107,662,334**	8,285,882	561,191,000
Equity	**202,803,089**	**1,710,765,764**	143,304,052	773,441,362
Group's carrying amount of the investment	**₱81,121,236**	**₱342,153,153**	₱57,321,621	₱154,688,272

Summarized statements of comprehensive income of the Group's associates for the years ended December 31, 2022 and 2021:

	2022		2021	
	UIBC (40%)	**GoTyme (20%)**	UIBC (40%)	GoTyme (20%)
Revenue	**₱347,316,159**	₱17,978,858	**₱230,518,244**	₱608,692
Expenses	**148,591,884**	859,915,400	**75,134,087**	227,167,335
Profit (loss) before tax	**198,724,275**	(841,936,542)	**155,384,157**	(226,558,643)
Income tax expense	**44,725,241**	3,390,713	**34,241,965**	–
Profit (loss) for the year	**153,999,034**	(845,327,255)	**121,142,192**	(226,558,643)
Other comprehensive income for the year	**–**	–	**745,112**	–
Total comprehensive income for the year	**153,999,034**	(845,327,255)	**121,887,304**	(226,558,643)
Group's share of profit (loss) for the year	**₱61,599,614**	(₱169,065,451)	**₱48,456,877**	(₱45,311,729)

10. Property and Equipment and Right-of-use assets

The composition of and the movements in this account follow:

	Consolidated						
	December 31, 2022						
	Land	**Building**	**Transportation Equipment**	**Leasehold Improvements**	**Furniture, Fixtures and Equipment**	**Right-of-Use of Asset (Note 23)**	**Total**
Cost							
Balance at beginning of year	**₱20,354,527**	**₱59,186,704**	**₱216,718,489**	**₱1,038,106,112**	**₱1,189,754,050**	**₱1,428,968,767**	**₱3,953,088,649**
Additions	**–**	**145,000**	**26,014,923**	**60,232,918**	**189,026,194**	**106,390,378**	**381,809,413**
Disposals*	**–**	**–**	**(31,189,108)**	**–**	**(399,529)**	**(104,928,374)**	**(136,517,011)**
Reclassification (Note 13)	**–**	**–**	**1,900,556**	**(233,507)**	**215,666**	**(519,315)**	**1,363,400**
Balance at end of year	**20,354,527**	**59,331,704**	**213,444,860**	**1,098,105,523**	**1,378,596,381**	**1,429,911,456**	**4,199,744,451**
Accumulated depreciation and amortization							
Balance at beginning of year	**–**	**36,870,479**	**163,301,593**	**798,799,353**	**1,009,439,260**	**598,378,851**	**2,606,789,536**
Depreciation and amortization	**–**	**2,303,223**	**21,687,953**	**76,966,617**	**96,597,187**	**303,919,579**	**501,474,559**
Disposals*	**–**	**–**	**(18,634,933)**	**–**	**(163,936)**	**(104,928,374)**	**(123,727,243)**
Reclassification (Notes 11 and 13)	**–**	**–**	**–**	**(185,106)**	**185,106**	**–**	**–**
Balance at end of year	**–**	**39,173,702**	**166,354,613**	**875,580,864**	**1,106,057,617**	**797,370,056**	**2,984,536,852**
Allowance for impairment losses (Note 14)							
Balance at beginning of year	**11,385,054**	**1,194,537**	**87,500**	**–**	**279,328**	**–**	**12,946,419**
Balance at end of year	**11,385,054**	**1,194,537**	**87,500**	**–**	**279,328**	**–**	**12,946,419**
Net Book Value at End of the year	**₱8,969,473**	**₱18,963,465**	**₱47,002,747**	**₱222,524,659**	**₱272,259,436**	**₱632,541,400**	**₱1,202,261,180**

**Includes termination of lease agreements*

	Parent Company						
	December 31, 2022						
	Land	**Building**	**Transportation Equipment**	**Leasehold Improvements**	**Furniture, Fixtures and Equipment**	**Right-of-Use of Asset (Note 23)**	**Total**
Cost							
Balance at beginning of year	**₱–**	**₱39,946,381**	**₱198,001,020**	**₱954,116,269**	**₱1,056,770,999**	**₱1,344,688,924**	**₱3,593,523,593**
Additions	**–**	**–**	**25,543,073**	**59,773,592**	**187,589,094**	**90,886,609**	**363,792,368**
Disposals*	**–**	**–**	**(30,928,870)**	**–**	**(203,750)**	**(104,928,374)**	**(136,060,994)**
Reclassification (Notes 11 and 13)	**–**	**–**	**1,900,556**	**–**	**–**	**–**	**1,900,556**
Balance at end of year	**–**	**39,946,381**	**194,515,779**	**1,013,889,861**	**1,244,156,343**	**1,330,647,159**	**3,823,155,523**
Accumulated depreciation and amortization	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at beginning of year	**–**	**26,176,314**	**151,005,081**	**748,411,719**	**894,047,168**	**563,813,439**	**2,383,453,721**
Depreciation and amortization	**–**	**1,597,855**	**18,911,084**	**66,097,212**	**86,145,747**	**288,800,068**	**461,551,966**
Disposals*	**–**	**–**	**(18,440,297)**	**–**	**(71,131)**	**(104,928,374)**	**(123,439,802)**
Reclassification	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at end of year	**–**	**27,774,169**	**151,475,868**	**814,508,931**	**980,121,784**	**747,685,133**	**2,721,565,885**

(Forward)

	Parent Company						
	December 31, 2022						
	Land	**Building**	**Transportation Equipment**	**Leasehold Improvements**	**Furniture, Fixtures and Equipment**	**Right-of-Use of Asset (Note 23)**	**Total**
Allowance for impairment losses (Note 14)							
Balance at beginning and end of year	**₱–**	**₱–**	**₱–**	**₱–**	**₱279,328**	**₱–**	**₱279,328**
Net Book Value at End of the Year	**₱–**	**₱12,172,212**	**₱43,039,911**	**₱199,380,930**	**₱263,755,231**	**₱582,962,026**	**₱1,101,310,310**

**Includes termination of lease agreements*

	Consolidated						
	December 31, 2021						
	Land	Building	Transportation Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Right-of-Use of Asset (Note 23)	Total
Cost							
Balance at beginning of year	₱43,945,323	₱76,884,547	₱202,479,413	₱957,960,187	₱1,103,935,153	₱1,209,059,061	₱3,594,263,684
Additions	–	65,621	17,642,538	80,970,053	86,195,333	315,050,682	499,924,227
Disposals*	(23,590,796)	(17,763,464)	(15,918,729)	–	(582,289)	(95,477,466)	(153,332,744)
Reclassification (Note 13)	–	–	12,515,267	(824,128)	205,853	336,490	12,233,482
Balance at end of year	20,354,527	59,186,704	216,718,489	1,038,106,112	1,189,754,050	1,428,968,767	3,953,088,649
Accumulated depreciation and amortization							
Balance at beginning of year	–	40,702,497	155,738,229	710,546,089	920,042,331	396,713,053	2,223,742,199
Additions	–	–	441,014	–	–	–	441,014
Depreciation and amortization	–	4,144,112	22,749,591	88,259,391	89,979,182	296,448,698	501,580,974
Disposals*	–	(7,976,130)	(15,784,005)	–	(582,253)	(94,842,952)	(119,185,340)
Reclassification	–	–	156,764	(6,127)	–	60,052	210,689
Balance at end of year	–	36,870,479	163,301,593	798,799,353	1,009,439,260	598,378,851	2,606,789,536
Allowance for impairment losses (Note 14)							
Balance at beginning of year	11,385,054	1,194,537	–	–	279,328	–	12,858,919
Reclassification (Note 13)	–	–	87,500	–	–	–	87,500
Balance at end of year	11,385,054	1,194,537	87,500	–	279,328	–	12,946,419
Net Book Value at End of the Year	₱8,969,473	₱21,121,688	₱53,329,396	₱239,306,759	₱180,035,462	₱830,589,916	₱1,333,352,694

**Includes termination of lease agreements*

	Parent Company						
	December 31, 2021						
	Land	Building	Transportation Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Right-of-Use of Asset (Note 23)	Total
Cost							
Balance at beginning of year	₱23,590,796	₱57,709,845	₱184,032,449	₱877,368,173	₱980,425,235	₱1,137,123,197	₱3,260,249,695
Additions	–	–	17,158,583	76,748,096	76,345,764	301,768,128	472,020,571
Disposals*	(23,590,796)	(17,763,464)	(14,447,547)	–	–	(94,202,401)	(150,004,208)
Reclassification (Notes 11 and 13)	–	–	11,257,535	–	–	–	11,257,535
Balance at end of year	–	39,946,381	198,001,020	954,116,269	1,056,770,999	1,344,688,924	3,593,523,593
Accumulated depreciation and amortization							
Balance at beginning of year	–	30,795,671	145,096,239	671,186,070	818,267,613	375,411,119	2,040,756,712
Depreciation and amortization	–	3,356,773	20,211,674	77,225,649	75,779,555	282,604,726	459,178,377
Disposals*	–	(7,976,130)	(14,302,832)	–	–	(94,202,406)	(116,481,368)
Balance at end of year	–	26,176,314	151,005,081	748,411,719	894,047,168	563,813,439	2,383,453,721
Allowance for impairment losses (Note 14)							
Balance at beginning and end of year	–	–	–	–	279,328	–	279,328
Net Book Value at End of the Year	₱–	₱13,770,067	₱46,995,939	₱205,704,550	₱162,444,503	₱780,875,485	₱1,209,790,544

**Includes termination of lease agreements*

Gain on sale of property and equipment included in 'Miscellaneous income' amounted to ₱5.08 million, ₱30.41 million and ₱1.91 million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Group, and ₱5.01 million, ₱30.02 million and ₱1.71 million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Parent Company (see Note 24).

The details of depreciation and amortization follow:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Property and equipment and right-of-use of asset (Note 10)	**₱501,474,559**	₱501,580,974	₱479,888,630	**₱461,551,966**	₱459,178,377	₱441,541,857
Software costs (Note 13)	**73,125,201**	101,265,445	99,151,169	**71,733,961**	99,338,407	97,549,258
Repossessed chattels (Note 13)	**81,695,801**	93,468,751	76,637,228	**81,547,357**	91,417,469	75,147,030
Investment properties (Note 11)	**65,300,491**	42,097,434	31,261,547	**64,746,739**	41,171,864	29,986,481
	₱721,596,052	₱738,412,604	₱686,938,574	**₱679,580,023**	₱691,106,117	₱644,224,626

As of December 31, 2022 and 2021, the cost of fully depreciated items of property and equipment still in use by the Group amounted to ₱1.62 billion and ₱1.52 billion, respectively.

As of December 31, 2022 and 2021, the cost of fully depreciated items of property and equipment still in use by the Parent Company amounted to ₱1.49 billion and ₱1.40 billion, respectively.

11. **Investment Properties**

The movements in this account follow:

	Consolidated		
	December 31, 2022		
	Land	**Building**	**Total**
Cost			
Balances at beginning of year	**₱414,270,738**	**₱517,598,960**	**₱931,869,698**
Additions (Note 30)	**150,580,696**	**418,079,766**	**568,660,462**
Disposals	**(27,047,547)**	**(61,743,343)**	**(88,790,890)**
Balances at end of year	**537,803,887**	**873,935,383**	**1,411,739,270**
Accumulated depreciation			
Balances at beginning of year	–	**131,554,733**	**131,554,733**
Depreciation (Note 10)	–	**65,300,491**	**65,300,491**
Disposals	–	**(22,873,398)**	**(22,873,398)**
Balances at end of year	–	**173,981,826**	**173,981,826**
Allowance for impairment losses (Note 14)			
Balances at beginning of year	**13,892,067**	**368,733**	**14,260,800**
Provision (reversal)	**(215,825)**	**18,672,134**	**18,456,309**
Disposals	**(113,219)**	**(143,613)**	**(256,832)**
Balances at end of year	**13,563,023**	**18,897,254**	**32,460,277**
Net book value at end of the year	**₱524,240,864**	**₱681,056,303**	**₱1,205,297,167**

	Parent Company		
	December 31, 2022		
	Land	**Building**	**Total**
Cost			
Balances at beginning of year	**₱307,393,371**	**₱495,611,883**	**₱803,005,254**
Additions (Note 30)	**140,877,596**	**418,079,766**	**558,957,362**
Disposals	**(21,445,995)**	**(58,285,541)**	**(79,731,536)**
Balances at end of year	**426,824,972**	**855,406,108**	**1,282,231,080**
Accumulated depreciation			
Balances at beginning of year	–	**113,180,582**	**113,180,582**
Depreciation (Note 10)	–	**64,746,739**	**64,746,739**
Disposals	–	**(21,809,880)**	**(21,809,880)**
Balances at end of year	–	**156,117,441**	**156,117,441**

(Forward)

	Parent Company		
	December 31, 2022		
	Land	**Building**	**Total**
Allowance for impairment losses (Note 14)			
Balances at beginning of year	**₱215,825**	**₱270,624**	**₱486,449**
Provision (reversal)	**(215,825)**	**18,672,134**	**18,456,309**
Disposals	**–**	**(107,912)**	**(107,912)**
Balances at end of year	**–**	**18,834,846**	**18,834,846**
Net book value at end of the year	**₱426,824,972**	**₱680,453,821**	**₱1,107,278,793**

	Consolidated		
	December 31, 2021		
	Land	Building	Total
Cost			
Balances at beginning of year	₱236,641,387	₱361,692,621	₱598,334,008
Additions (Note 30)	218,188,287	203,188,656	421,376,943
Disposals	(40,558,936)	(47,282,317)	(87,841,253)
Balances at end of year	414,270,738	517,598,960	931,869,698
Accumulated depreciation			
Balances at beginning of year	–	106,717,177	106,717,177
Depreciation (Note 10)	–	42,097,434	42,097,434
Disposals	–	(17,259,878)	(17,259,878)
Balances at end of year	–	131,554,733	131,554,733
Allowance for impairment losses (Note 14)			
Balances at beginning of year	25,205,389	1,520,545	26,725,934
Provisions	(6,535)	107,914	101,379
Disposals	(11,306,787)	(1,259,726)	(12,566,513)
Balances at end of year	13,892,067	368,733	14,260,800
Net book value at end of year	₱400,378,671	₱385,675,494	₱786,054,165

	Parent Company		
	December 31, 2021		
	Land	Building	Total
Cost			
Balances at beginning of year	₱112,664,333	₱336,489,901	₱449,154,234
Additions (Note 30)	209,070,287	197,305,799	406,376,086
Disposals	(14,341,249)	(38,183,817)	(52,525,066)
Balances at end of year	307,393,371	495,611,883	803,005,254
Accumulated depreciation			
Balances at beginning of year	–	87,074,823	87,074,823
Depreciation (Note 10)	–	41,171,864	41,171,864
Disposals	–	(15,066,105)	(15,066,105)
Balances at end of year	–	113,180,582	113,180,582
Allowance for impairment losses (Note 14)			
Balances at beginning of year	1,881,113	1,121,114	3,002,227
Provisions (recoveries)	(12,756)	107,916	95,160
Disposals	(1,652,532)	(958,406)	(2,610,938)
Balances at end of year	215,825	270,624	486,449
Net book value at end of the year	₱307,177,546	₱382,160,677	₱689,338,223

Investment properties include real estate properties acquired in settlement of loans and receivables. The difference between the fair value of the asset upon foreclosure and the carrying value of the loan is recognized as gain or loss on initial recognition recorded included under ‘Miscellaneous Income’.

The fair values of investment properties are disclosed in Note 5.

Direct operating expenses on investment properties pertaining to costs of related to foreclosures and other costs in the transfer of ownership to Parent Company (recorded in ‘Litigation expense’ under‘Miscellaneous expense’) amounted to ₱88.24 million, ₱81.41 million and ₱19.68 million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Group, and ₱86.54 million, ₱78.92 million and ₱18.84 million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Parent Company (see Note 24). There are no other direct operating expenses of the Parent Company in 2022, 2021 and 2022.

Gain (loss) on initial recognition of investment properties included in 'Miscellaneous income' of the Group amounted to ₱105.91 million, ₱83.81 million and (₱48.30) million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Group, and ₱102.52 million, ₱77.81 million and (₱48.66) million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Parent Company (see Note 24).

Gain on sale of investment properties included in 'Miscellaneous income' amounted to ₱31.62 million, ₱13.87 million and ₱3.56 million for the years ended December 31, 2022, 2021 and 2020, respectively for the Group and ₱31.62 million, ₱13.87 million and ₱3.56 million for the years ended December 31, 2022, 2021 and 2020, respectively, for the Parent Company (see Note 24).

12. Branch Licenses

The movements in this account follow:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Cost				
Balance at beginning of year	**₱1,234,017,245**	₱1,233,464,873	**₱613,107,245**	₱612,554,873
Additions	**475,653**	552,372	**475,653**	552,372
Balance at end of year	**1,234,492,898**	1,234,017,245	**613,582,898**	613,107,245
Allowance for impairment losses (Note 14)				
Balance at beginning and end of year	**232,726,929**	232,726,929	**232,726,929**	232,726,929
	₱1,001,765,969	₱1,001,290,316	**₱380,855,969**	₱380,380,316

The allowance for impairment losses amounting to ₱232.73 million relates to branches that the Parent Company ceased to operate in 2010.

13. Other Assets

This account consists of:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Creditable withholding tax	**₱690,720,353**	₱626,511,121	**₱690,720,353**	₱626,511,121
Software costs - net	**449,881,489**	375,799,248	**448,588,604**	374,539,869
Prepaid expenses	**150,063,745**	115,515,484	**146,522,267**	110,914,484
Repossessed chattels - net	**128,076,867**	188,263,358	**127,229,302**	187,670,265
Refundable deposits	**72,765,257**	71,920,404	**70,435,279**	69,493,297
Advance payment to suppliers	**36,546,254**	42,682,873	**36,546,254**	42,682,873
Stationaries and office supplies	**34,606,939**	12,767,235	**28,226,990**	6,661,127
Documentary stamp tax on hand	**13,011,004**	5,228,645	**12,271,540**	4,636,965
Prepaid tax	**1,244,822**	–	**1,244,822**	–
Sundry debits	**1,028,623**	2,217,192	**1,028,623**	2,217,192
Others	**53,519,570**	173,071,316	**52,016,426**	172,628,528
	1,631,464,923	1,613,976,876	**1,614,830,460**	1,597,955,721
Allowance for impairment losses (Note 14)	**(10,616,870)**	(13,064,205)	**(10,540,371)**	(10,540,371)
	₱1,620,848,053	₱1,600,912,671	**₱1,604,290,089**	₱1,587,415,350

Software costs - net represent the carrying amount of software purchased by the Group for use in operations, net of amortization.

Advance payment to suppliers consists of various down payments made to various suppliers and contractors in connection with the Group's and the Parent Company's operation and other projects such as branch expansions.

Bills payment-contra is the contra account of bills payment under 'Accrued expenses and other liabilities' (see Note 19).

The Group's 'Others' include margin calls amounting to ₱6.47 million and ₱43.23 million as of December 31, 2022 and 2021, respectively, deferred charges amounting to nil and ₱17.67 million as of December 31, 2022 and 2021, respectively, bills payment-contra amounting to nil and ₱102.67 million as of December 31, 2022 and 2021, respectively, and other miscellaneous assets amounting to ₱47.05 million and ₱9.50 million as of December 31, 2022 and 2021, respectivley.

The Parent Company's 'Others' include margin calls amounting to ₱6.47 million and ₱43.23 million as of December 31, 2022 and 2021, respectively, deferred charges amounting to nil and ₱17.67 million as of December 31, 2022 and 2021, respectively, bills payment-contra amounting to nil and ₱102.67 million as of December 31, 2022 and 2021, respectively, other miscellaneous assets amounting to ₱45.55 million and ₱9.06 million as of December 31, 2022 and 2021, respectively.

The composition of and the movements in 'Repossessed chattels - net' of the Group and the Parent Company follow:

	Consolidated		
	December 31, 2022		
	Cars	**Others**	**Total**
Cost			
Balances at beginning of year	**₱32,850,000**	**₱250,485,540**	**₱283,335,540**
Additions (Note 30)	**76,720,000**	**650,703,702**	**727,423,702**
Disposals	**(82,130,000)**	**(726,519,435)**	**(808,649,435)**
Reclassifications (Note 10)	**(2,440,000)**	**–**	**(2,440,000)**
Balances at end of year	**25,000,000**	**174,669,807**	**199,669,807**
Accumulated depreciation			
Balances at beginning of year	**2,976,389**	**90,933,158**	**93,909,547**
Depreciation (Note 10)	**9,870,277**	**71,825,524**	**81,695,801**
Disposals	**(9,549,581)**	**(115,292,225)**	**(124,841,806)**
Reclassifications (Note 10)	**(539,444)**	**–**	**(539,444)**
Balances at end of year	**2,757,641**	**47,466,457**	**50,224,098**
Allowance for impairment losses (Note 14)			
Balances at beginning of year	**–**	**1,162,635**	**1,162,635**
Provision	**5,556**	**20,302,513**	**20,308,069**
Disposals	**–**	**(101,862)**	**(101,862)**
Balances at end of year	**5,556**	**21,363,286**	**21,368,842**
Net Book Value at End of the Year	**₱22,236,803**	**₱105,840,064**	**₱128,076,867**

	Parent Company		
	December 31, 2022		
	Cars	**Others**	**Total**
Cost			
Balances at beginning of year	**₱32,850,000**	**₱248,631,050**	**₱281,481,050**
Additions (Note 30)	**76,720,000**	**649,707,702**	**726,427,702**
Disposals	**(82,130,000)**	**(724,684,435)**	**(806,814,435)**
Reclassifications (Note 10)	**(2,440,000)**	**–**	**(2,440,000)**
Balances at end of year	**25,000,000**	**173,654,317**	**198,654,317**
Accumulated depreciation			
Balances at beginning of year	**2,976,389**	**89,702,506**	**92,678,895**
Depreciation (Note 10)	**9,870,277**	**71,677,080**	**81,547,357**
Disposals	**(9,549,581)**	**(114,079,753)**	**(123,629,334)**
Reclassifications (Note 10)	**(539,444)**	**–**	**(539,444)**
Balances at end of year	**2,757,641**	**47,299,833**	**50,057,474**
Allowance for impairment losses (Note 14)			
Balances at beginning of year	**–**	**1,131,890**	**1,131,890**
Provision	**5,556**	**20,302,513**	**20,308,069**
Disposals	**–**	**(72,418)**	**(72,418)**
Balances at end of year	**5,556**	**21,361,985**	**21,367,541**
Net Book Value at End of the Year	**₱22,236,803**	**₱104,992,499**	**₱127,229,302**

	Consolidated		
	December 31, 2021		
	Cars	Others	Total
Cost			
Balances at beginning of year	₱80,015,000	₱228,571,628	₱308,586,628
Additions (Note 30)	142,840,000	561,022,639	703,862,639
Disposals	(174,160,000)	(537,071,027)	(711,231,027)
Reclassifications (Note 10)	(15,845,000)	(2,037,700)	(17,882,700)
Balances at end of year	32,850,000	250,485,540	283,335,540
Accumulated depreciation			
Balances at beginning of year	9,569,861	64,757,230	74,327,091
Depreciation (Note 10)	19,414,257	74,054,494	93,468,751
Disposals	(21,137,451)	(47,180,899)	(68,318,350)
Reclassifications (Note 10)	(4,870,278)	(697,667)	(5,567,945)
Balances at end of year	2,976,389	90,933,158	93,909,547
Allowance for impairment losses (Note 14)			
Balances at beginning of year	–	1,275,195	1,275,195
Provision	40,555	95,947	136,502
Disposals	(40,555)	(121,007)	(161,562)
Reclassifications	–	(87,500)	(87,500)
Balances at end of year	–	1,162,635	1,162,635
Net Book Value at End of the Year	₱29,873,611	₱158,389,747	₱188,263,358

	Parent Company		
	December 31, 2021		
	Cars	Others	Total
Cost			
Balances at beginning of year	₱80,015,000	₱223,118,138	₱303,133,138
Additions (Note 30)	142,840,000	558,629,639	701,469,639
Disposals	(174,160,000)	(532,734,027)	(706,894,027)
Reclassifications (Note 10)	(15,845,000)	(382,700)	(16,227,700)
Balances at end of year	32,850,000	248,631,050	281,481,050
Accumulated depreciation			
Balances at beginning of year	9,569,861	63,341,795	72,911,656
Depreciation (Note 10)	19,414,257	72,003,212	91,417,469
Disposals	(21,137,451)	(45,542,612)	(66,680,063)
Reclassifications (Note 10)	(4,870,278)	(99,889)	(4,970,167)
Balances at end of year	2,976,389	89,702,506	92,678,895
Allowance for impairment losses (Note 14)			
Balances at beginning of year	–	1,048,288	1,048,288
Provision	40,555	95,947	136,502
Disposals	(40,555)	(12,345)	(52,900)
Balances at end of year	–	1,131,890	1,131,890
Net Book Value at End of the Year	₱29,873,611	₱157,796,654	₱187,670,265

The Group and Parent Company's loss on initial recognition of repossessed chattels included in 'Miscellaneous expenses' amounted to ₱21.82 million, ₱17.92 million and ₱0.51 million for the years ended December 31. 2022, 2021 and 2020, respectively (see Note 24).

The Group's loss on sale of repossessed included in 'Miscellaneous expenses' amounted to ₱141.78 million, ₱126.25 million and ₱119.28 million for years ended December 31, 2022, 2021 and 2020, respectively while the Parent Company's loss on sale of repossessed included in 'Miscellaneous expenses' amounted to ₱142.93 million, ₱142.44 million and ₱120.92 million respectively, (see Note 24).

Movements in 'Software costs - net' follow:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Cost				
Balance at beginning of year	**₱1,087,055,630**	₱922,645,081	**₱1,064,473,093**	₱902,041,278
Additions	**147,207,442**	164,410,549	**145,782,696**	162,431,815
	1,234,263,072	1,087,055,630	**1,210,255,789**	1,064,473,093
Accumulated amortization				
Balance at beginning of year	**711,256,382**	609,990,937	**689,933,224**	590,594,817
Amortization (Note 10)	**73,125,201**	101,265,445	**71,733,961**	99,338,407
Balance at end of year	**784,381,583**	711,256,382	**761,667,185**	689,933,224
Net Book Value at the End of the Year	**₱449,881,489**	₱375,799,248	**₱448,588,604**	₱374,539,869

14. Allowance for Credit and Impairment Losses

Movements in the allowance for credit and impairment losses follow:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Balance at January 1				
Loans and receivables (Note 8)	**₱2,385,166,826**	₱1,803,857,675	**₱2,120,923,254**	₱1,568,319,633
Branch licenses (Note 12)	**232,726,929**	232,726,929	**232,726,929**	232,726,929
Investment properties (Note 11)	**14,260,800**	26,725,934	**486,449**	3,002,227
Property and equipment (Note 10)	**12,946,419**	12,858,919	**279,328**	279,328
Financial asset at amortized cost (Note 7)	**810,864**	2,598,433	**808,964**	2,596,533
Repossessed chattels (Note 13)	**1,162,635**	1,275,195	**1,131,890**	1,048,288
Other assets (Note 13)	**13,064,205**	13,064,205	**10,540,371**	10,540,371
	2,660,138,678	2,093,107,290	**2,366,897,185**	1,818,513,309
Provision	**964,876,714**	1,275,471,667	**965,058,650**	1,246,759,915
Disposals	**(358,694)**	(12,728,076)	**(180,330)**	(2,663,836)
Foreclosures/Write-off/others	**(494,149,570)**	(695,712,203)	**(484,312,244)**	(695,712,203)
	470,368,450	567,031,388	**480,566,076**	548,383,876
Balances at December 31				
Loans and receivables (Note 8)	**2,819,478,833**	2,385,166,826	**2,562,807,188**	2,120,923,254
Branch licenses (Note 12)	**232,726,929**	232,726,929	**232,726,929**	232,726,929
Investment properties (Note 11)	**32,460,277**	14,260,800	**18,834,846**	486,449
Property and equipment (Note 10)	**12,946,419**	12,946,419	**279,328**	279,328
Financial asset at amortized cost (Note 7)	**908,958**	810,864	**907,058**	808,964
Repossessed chattels (Note 13)	**21,368,842**	1,162,635	**21,367,541**	1,131,890
Other assets (Note 13)	**10,616,870**	13,064,205	**10,540,371**	10,540,371
	₱3,130,507,128	₱2,660,138,678	**₱2,847,463,261**	₱2,366,897,185

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to commercial loans follow:

	Consolidated			
	December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2022	**₱36,603,001,579**	**₱20,388,323,783**	**₱887,730,569**	**₱57,879,055,931**
New assets originated or purchased	**36,086,503,558**	–	–	**36,086,503,558**
Assets derecognized or repaid (excluding write offs)	**(18,608,133,990)**	**(11,322,849,829)**	**(26,969,531)**	**(29,957,953,350)**
Transfers to Stage 1	**1,317,003,846**	**(1,310,879,388)**	**(6,124,458)**	–
Transfers to Stage 2	**(5,370,491,711)**	**5,370,491,711**	–	–
Transfers to Stage 3	**(1,305,822,710)**	**(472,343,387)**	**1,778,166,097**	–
Amounts written off/reversals/others	–	–	**(37,569,940)**	**(37,569,940)**
	₱48,722,060,572	**₱12,652,742,890**	**₱2,595,232,737**	**₱63,970,036,199**
ECL allowance as at January 1, 2022	**₱74,174,225**	**₱495,689,299**	**₱698,615,059**	**₱1,268,478,583**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**50,858,611**	–	–	**50,858,611**
Newly originated assets which moved to Stage 2 and Stage 3	–	**100,190,892**	**318,153,858**	**418,344,750**
Transfers to Stage 1	**11,046,726**	**(9,396,854)**	**(1,649,872)**	–
Transfers to Stage 2	**(2,568,305)**	**2,568,305**	–	–
Transfers to Stage 3	**(616,209)**	**(32,925,639)**	**33,541,848**	–
Other movements*	**(66,787,610)**	**(277,386,555)**	**372,236,575**	**28,062,410**
	(8,066,787)	**(216,949,851)**	**722,282,409**	**497,265,771**
Foreclosures and other adjustments	–	–	**(11,426,530)**	**(11,426,530)**
Amounts written-off	–	–	**(26,143,410)**	**(26,143,410)**
	₱66,107,438	**₱278,739,448**	**₱1,383,327,528**	**₱1,728,174,414**

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2022	**₱36,617,436,609**	**₱20,388,323,782**	**₱839,278,098**	**₱57,845,038,489**
New assets originated or purchased	**36,085,733,558**	–	–	**36,085,733,558**
Assets derecognized or repaid (excluding write offs)	**(18,555,084,544)**	**(11,323,615,031)**	**(17,823,521)**	**(29,896,523,096)**
Transfers to Stage 1	**1,316,238,643**	**(1,310,114,185)**	**(6,124,458)**	–
Transfers to Stage 2	**(5,370,491,711)**	**5,370,491,711**	–	–
Transfers to Stage 3	**(1,305,822,710)**	**(472,343,387)**	**1,778,166,097**	–
Amounts written off/reversals/others/reclassification	–	–	**(37,569,940)**	**(37,569,940)**
	₱48,788,009,845	**₱12,652,742,890**	**₱2,555,926,276**	**₱63,996,679,011**
ECL allowance as at January 1, 2022	**₱74,174,225**	**₱495,689,299**	**₱655,107,576**	**₱1,224,971,100**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**50,850,368**	–	–	**50,850,368**
Newly originated assets which moved to Stage 2 and Stage 3	–	**100,190,892**	**318,153,858**	**418,344,750**
Transfers to Stage 1	**11,046,456**	**(9,396,584)**	**(1,649,872)**	–
Transfers to Stage 2	**(2,568,305)**	**2,568,305**	–	–
Transfers to Stage 3	**(616,209)**	**(32,925,639)**	**33,541,848**	–
Other movements*	**(66,787,779)**	**(277,386,825)**	**377,589,713**	**33,415,109**
	(8,075,469)	**(216,949,851)**	**727,635,547**	**502,610,227**
Foreclosures and other adjustments	–	–	**(11,426,530)**	**(11,426,530)**
Amounts written off	–	–	**(26,143,410)**	**(26,143,410)**
	₱66,098,756	**₱278,739,448**	**₱1,345,173,183**	**₱1,690,011,387**

**includes changes in assumptions and payments*

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱43,257,060,104	₱7,787,032,515	₱469,872,429	₱51,513,965,048
New assets originated or purchased	97,387,522,816	–	–	97,387,522,816
Assets derecognized or repaid (excluding write offs)	(88,171,074,588)	(3,174,205,970)	(73,052,382)	(91,418,332,940)
Transfers to Stage 1	38,360,269	(38,360,269)	–	–
Transfers to Stage 2	(15,805,664,806)	15,805,664,806	–	–
Transfers to Stage 3	(812,804,866)	(1,487,805)	814,292,671	–
Reclassification from real estate loans	709,602,650	9,680,506	10,072,336	729,355,492
Amounts written off/reversals/others	–	–	(333,454,485)	(333,454,485)
	₱36,603,001,579	₱20,388,323,783	₱887,730,569	₱57,879,055,931
ECL allowance as at January 1, 2021	₱234,753,226	₱319,629,873	₱240,183,978	₱794,567,077
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	66,751,386	–	–	66,751,386
Newly originated assets which moved to Stage 2 and Stage 3	–	281,173,037	169,483,915	450,656,952
Transfers to Stage 1	309,368	(309,368)	–	–
Transfers to Stage 2	(15,513,102)	15,513,102	–	–
Transfers to Stage 3	(742,572)	(11,061)	753,633	–
Other movements*	(212,666,360)	(120,323,093)	408,308,723	75,319,270
	(161,861,280)	176,042,617	578,546,271	592,727,608
Reclassification from real estate loans	1,282,279	16,809	1,128,962	2,428,050
Amounts written off	–	–	(121,244,152)	(121,244,152)
	₱74,174,225	₱495,689,299	₱698,615,059	₱1,268,478,583

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱43,246,500,135	₱7,780,544,286	₱403,053,897	₱51,430,098,318
New assets originated or purchased	97,357,445,465	–	–	97,357,445,465
Assets derecognized or repaid (excluding write offs)	(88,115,893,190)	(3,167,826,790)	(54,686,321)	(91,338,406,301)
Transfers to Stage 1	38,251,221	(38,251,221)	–	–
Transfers to Stage 2	(15,805,664,806)	15,805,664,806	–	–
Transfers to Stage 3	(812,804,866)	(1,487,805)	814,292,671	–
Reclassification from real estate loans	709,602,650	9,680,506	10,072,336	729,355,492
Amounts written off/reversals/others/reclassification	–	–	(333,454,485)	(333,454,485)
	₱36,617,436,609	₱20,388,323,782	₱839,278,098	₱57,845,038,489
ECL allowance as at January 1, 2021	₱234,460,034	₱317,997,373	₱189,651,956	₱742,109,363
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	66,751,386	–	–	66,751,386
Newly originated assets which moved to Stage 2 and Stage 3	–	281,173,037	169,483,915	450,656,952
Transfers to Stage 1	309,368	(309,368)	–	–
Transfers to Stage 2	(15,513,064)	15,513,064	–	–
Transfers to Stage 3	(307,642)	(11,061)	318,703	–
Other movements*	(212,808,136)	(118,690,555)	415,411,782	83,913,091
	(161,568,088)	177,675,117	585,214,400	601,321,429
Reclassification from real estate loans	1,282,279	16,809	1,128,962	2,428,050
Amounts written off	–	–	(120,887,742)	(120,887,742)
	₱74,174,225	₱495,689,299	₱655,107,576	₱1,224,971,100

**includes changes in assumptions and payments*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to real estate loans follow:

	Consolidated			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2022	**₱26,784,856,879**	**₱1,314,314,631**	**₱1,619,178,565**	**₱29,718,350,075**
New assets originated or purchased	**9,252,682,288**	**–**	**–**	**9,252,682,288**
Assets derecognized or repaid (excluding write offs)	**(3,614,553,567)**	**(344,669,565)**	**(683,752,835)**	**(4,642,975,967)**
Transfers to Stage 1	**745,640,716**	**(576,207,502)**	**(169,433,214)**	**–**
Transfers to Stage 2	**(949,974,428)**	**994,278,130**	**(44,303,702)**	**–**
Transfers to Stage 3	**(678,792,655)**	**(203,370,492)**	**882,163,147**	**–**
Amounts written off off/reversals/others	**–**	**–**	**(45,905,133)**	**(45,905,133)**
	₱31,539,859,233	**₱1,184,345,202**	**₱1,557,946,828**	**₱34,282,151,263**
ECL allowance as at January 1, 2022 under PFRS 9	**₱98,227,790**	**₱17,955,456**	**₱205,244,635**	**₱321,427,881**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**37,354,380**	**–**	**–**	**37,354,380**
Newly originated assets which moved to Stage 2 and Stage 3	**–**	**3,037,928**	**14,396,615**	**17,434,543**
Transfers to Stage 1	**31,405,218**	**(8,002,460)**	**(23,402,758)**	**–**
Transfers to Stage 2	**(3,224,665)**	**8,550,074**	**(5,325,409)**	**–**
Transfers to Stage 3	**(2,549,995)**	**(2,770,794)**	**5,320,789**	**–**
Other movements*	**(25,621,388)**	**1,183,429**	**55,378,434**	**30,940,475**
	37,363,550	**1,998,177**	**46,367,671**	**85,729,398**
Foreclosures and other adjustments	**–**	**–**	**(42,631,516)**	**(42,631,516)**
Amounts written-off	**–**	**–**	**(3,273,592)**	**(3,273,592)**
	₱135,591,340	**₱19,953,633**	**₱205,707,198**	**₱361,252,171**

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2022	**₱26,645,701,508**	**₱1,311,737,686**	**₱1,618,406,311**	**₱29,575,845,505**
New assets originated or purchased	**9,250,020,288**	**–**	**–**	**9,250,020,288**
Assets derecognized or repaid (excluding write offs)	**(3,478,467,132)**	**(342,092,620)**	**(684,273,940)**	**(4,504,833,692)**
Transfers to Stage 1	**745,640,716**	**(576,207,502)**	**(169,433,214)**	**–**
Transfers to Stage 2	**(949,974,428)**	**994,278,130**	**(44,303,702)**	**–**
Transfers to Stage 3	**(676,042,208)**	**(203,370,492)**	**879,412,700**	**–**
Amounts written off/reversals/others	**–**	**–**	**(45,905,133)**	**(45,905,133)**
	₱31,536,878,744	**₱1,184,345,202**	**₱1,553,903,022**	**₱34,275,126,968**
ECL allowance as at January 1, 2022 under PFRS 9	**₱98,753,998**	**₱17,573,088**	**₱203,968,577**	**₱320,295,663**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**37,344,361**	**–**	**–**	**37,344,361**
Newly originated assets which moved to Stage 2 and Stage 3	**–**	**3,037,928**	**14,396,615**	**17,434,543**
Transfers to Stage 1	**31,405,218**	**(8,002,460)**	**(23,402,758)**	**–**
Transfers to Stage 2	**(3,224,665)**	**8,550,074**	**(5,325,409)**	**–**
Transfers to Stage 3	**(2,247,852)**	**(2,770,794)**	**5,018,646**	**–**
Other movements*	**(26,449,739)**	**1,565,797**	**56,055,191**	**31,171,249**
	36,827,323	**2,380,545**	**46,742,285**	**85,950,153**
Foreclosure and other adjustments	**–**	**–**	**(42,631,516)**	**(42,631,516)**
Amounts written-off	**–**	**–**	**(3,273,592)**	**(3,273,592)**
	₱135,581,321	**₱19,953,633**	**₱204,805,754**	**₱360,340,708**

**includes changes in assumptions and payments*

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱21,025,042,581	₱1,765,427,891	₱1,366,585,801	₱24,157,056,273
New assets originated or purchased	10,755,720,530	–	–	10,755,720,530
Assets derecognized or repaid (excluding write offs)	(4,043,790,847)	(104,097,203)	(235,279,360)	(4,383,167,410)
Transfers to Stage 1	1,168,848,120	(960,305,682)	(208,542,438)	–
Transfers to Stage 2	(803,147,476)	842,447,138	(39,299,662)	–
Transfers to Stage 3	(608,213,379)	(219,477,007)	827,690,386	–
Reclassification to commercial loans	(709,602,650)	(9,680,506)	(10,072,336)	(729,355,492)
Amounts written off off/reversals/others	–	–	(81,903,826)	(81,903,826)
	₱26,784,856,879	₱1,314,314,631	₱1,619,178,565	₱29,718,350,075
ECL allowance as at January 1, 2021 under PFRS 9	₱32,939,064	₱7,996,557	₱153,248,054	₱194,183,675
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	15,120,600	–	–	15,120,600
Newly originated assets which moved to Stage 2 and Stage 3	–	2,781,631	29,424,546	32,206,177
Transfers to Stage 1	27,695,765	(4,321,203)	(23,374,562)	–
Transfers to Stage 2	(1,251,718)	5,656,636	(4,404,918)	–
Transfers to Stage 3	(1,090,670)	(847,047)	1,937,717	–
Other movements*	26,097,028	6,705,691	53,520,033	86,322,752
	66,571,005	9,975,708	57,102,816	133,649,529
Reclassification to commercial loans	(1,282,279)	(16,809)	(1,128,962)	(2,428,050)
Amounts written off	–	–	(3,977,273)	(3,977,273)
	₱98,227,790	₱17,955,456	₱205,244,635	₱321,427,881

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱20,942,372,471	₱1,765,427,891	₱1,364,533,053	₱24,072,333,415
New assets originated or purchased	10,676,526,085	–	–	10,676,526,085
Assets derecognized or repaid (excluding write offs)	(4,023,658,608)	(104,097,203)	(233,998,866)	(4,361,754,677)
Transfers to Stage 1	1,168,848,120	(960,305,682)	(208,542,438)	–
Transfers to Stage 2	(800,570,531)	839,870,193	(39,299,662)	–
Transfers to Stage 3	(608,213,379)	(219,477,007)	827,690,386	–
Reclassification to commercial loans	(709,602,650)	(9,680,506)	(10,072,336)	(729,355,492)
Amounts written off/reversals/others	–	–	(81,903,826)	(81,903,826)
	₱26,645,701,508	₱1,311,737,686	₱1,618,406,311	₱29,575,845,505
ECL allowance as at January 1, 2021 under PFRS 9	₱32,781,849	₱7,996,558	₱152,566,304	₱193,344,711
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	14,686,330	–	–	14,686,330
Newly originated assets which moved to Stage 2 and Stage 3	–	2,781,631	29,424,546	32,206,177
Transfers to Stage 1	27,695,765	(4,321,203)	(23,374,562)	–
Transfers to Stage 2	(1,242,301)	5,647,219	(4,404,918)	–
Transfers to Stage 3	(910,114)	(847,047)	1,757,161	–
Other movements*	27,024,748	6,332,739	54,287,064	87,644,551
	67,254,428	9,593,339	57,689,291	134,537,058
Reclassification	(1,282,279)	(16,809)	(1,128,962)	(2,428,050)
Amounts written off	–	–	(5,158,056)	(5,158,056)
	₱98,753,998	₱17,573,088	₱203,968,577	₱320,295,663

**includes changes in assumptions and payments*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to consumer loans follow:

	Consolidated			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2022	**₱9,679,280,176**	**₱643,442,826**	**₱775,541,006**	**₱11,098,264,008**
New assets originated or purchased	**8,055,572,874**	**12,437,736**	**34,131,146**	**8,102,141,756**
Assets derecognized or repaid (excluding write offs)	**(4,532,852,520)**	**(470,928,908)**	**(53,159,189)**	**(5,056,940,617)**
Transfers to Stage 1	**75,295,546**	**(57,675,860)**	**(17,619,686)**	–
Transfers to Stage 2	**(602,853,928)**	**609,457,371**	**(6,603,443)**	–
Transfers to Stage 3	**(286,487,756)**	**(80,855,787)**	**367,343,543**	–
Amounts written off/reversals/others	**(9,214,058)**	**(27,814)**	**(370,601,467)**	**(379,843,339)**
	₱12,378,740,334	**₱655,849,564**	**₱729,031,910**	**₱13,763,621,808**
ECL allowance as at January 1, 2022	**₱132,224,757**	**₱58,032,672**	**₱475,664,894**	**₱665,922,323**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**49,998,153**	–	–	**49,998,153**
Newly originated assets which moved to Stage 2 and Stage 3	–	**2,780,727**	**26,638,796**	**29,419,523**
Transfers to Stage 1	**14,338,909**	**(2,365,239)**	**(11,973,670)**	–
Transfers to Stage 2	**(11,468,962)**	**14,576,564**	**(3,107,602)**	–
Transfers to Stage 3	**(12,472,209)**	**(16,120,479)**	**28,592,688**	–
Other movements*	**(70,298,658)**	**(33,151,361)**	**290,791,705**	**187,341,686**
	(29,902,767)	**(34,279,788)**	**330,941,917**	**266,759,362**
Foreclosure and other adjustments	–	–	**(103,588,950)**	**(103,588,950)**
Amounts written off	–	–	**(274,391,049)**	**(274,391,049)**
	₱102,321,990	**₱23,752,884**	**₱428,626,812**	**₱554,701,686**

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2022	**₱7,928,847,864**	**₱ 611,131,340**	**₱607,225,903**	**₱9,147,205,107**
New assets originated or purchased	**5,260,654,077**	–	–	**5,260,654,077**
Assets derecognized or repaid (excluding write offs)	**(3,084,899,607)**	**(446,469,970)**	**(60,368,273)**	**(3,591,737,850)**
Transfers to Stage 1	**72,206,463**	**(55,910,706)**	**(16,295,757)**	–
Transfers to Stage 2	**(595,967,890)**	**601,931,865**	**(5,963,975)**	–
Transfers to Stage 3	**(272,723,544)**	**(75,350,169)**	**348,073,713**	–
Amounts written off/reversals/others	**(9,214,058)**	**(27,814)**	**(370,601,467)**	**(379,843,339)**
	₱9,298,903,305	**₱635,304,546**	**₱502,070,144**	**₱10,436,277,995**
ECL allowance as at January 1, 2022 under PFRS 9	**₱110,810,154**	**₱57,519,041**	**₱312,627,137**	**₱480,956,332**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**42,185,119**	–	–	**42,185,119**
Newly originated assets which moved to Stage 2 and Stage 3	–	**2,755,824**	**20,303,025**	**23,058,849**
Transfers to Stage 1	**14,217,710**	**(2,348,495)**	**(11,869,215)**	–
Transfers to Stage 2	**(11,428,445)**	**14,445,320**	**(3,016,875)**	–
Transfers to Stage 3	**(6,262,104)**	**(13,843,182)**	**20,105,286**	–
Other movements*	**(55,398,606)**	**(34,990,965)**	**282,337,236**	**191,947,665**
	(16,686,326)	**(33,981,498)**	**307,859,457**	**257,191,633**
Foreclosure and other adjustments	–	–	**(96,198,959)**	**(96,198,959)**
Amounts written off	–	–	**(274,391,049)**	**(274,391,049)**
	₱94,123,828	**₱23,537,543**	**₱249,896,586**	**₱367,557,957**

**includes changes in assumptions and payments*

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱8,844,727,604	₱746,932,690	₱1,010,368,218	₱10,602,028,512
New assets originated or purchased	9,585,680,310	–	–	9,585,680,310
Assets derecognized or repaid (excluding write offs)	(7,696,163,368)	(565,689,878)	(222,764,909)	(8,484,618,155)
Transfers to Stage 1	216,971,647	(173,924,491)	(43,047,156)	–
Transfers to Stage 2	(792,216,396)	817,704,909	(25,488,513)	–
Transfers to Stage 3	(357,393,602)	(176,772,099)	534,165,701	–
Reclassification to other receivables	(122,326,019)	(4,808,305)	(2,104,519)	(129,238,843)
Amounts written off/reversals/others	–	–	(475,587,816)	(475,587,816)
	₱9,679,280,176	₱643,442,826	₱775,541,006	₱11,098,264,008
ECL allowance as at January 1, 2021	₱126,220,273	₱52,954,362	₱512,703,944	₱691,878,579
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	58,699,056	–	–	58,699,056
Newly originated assets which moved to Stage 2 and Stage 3	–	2,451,806	25,892,467	28,344,273
Transfers to Stage 1	16,018,884	(3,660,759)	(12,358,125)	–
Transfers to Stage 2	(13,775,381)	17,667,387	(3,892,006)	–
Transfers to Stage 3	(25,905,150)	(13,880,275)	39,785,425	–
Other movements*	(28,077,351)	2,893,005	319,532,688	294,348,342
	6,960,058	5,471,164	368,960,449	381,391,671
Reclassification to other receivables	(955,574)	(392,854)	(1,103,072)	(2,451,500)
Amounts written off	–	–	(404,896,427)	(404,896,427)
	₱132,224,757	₱58,032,672	₱475,664,894	₱665,922,323

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱7,418,798,175	₱725,269,587	₱815,020,317	₱8,959,088,079
New assets originated or purchased	8,313,515,917	–	–	8,313,515,917
Assets derecognized or repaid (excluding write offs)	(6,771,761,643)	(555,895,278)	(192,915,309)	(7,520,572,230)
Transfers to Stage 1	207,129,392	(165,602,253)	(41,527,139)	–
Transfers to Stage 2	(774,873,524)	786,964,881	(12,091,357)	–
Transfers to Stage 3	(341,634,434)	(174,797,292)	516,431,726	–
Reclassification to other receivables	(122,326,019)	(4,808,305)	(2,104,519)	(129,238,843)
Amounts written off/reversals/others	–	–	(475,587,816)	(475,587,816)
	₱7,928,847,864	₱611,131,340	₱607,225,903	₱9,147,205,107
ECL allowance as at January 1, 2021 under PFRS 9	₱113,531,828	₱52,782,752	₱376,830,220	₱543,144,800
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	39,666,906	–	–	39,666,906
Newly originated assets which moved to Stage 2 and Stage 3	–	2,451,806	25,892,467	28,344,273
Transfers to Stage 1	15,926,112	(3,583,590)	(12,342,522)	–
Transfers to Stage 2	(13,637,069)	17,461,829	(3,824,760)	–
Transfers to Stage 3	(5,589,829)	(13,848,873)	19,438,702	–
Other movements*	(38,132,220)	2,647,971	311,808,153	276,323,904
	(1,766,100)	5,129,143	340,972,040	344,335,083
Reclassification to other receivables	(955,574)	(392,854)	(1,103,072)	(2,451,500)
Amounts written off	–	–	(404,072,051)	(404,072,051)
	₱110,810,154	₱57,519,041	₱312,627,137	₱480,956,332

**includes changes in assumptions and payments*

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other receivables follow:

	Consolidated			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2022	**₱1,659,509,434**	**₱252,666,465**	**₱765,639,892**	**₱2,677,815,791**
New assets originated or purchased	**2,670,361,060**	**17,276,772**	**4,034,505**	**2,691,672,337**
Assets derecognized or repaid (excluding write offs)	**(1,074,328,688)**	**(115,520,224)**	**(640,080,460)**	**(1,829,929,372)**
Transfers to Stage 1	**27,816,418**	**(22,627,296)**	**(5,189,122)**	–
Transfers to Stage 2	**(151,454,233)**	**153,342,336**	**(1,888,103)**	–
Transfers to Stage 3	**(196,892,541)**	**(82,933,446)**	**279,825,987**	–
Amounts written off/reversals/others	**10,017,092**	**32,684**	**(32,655,233)**	**(22,605,457)**
	₱2,945,028,542	**₱202,237,291**	**₱369,687,466**	**₱3,516,953,299**
ECL allowance as at January 1, 2022	**₱4,427,846**	**₱12,721,204**	**₱112,188,989**	**₱129,338,039**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**19,970,721**	–	–	**19,970,721**
Newly originated assets which moved to Stage 2 and Stage 3	–	**1,249,204**	**48,141,948**	**49,391,152**
Transfers to Stage 1	**2,036,206**	**(245,178)**	**(1,791,028)**	–
Transfers to Stage 2	**(8,104,352)**	**9,161,308**	**(1,056,956)**	–
Transfers to Stage 3	**(1,181,298)**	**(35,856,225)**	**37,037,523**	–
Other movements*	**(12,649,639)**	**20,755,628**	**614,719**	**8,720,708**
	71,638	**(4,935,263)**	**82,946,206**	**78,082,581**
Foreclosure and other adjustments	–	–	**(9,710,357)**	**(9,710,357)**
Amounts written off	–	–	**(22,359,701)**	**(22,359,701)**
	₱4,499,484	**₱7,785,941**	**₱163,065,137**	**₱175,350,562**

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount as at January 1, 2022	**₱1,609,482,753**	**₱250,080,354**	**₱734,075,743**	**₱2,593,638,850**
New assets originated or purchased	**2,626,008,987**	–	–	**2,626,008,987**
Assets derecognized or repaid (excluding write offs)	**(1,015,353,365)**	**(113,550,183)**	**(637,887,412)**	**(1,766,790,960)**
Transfers to Stage 1	**26,837,550**	**(22,498,100)**	**(4,339,450)**	–
Transfers to Stage 2	**(150,487,074)**	**152,366,249**	**(1,879,175)**	–
Transfers to Stage 3	**(194,557,104)**	**(82,508,193)**	**277,065,297**	–
Amounts written off/reversals/others	**10,017,092**	**32,684**	**(32,655,233)**	**(22,605,457)**
	₱2,911,948,839	**₱183,922,811**	**₱334,379,770**	**₱3,430,251,420**
ECL allowance as at January 1, 2022	**₱4,239,915**	**₱12,459,244**	**₱78,001,000**	**₱94,700,159**
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	**18,322,060**	–	–	**18,322,060**
Newly originated assets which moved to Stage 2 and Stage 3	–	**625,688**	**46,239,625**	**46,865,313**
Transfers to Stage 1	**2,026,515**	**(239,878)**	**(1,786,637)**	–
Transfers to Stage 2	**(8,091,121)**	**9,148,073**	**(1,056,952)**	–
Transfers to Stage 3	**(460,130)**	**(35,792,645)**	**36,252,775**	–
Other movements*	**(13,349,910)**	**20,948,706**	**9,480,866**	**17,079,662**
	(1,552,586)	**(5,310,056)**	**89,129,677**	**82,267,035**
Foreclosure and other adjustments	–	–	**(9,710,357)**	**(9,710,357)**
Amounts written off	–	–	**(22,359,701)**	**(22,359,701)**
	₱2,687,329	**₱7,149,188**	**₱135,060,619**	**₱144,897,136**

**includes changes in assumptions and payments*

	Consolidated			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱1,446,072,892	₱645,897,878	₱209,944,583	₱2,301,915,353
New assets originated or purchased	8,195,510,092	–	–	8,195,510,092
Assets derecognized or repaid (excluding write offs)	(6,659,955,222)	(341,388,916)	(647,600,264)	(7,648,944,402)
Transfers to Stage 1	33,121,799	(22,334,867)	(10,786,932)	–
Transfers to Stage 2	(180,684,007)	182,052,153	(1,368,146)	–
Transfers to Stage 3	(1,296,882,139)	(216,368,088)	1,513,250,227	–
Reclassification from consumer loans	122,326,019	4,808,305	2,104,519	129,238,843
Amounts written off/reversals/others	–	–	(299,904,095)	(299,904,095)
	₱1,659,509,434	₱252,666,465	₱765,639,892	₱2,677,815,791
ECL allowance as at January 1, 2021	₱20,388,682	₱12,663,244	₱90,176,418	₱123,228,344
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1	1,861,084	–	–	1,861,084
Newly originated assets which moved to Stage 2 and Stage 3	–	6,715,815	74,832,339	81,548,154
Transfers to Stage 1	5,521,318	(154,119)	(5,367,199)	–
Transfers to Stage 2	(5,578,729)	7,022,654	(1,443,925)	–
Transfers to Stage 3	(34,912,858)	(11,308,267)	46,221,125	–
Other movements*	16,192,775	(2,610,977)	72,261,508	85,843,306
	(16,916,410)	(334,894)	186,503,848	169,252,544
Reclassification from consumer loans	955,574	392,854	1,103,072	2,451,500
Amounts written off	–	–	(165,594,349)	(165,594,349)
	₱4,427,846	₱12,721,204	₱112,188,989	₱129,338,039

**includes changes in assumptions and payments*

	Parent Company			
	December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2021	₱1,359,060,740	₱643,123,409	₱160,940,437	₱2,163,124,586
New assets originated or purchased	8,170,501,125	–	–	8,170,501,125
Assets derecognized or repaid (excluding write offs)	(6,598,828,801)	(340,139,606)	(630,353,202)	(7,569,321,609)
Transfers to Stage 1	26,419,179	(21,694,734)	(4,724,445)	–
Transfers to Stage 2	(179,207,271)	180,148,391	(941,120)	–
Transfers to Stage 3	(1,290,788,238)	(216,165,411)	1,506,953,649	–
Reclassification from consumer loans	122,326,019	4,808,305	2,104,519	129,238,843
Amounts written off/reversals/others	–	–	(299,904,095)	(299,904,095)
	₱1,609,482,753	₱250,080,354	₱734,075,743	₱2,593,638,850
ECL allowance as at January 1, 2021	₱19,496,922	₱12,497,086	₱57,726,751	₱89,720,759
Provisions for (recovery of) credit losses	–	–	–	–
Newly originated assets which remained in Stage 1	1,751,419	–	–	1,751,419
Newly originated assets which moved to Stage 2 and Stage 3	–	6,715,815	74,832,340	81,548,155
Transfers to Stage 1	390,548	(149,075)	(241,473)	–
Transfers to Stage 2	(6,888,616)	6,944,686	(56,070)	–
Transfers to Stage 3	(27,711,319)	(11,305,449)	39,016,768	–
Other movements*	16,245,387	(2,636,673)	71,213,962	84,822,676
	(16,212,581)	(430,696)	184,765,527	168,122,250
Reclassification from consumer loans	955,574	392,854	1,103,072	2,451,500
Amounts written off	–	–	(165,594,350)	(165,594,350)
	₱4,239,915	₱12,459,244	₱78,001,000	₱94,700,159

**includes changes in assumptions and payments*

Below is the breakdown of provision for credit and impairment losses:

	Consolidated 2022	Consolidated 2021	Consolidated 2020	Parent Company 2022	Parent Company 2021	Parent Company 2020
Loans and receivables*	**₱930,343,832**	₱1,302,885,054	₱1,098,049,322	**₱930,525,768**	₱1,274,179,522	₱1,046,989,776
Investment properties (Note 9)	**18,456,309**	101,379	153,127	**18,456,309**	95,160	–
HTC securities	**(1,724,776)**	(1,787,569)	2,264,317	**(1,724,776)**	(1,787,569)	2,264,307
FVOCI	**(2,502,284)**	2,929,559	1,364,730	**(2,502,284)**	2,929,559	1,364,730
Repossessed chattels	**20,308,069**	136,502	223,024	**20,308,069**	136,502	–
	₱964,881,150	₱1,304,264,925	₱1,102,054,520	**₱965,063,086**	₱1,275,553,174	₱1,050,618,813

**Includes provision for committments(see Note 19)*

15. **Deposit Liabilities**

The breakdown of Group's deposit liabilities account as to currency follows:

	Consolidated **December 31, 2022**	Consolidated December 31, 2021	Parent **December 31, 2022**	Parent December 31, 2021
Philippine Peso	**₱125,581,802,858**	₱134,426,730,977	**₱121,781,905,002**	₱132,246,315,357
Foreign Currencies	**20,718,635,598**	18,559,843,583	**20,718,635,598**	18,559,843,583
	₱146,300,438,456	₱152,986,574,560	**₱142,500,540,600**	₱150,806,158,940

Outstanding deposit liabilities of the Group bear annual fixed interest rates ranging from nil to 5.75% for the years ended December 31, 2022, 2021 and 2020.

The Group's and the Parent Company's liquidity and statutory reserves as reported to the BSP follow:

	Consolidated December 31, 2022	Consolidated December 31, 2021	**Parent Company December 31, 2022**	Parent Company December 31, 2021
Due from BSP	**₱10,685,921,024**	₱12,445,590,744	**₱9,825,243,196**	₱12,381,126,152

As of December 31, 2022 and December 31, 2021, the Group and the Parent Company is in compliance with the regulations.

Details of interest expense on deposit liabilities follow:

	Consolidated 2022	Consolidated 2021	Consolidated 2020	Parent Company 2022	Parent Company 2021	Parent Company 2020
Time	**₱586,730,405**	₱450,844,106	₱469,426,389	**₱573,592,495**	₱435,578,755	₱452,386,375
Savings	**792,534,679**	299,689,400	632,859,634	**749,460,007**	284,624,304	618,181,980
LTNCD	**262,963,935**	270,337,898	270,901,436	**262,288,935**	270,337,898	270,901,436
Demand	**2,521,612**	4,613,048	2,053,285	**2,521,612**	4,613,048	2,053,285
	₱1,644,750,631	₱1,025,484,452	₱1,375,240,744	**₱1,587,863,049**	₱995,154,005	₱1,343,523,076

Long-Term Negotiable Certificates of Deposit (LTNCD)
On May 4, 2017, the BSP approved the Parent Company's issuance of the ₱3.00 billion LTNCD, with a right to increase the aggregate issue up to ₱5.0 billion in the event of over subscription.

On June 16, 2017, the Parent Company listed its LTNCD issuance amounting to ₱4.18 billion through the PDEx. The minimum investment was ₱50,000 with increments of ₱10,000 thereafter. On December 16, 2022, the Parent Company remitted its payment for the LTNCD issued last June 16, 2017 to PDTC, the Paying Agent, amounting to Php4.18 billion, except the amount of Php5.5 million (plus the applicable interest) for heirs of two (2) deceased LTNCD holders who were excluded by PDTC from the list as heirs have yet to submit the required documents to support their claim.

On July 6, 2018, the Parent Company issued additional LTNCD amounting to ₱1.78 billion with nominal interest rate of 4.875% and EIR of 5.15% payable every quarter which will mature on January 6, 2024. The proceeds were used to diversify the Parent Company's maturity profile and funding sources and for general corporate purposes.

The BSP approved the decrease in reserve requirements on non-FCDU deposit liabilities through the following circulars:

- Circular 1041 dated May 23, 2019 to 17.00% effective May 31, 2019; 16.50% effective June 28, 2019; 16.00% effective July 26, 2019 for the Parent Company and from 7.00% to 6.50% and 6.00% respectively for LSB.
- Circular 1056 dated October 3, 2019 to 15.00% for the Parent Company and 5.00% for LSB effective November 1, 2019.
- Circular No. 1063 to 14.00% for the Parent Company and 4.00% for LSB effective December 06, 2019.

On May 27, 2020, the BSP through Circular 1087 approved the *Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs)* effective May 29, 2020, subject to certain requirements provided by the MORB, the following alternative compliance with the required reserves against deposit and deposit substitute liabilities shall be allowed:

- Peso-denominated loans that are granted to micro-, small-, and medium enterprises ("MSME"), banks and NBQBs that meet the definition of a small and medium enterprise;
- Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs that meet the definition of a large enterprise.

16. **Redeemable Preference Shares**

In 2013, the Parent Company acquired 29,000 redeemable preferred shares at ₱1,000 par value from LSB (see Note 7). In 2016, the Parent Company acquired additional 1,200 redeemable preferred shares amounting to ₱1.20 million. The redeemable preferred shares from LSB, classified under Financial Asset at FVOCI as of December 31, 2022 and December 31, 2021, follow:

	Shares	Amount
Preferred shares - ₱1,000 par value		
Authorized	50,000	₱50,000,000
Issued and outstanding		
Balances at beginning and end of year	30,200	₱30,200,000

The preferred shares has the following features:

a. The minimum subscription is 100 shares and payable in cash;
b. The shares shall earn monthly interest at a rate to be fixed by the BOD, but such interest shall not be less than the prevailing market interest rates and said shares shall not be treated as time deposit, deposit substitute or as other form of borrowings;
c. The interest shall be paid in the form of dividends cumulatively, which may be declared annually or as often as the BOD may determine;
d. The shares shall have preference in the distribution of dividends and in the distribution of assets in case of liquidation or dissolution, provided, however that no dividend shall be declared or paid on redeemable shares in the absence of sufficient undivided profits, free surplus and approval of the BSP;
e. The shares are non-voting on matters provided for in the last paragraph of Section 6 of the Corporation Code;
f. Preemptive rights are not available on preferred shares nor shall they be subject to one and the shares shall be held for five (5) years with a right of alienation or encumbrance of the same to any third person within the period of five years from the original date of subscription, provided, however, that on the 5th year the holder shall be obliged to surrender the same to the corporation and upon prior approval of the BSP and in compliance with the provisions of the MORB and the BSP's circulars regarding this matter, the corporation shall be obliged to take up the subscription at the price when the preferred shares of stock were originally subscribed. Provided that shares redeemed are replaced with at least an equivalent amount of newly paid-in shares so that the total paid-in capital stock is maintained at the same level immediately prior to redemption and provided further, that the corporation is not insolvent or if such redemption will not cause insolvency, impairment of capital or inability of the corporation to meet its debts as they mature; and
g. As of December 31, 2013, LSB has not yet created a sinking fund pending request from BSP to redeem and retire the preferred shares. The fund that will be used to redeem the preferred shares will be taken from the equity infused by the Parent Company.

As discussed in Note 9, the SEC's approved LSB's application for increase in authorized capital stock on January 13, 2016. The shares may again be disposed of by LSB for a price fixed by the BOD. Based on the BOD resolution on March 6, 2013, the entire redeemable preferred shares of LSB will be retired after its redemption subject to BSP's approval.

As of December 31, 2022 and 2021, the entire redeemable preferred shares of LSB has not been redeemed and any redemption shall be subject to BSP's approval.

17. Bonds Payable

On June 16, 2017, the Parent Company issued ₱4.18 billion long-term negotiable certificate of deposits (LTNCD) carried at a tenor of 5.5 years with a coupon of 4.125%. The issuance of LTNCD represents the Parent Company's initial entry into the debt capital market. On July 6, 2018, the Parent Company issued additional LTNCD amounting to ₱1.78 billion with nominal interest rate of 4.875% and effective interest rate (EIR) of 5.15% payable every quarter which will mature on January 6, 2024. On August 13, 2019, the Parent Company issued ₱5.00 billion worth of Peso Corporate Bond carried at a tenor of 2.0 years with a coupon of 5.125%. Also, on November 14, 2019, the Parent Company issued ₱5.00 billion worth of Corporate Bonds carried at a tenor of 2.0 years tenor with a coupon rate of 4.300%. The issuances were listed in the Philippine Dealing and Exchange Corporation (PDEx).

On August 13, 2019, the Parent Company issued ₱5.00 billion fixed rate bonds which already matured last August 13, 2021. The bond, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 5.125% fixed rate (EIR of 5.82%). On its maturity, the payment of ₱5.00 billion fixed rate has been made to the bondholders.

On November 14, 2019, the Parent Company issued another ₱5.00 billion fixed rate bonds which already matured last November 14, 2021. The bond, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 4.3% fixed rate (EIR of 4.94%). On its maturity, the payment of ₱5.00 billion fixed rate has been made to the bondholders.

As of December 31, 2022 and 2021, there are no outstanding bonds payable.

Interest expense on bonds payable amounted to nil, ₱404.96 million and ₱538.44 million for the years ended December 31 2022, 2021 and 2020, respectively.

18. Bills Payable

Bills payable consist of long-term peso denominated borrowing with:

	Placement Date	Interest Rate	**December 31, 2022**	December 31, 2021
Land Bank of the Philippines	October 25, 2021	3.75%	**₱2,488,378,038**	₱2,500,000,000
Land Bank of the Philippines	March 14, 2022	3.73%	**2,488,750,000**	–
Land Bank of the Philippines	May 12, 2022	3.00%	**498,715,753**	–
Development Bank of the Philippines	April 11, 2022	4.85%	**4,967,930,609**	–
Bank of the Philippine Islands	December 27, 2022	6.675%	**4,981,815,069**	–
			₱15,425,589,469	₱2,500,000,000

Interest expense on bills payable amounted to ₱394.46 million, ₱18.29 million and ₱83.74 million for the years ended December 31, 2022, 2021 and 2020, respectively.

19. Accrued Expenses and Other Liabilites

Accrued expenses account consist of:

	Consolidated		Parent	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Accrued expenses	**₱1,072,583,522**	₱897,752,695	**₱1,041,831,064**	₱879,781,671
Accrued interest payable	**299,292,944**	105,613,730	**291,356,908**	103,401,064
	₱1,371,876,466	₱1,003,366,425	**₱1,333,187,972**	₱983,182,735

Accrued expenses consist of accruals for general expenses, bonuses and insurance on deposits, fees and advertisements.

Other liabilities include:

	Consolidated			Parent
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Accounts payable	**₱2,279,527,983**	₱1,788,222,926	**₱2,257,506,263**	₱1,777,288,262
Lease liability (Note 23)	**739,417,471**	939,045,318	**680,331,816**	880,443,266
Bills purchased - contra (Note 8)	**461,418,929**	516,654,187	**461,418,929**	516,654,187
Withholding taxes payable	**185,008,163**	136,080,003	**182,647,969**	135,017,899
Dormant manager's checks	**156,525,085**	135,867,717	**156,525,085**	135,867,717
Provision for ECL on loan commitments (Note 28)	**38,845,283**	36,338,563	**38,845,283**	36,338,563
Retirement liability (Note 22)	**38,606,604**	88,568,189	**22,789,160**	59,610,663
Acceptances payable	**31,434,669**	23,847,697	**31,434,669**	23,847,697
Income tax payable	**1,343,098**	801,182	**–**	224,022
Redeemable preferred shares (Note 16)	**500,000**	500,000	**–**	–
Others	**47,074,711**	110,787,679	**48,848,159**	110,792,931
	₱3,979,701,996	₱3,776,713,461	**₱3,880,347,333**	₱3,676,085,207

Movements in provision for ECL on loan commitments of the Group and the Parent Company follows:

	December 31, 2022	December 31, 2021
Balances at January 1	**₱36,338,563**	₱10,474,862
Provision for credit losses (Note 14)	**2,506,720**	25,863,701
Balances at December 31	**₱38,845,283**	₱36,338,563

Accounts payable consists of payables to service providers, advance payments from customers and unreleased checks.

Bills purchased-contra is the contra account of bills purchased under loans. Bills purchased are receivables from customers from converting checks and bank drafts to cash. As of December 31, 2022 and 2021, bills purchased-contra consists mainly of DOSRI accounts.

The Group's and the Parent Company's 'Others' consist mainly of sundry credits, escheat accounts, marginal deposits, provision for undrawn loan commitments and payables to agencies servicing employee welfare such as Social Security System, Home Development Mutual Fund and Medicare.

20. Maturity Analysis of Assets and Liabilities

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

	Consolidated					
	December 31, 2022			December 31, 2021		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets						
Cash and other cash items	₱4,885,585,168	₱–	₱4,885,585,168	₱3,934,989,886	₱–	₱3,934,989,886
Due from BSP	14,985,921,024	–	14,985,921,024	15,781,690,745	–	15,781,690,745
Due from other banks	3,939,935,533	–	3,939,935,533	5,066,292,206	–	5,066,292,206
Interbank loans receivable/SPURA	4,171,913,506	–	4,171,913,506	14,881,826,705	–	14,881,826,705
Financial assets at FVTPL	518,889	–	518,889	1,912,412	–	1,912,412
Financial assets at FVOCI	2,665,604,766	4,063,565,021	6,729,169,787	300,154,346	26,229,472,812	26,529,627,158
Investment securities at amortized cost	4,170,751,461	29,647,439,145	33,818,190,606	376,907,145	8,097,951,634	8,474,858,779
Loans and receivables - gross	37,076,948,033	78,917,281,616	115,994,229,649	33,513,603,944	68,376,536,048	101,890,139,992
Other assets	-	72,765,257	72,765,257	–	71,920,400	71,920,400
	71,897,178,380	112,701,051,039	184,598,229,419	73,857,377,389	102,775,880,894	176,633,258,283
Non-financial Assets						
Property and equipment - net	–	1,202,261,180	1,202,261,180	–	1,333,352,694	1,333,352,694
Investment properties - net	–	1,205,297,167	1,205,297,167	–	786,054,165	786,054,165
Branch licenses - net	–	1,001,765,969	1,001,765,969	–	1,001,290,316	1,001,290,316
Deferred tax asset	–	733,794,160	733,794,160	–	709,044,297	709,044,297
Investment in a subsidiary	–	423,274,389	423,274,389	–	212,009,893	212,009,893
Goodwill	–	244,327,006	244,327,006	–	244,327,006	244,327,006
Other assets	982,621,824	565,460,972	1,548,082,796	976,489,910	552,502,361	1,528,992,271
	₱72,879,800,204	₱118,077,231,882	₱190,957,032,086	₱74,833,867,299	₱107,614,461,626	₱182,448,328,925
Less:						
Unearned interest and discounts (loans)			307,993,399			293,352,196
Allowance for credit and impairment losses - loans and receivables			2,819,478,833			2,385,166,826
			₱187,829,559,854			₱179,769,809,903
Financial Liabilities						
Deposit liabilities	₱135,464,456,128	₱10,835,982,328	₱146,300,438,456	₱142,000,933,067	₱10,985,641,493	₱152,986,574,560
Bills payable	5,425,589,469	10,000,000,000	15,425,589,469	–	2,500,000,000	2,500,000,000
Manager's checks	901,291,948	–	901,291,948	1,066,036,319	–	1,066,036,319
Accrued expenses	1,366,032,923	5,843,543	1,371,876,466	997,522,882	5,843,543	1,003,366,425
Lease liability	322,169,405	417,248,066	739,417,471	330,665,223	608,380,095	939,045,318
Other liabilities	2,900,551,828	–	2,900,551,828	2,442,750,593	–	2,442,750,593
	146,380,091,701	21,259,073,937	167,639,165,638	146,837,908,084	14,099,865,131	160,937,773,215
Non-financial Liabilities						
Other liabilities	303,880,379	35,852,318	339,732,697	307,696,847	87,220,703	394,917,550
	₱146,683,972,080	₱21,294,926,255	₱167,978,898,335	₱147,145,604,931	₱14,187,085,834	₱161,332,690,765

	Parent					
	December 31, 2022			December 31, 2021		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets						
Cash and other cash items	₱4,761,884,199	₱–	₱4,761,884,199	₱3,828,341,816	₱–	₱3,828,341,816
Due from BSP	14,125,243,196	–	14,125,243,196	15,381,126,153	–	15,381,126,153
Due from other banks	3,909,641,443	–	3,909,641,443	4,987,507,377	–	4,987,507,377
Interbank loans receivable/SPURA	3,893,964,761	–	3,893,964,761	14,764,230,901	–	14,764,230,901
Financial assets at FVTPL	518,889		518,889	1,912,412	–	1,912,412
Financial assets at FVOCI	2,665,604,766	4,093,765,021	6,759,369,787	300,154,346	26,259,672,812	26,559,827,158
Investment securities at amortized cost	4,150,753,361	29,647,439,145	33,798,192,506	376,907,145	8,077,953,534	8,454,860,679
Loans and receivables - gross	36,738,646,099	75,861,156,375	112,599,802,474	33,056,798,305	66,621,583,833	99,678,382,138
Other assets	–	70,435,279	70,435,279	–	69,493,297	69,493,297
	70,246,256,714	109,672,795,820	179,919,052,534	72,696,978,455	101,028,703,476	173,725,681,931

(Forward)

	Parent					
	December 31, 2022			December 31, 2021		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
Non-financial Assets						
Property and equipment - net	**₱–**	**₱1,101,310,310**	**₱1,101,310,310**	₱1,209,790,544	₱–	₱1,209,790,544
Investment properties - net	**–**	**1,107,278,793**	**1,107,278,793**	689,338,223	–	689,338,223
Branch licenses - net	**–**	**380,855,969**	**380,855,969**	380,380,316	–	380,380,316
Deferred tax asset	**–**	**804,326,243**	**804,326,243**	732,623,798	–	732,623,798
Investment in a subsidiary	**–**	**1,720,305,648**	**1,720,305,648**	1,517,769,316	–	1,517,769,316
Other assets	**968,577,275**	**565,277,535**	**1,533,854,810**	1,517,922,053	–	1,517,922,053
	₱71,214,833,989	**₱115,352,150,318**	**₱186,566,984,307**	₱78,744,802,705	₱101,028,703,476	₱179,773,506,181
Less:						
Unearned interest and discounts (loans)			**112,558,278**			184,000,588
Allowance for credit and impairment losses - loans and receivables			**2,562,807,188**			2,120,923,254
			₱183,891,618,841			₱177,468,582,339
Financial Liabilities						
Deposit liabilities	**₱131,941,310,434**	**₱10,559,230,166**	**₱142,500,540,600**	₱140,246,928,774	₱10,559,230,166	₱150,806,158,940
Bills payable	**5,425,589,469**	**10,000,000,000**	**15,425,589,469**	–	2,500,000,000	2,500,000,000
Manager's checks	**901,291,948**	**–**	**901,291,948**	1,066,036,319	–	1,066,036,319
Accrued expenses	**1,327,344,429**	**5,843,543**	**1,333,187,972**	977,339,192	5,843,543	983,182,735
Lease liability	**320,053,140**	**360,278,676**	**680,331,816**	328,293,188	552,150,078	880,443,266
Other liabilities	**2,875,450,277**	**–**	**2,875,450,277**	2,430,034,188	–	2,430,034,188
	142,791,039,697	**20,925,352,385**	**163,716,392,082**	145,048,631,661	13,617,223,787	158,665,855,448
Non-financial Liabilities						
Other liabilities	**301,776,080**	**22,789,160**	**324,565,240**	305,997,090	59,610,663	365,607,753
	₱143,092,815,777	**₱20,948,141,545**	**₱164,040,957,322**	₱145,354,628,751	₱13,676,834,450	₱159,031,463,201

21. **Equity**

As of December 31, 2022 and December 31, 2021, the Parent Company's capital stock consists of:

	Shares		**Amount**	
	2022	2021	**2022**	2021
Common shares - ₱10 par value				
Authorized	**2,700,000,000**	2,700,000,000	**₱27,000,000,000**	₱27,000,000,000
Issued and outstanding				
Issued and outstanding	**1,500,000,000**	1,500,000,000	**₱15,000,000,000**	₱15,000,000,000
Issued during the year	**–**	–	**–**	–
Balances at end of year	**1,500,000,000**	1,500,000,000	**₱15,000,000,000**	₱15,000,000,000

Surplus Reserves
In compliance with existing BSP regulations, 10.00% of the net profits realized by the Parent Company from its trust business is appropriated to surplus reserve. The yearly appropriation is required until the surplus reserve for trust business equals 20.00% of the Parent Company's regulatory capital.

Details of the appropriations of the trust reserves and expected credit loss follow:

	December 31, 2022	December 31, 2021
Reserves for trust	**₱–**	₱76,327
Reserves for expected credit losses	**126,386,854**	(15,607,819)

In December 31, 2022 and 2021, the Parent Company's BOD approved to appropriate reserves for trust reserves amounting to nil and ₱76,327, respectively.

In December 31, 2022 and 2021, the Parent Company's BOD approved the appropriation (reversal) of reserves for expected credit losses amounting to ₱126.39 million and (₱15.61) million, respectively, in compliance with the requirements of the BSP Circular No. 1011. Under this BSP Circular, the Bank shall treat Stage 1 provisions for loan accounts as General Provisions (GP) while Stage 2 and 3 provisions shall be treated as Specific Provisions (SP).

The Bank shall set up GLLP equivalent to 1% of all outstanding Stage 1 on-balance sheet loan accounts, except for accounts considered as credit risk-free under existing regulations. In cases when the computed allowance for credit losses on Stage 1 accounts is less than the 1% required GP, the deficiency shall be recognized by appropriating the 'Retained Earnings' (RE) account. GP recognized in profit or loss as allowance for credit losses for Stage 1 accounts and the amount appropriated in surplus shall be considered as Tier 2 capital subject to the limit provided under the CAR framework.

Capital Management

The Group considers the equity attributable to the equity holders of the Parent Company as the capital base of the Group. The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders value.

The Group manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its activities and assessment of prospective business requirements or directions. In order to maintain or adjust the capital structure, the Group may adjust the amount and mode of dividend payment to shareholders, issue capital securities or undertake a share buy-back. The processes and policies guiding the determination of the sufficiency of capital for the Group relative to its business risks are the very same methodology that have been incorporated into the Group's Internal Capital Adequacy Assessment Process (ICAAP) in compliance with the requirements of BSP Circular No. 639 for its adoption.

Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget; as well as regulatory edicts. BSP requires submission of an ICAAP document every March 31.

The Group had complied with all externally imposed capital requirements throughout the year.

Regulatory Qualifying Capital

In 2013, the determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Parent Company's 'unimpaired capital' (regulatory net worth) reported to the BSP, which is determined on the basis of regulatory policies. In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (parent company and subsidiaries engaged in financial allied undertakings). Qualifying capital and risk-weighted assets are computed based on BSP regulations.

The regulatory Gross Qualifying Capital of the Parent Company consists of Tier 1 (core) and Tier 2 (supplementary) capital. Tier 1 capital comprises share capital, retained earnings (including current year profit) and non-controlling interest less required deductions such as deferred tax and unsecured credit accommodations to DOSRI. Tier 2 capital includes unsecured subordinated note, revaluation reserves and general loan loss provision.

Certain items are deducted from the regulatory Gross Qualifying Capital, such as but not limited to equity investments in unconsolidated subsidiary banks and other financial allied undertakings, but excluding investments in debt capital instruments of unconsolidated subsidiary banks (for solo basis) and equity investments in subsidiary non-financial allied undertakings.

Risk-weighted assets are determined by assigning defined risk weights to statement of financial position exposures and to the credit equivalent amounts of off-balance sheet exposures. Certain items are deducted from risk-weighted assets, such as the excess of general loan loss provision over the amount permitted to be included in Tier 2 capital. The risk weights vary from 0.00% to 150.00% depending on the type of exposure, with the risk weights of off-balance sheet exposures being subjected further to credit conversion factors.

Following is a summary of risk weights and selected exposure types:

Risk weight	Exposure/Asset type*
0%	Cash on hand; claims collateralized by securities issued by the non-government, BSP; loans covered by the Trade and Investment Development Corporation of the Philippines; real estate mortgages covered by the Home Guarantee Corporation
20%	COCI, claims guaranteed by Philippine incorporated banks/quasi-banks with the highest credit quality; claims guaranteed by foreign incorporated banks with the highest credit quality; loans to exporters to the extent guaranteed by Small Business Guarantee and Finance Corporation
50%	Housing loans fully secured by first mortgage on residential property; Local Government Unit (LGU) bonds which are covered by Deed of Assignment of Internal Revenue allotment of the LGU and guaranteed by the LGU Guarantee Corporation
75%	Direct loans of defined Small Medium Enterprise and microfinance loans portfolio; nonperforming housing loans fully secured by first mortgage
100%	All other assets (e.g., real estate assets) excluding those deducted from capital (e.g., deferred tax)
150%	All NPLs (except nonperforming housing loans fully secured by first mortgage) and all nonperforming debt securities

** Not all inclusive*

With respect to off-balance sheet exposures, the exposure amount is multiplied by a credit conversion factor (CCF), ranging from 0.00% to 100.00%, to arrive at the credit equivalent amount, before the risk weight factor is multiplied to arrive a t the risk-weighted exposure. Direct credit substitutes (e.g., guarantees) have a CCF of 100.00%, while items not involving credit risk has a CCF of 0.00%.

On January 15, 2013, the BSP issued Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The circular is effective on January 1, 2014.

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50%. It also introduces a capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and these ratios shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital upon the effectivity of Basel III.

Capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), starting January 1, 2011 and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital until December 31, 2016. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

On June 27, 2014, the BSP issued Circular No. 839, *REST Limit for Real Estate Exposures* which provides the implementing guidelines on the prudential REST limit for universal, commercial, and thrift banks on their aggregate real estate exposures. The Circular sets out a minimum REST limit of 6.00% CET1 capital ratio and 10.00% risk-based capital adequacy ratio, on a solo and consolidated basis, under a prescribed write-off rate of 25.00% on the Group's real estate exposure. These limits shall be complied with at all times.

On June 9, 2016, the BSP issued Circular No. 881, *Implementing Guidelines on the Basel III Leverage Ratio Framework*, which provides implementing guidelines for universal, commercial, and their subsidiary banks/quasi banks. The circular sets out a minimum leverage ratio of 5.00% on a solo and consolidated basis and shall be complied with at all times.

The CAR of the Group and of the Parent Company as reported to the BSP as of December 31, 2022 and December 31, 2021 follows (in millions):

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
Common Equity Tier 1 Capital	**₱16,412**	₱15,193	**₱16,175**	₱14,995
Additional Tier 1 Capital	**–**	–	**–**	–
Tier 1 capital	**16,412**	15,193	**16,175**	14,995
Tier 2 capital	**921**	805	**909**	782
Total qualifying capital	**₱17,333**	₱15,998	**₱17,084**	₱15,777
Credit RWA	**₱116,473**	₱101,282	**₱113,090**	₱99,127
Market RWA	**799**	382	**799**	382
Operational RWA	**11,757**	9,600	**11,140**	9,047
Total RWA	**₱129,029**	₱111,264	**₱125,029**	₱108,556
Common Equity Tier 1 Ratio 1	**12.72%**	13.65%	**12.94%**	13.81%
Additional Tier 1 Ratio	**0.00%**	0.00%	**0.00%**	0.00%
Tier 1 capital ratio	**12.72%**	13.65%	**12.94%**	13.81%
Tier 2 capital ratio	**0.71%**	0.72%	**0.73%**	0.72%
Risk-based capital adequacy ratio	**13.43%**	14.37%	**13.67%**	14.53%

As of December 31, 2022 and 2021, the Group was in compliance with the required CAR.

On October 29, 2014, the BSP issued amendments to Circular No. 854 which required a new minimum capitalization for Banks. The Parent Company, as a commercial bank with more than 100 branches, was required to increase its capitalization to ₱15.00 billion.

On January 28, 2016 and February 25, 2016, the BOD of the Parent Company and the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, respectively, approved the issuance of the remaining 46,070,226 unissued preferred shares (A and B) at ₱10.00 par value in favor of JGSCSC and RRHI as follows:

Stockholder	Types of Shares	No. of Shares Subscribed	Par Value	Amount
JGSCSC	Preferred A	27,404,962	₱10	₱274,049,620
	Preferred B	237,174	10	2,371,740
RRHI	Preferred A	18,269,974	10	182,699,740
	Preferred B	158,116	10	1,581,160
Total		46,070,226		₱460,702,260

Furthermore, the BOD also approved the following resolutions:

- Conversion of all preferred shares of the Parent Company, whether issued or unissued, particularly the 356.32 million preferred shares A and the 210.00 million preferred shares B, into common shares, and removal of all the other class of shares of the Parent Company, except common shares.
- Increase in the Parent Company's authorized capital stock from ₱6.10 billion divided into 610.00 million common shares with par value of ₱10.00 each.
- The total authorized stock of the Parent Company is ₱15.00 billion divided into 1.50 billion common shares with a par value of ₱10.00 each.

On March 15, 2016, JGSCSC acquired additional preferred shares A and B of 27,404,962 shares and 237,174 shares, respectively.

In 2016, RRHI acquired additional preferred shares A and B of 18,269,974 shares and 158,116 shares, respectively.

On June 17, 2016, RRHI subscribed to an additional 297,094,118 common shares at ₱10.00 per share.

On July 8, 2016, JGSCSC subscribed to an additional 292,905,882 common shares at ₱10.00 per share.

On July 9, 2016, the Parent Company BOD approved the increase in authorized capital stock amounting to ₱8.90 billion composed of 890.00 million common shares at ₱10.00 per share. Out of the ₱8.90 billion increase, ₱5.90 billion was paid-up and subscribed as follows:

Stockholder	No. of Shares Subscribed	Amount
JGSCSC	292,905,882	₱2,929,058,820
RRHI	297,094,118	2,970,941,180
Total	590,000,000	₱5,900,000,000

On November 15, 2016, the BSP approved the Parent Company's capital build-up program with the following milestones:

1. Capital infusion from unissued shares up to the existing authorized capital stock of ₱6.10 billion.
2. Capital infusion from the increase in authorized capital stock from ₱6.10 billion to ₱15.00 billion of which ₱12.00 billion is paid up.

3. Internally generated capital based on the Parent Company's financial projections for the period 2016 to 2019.

The approval of BSP to the capital build-up program further provides that the Parent Company shall:
1. Refrain from declaring and distributing cash dividends until the ₱15.00 billion minimum capital requirement is attained;
2. Call on its stockholders to infuse additional capital in case of shortfall in internally-generated income to meet the target capital levels; and
3. Submit progress reports with supporting documents, duly noted by its BOD, to the Central Point of Contact Department II, within 20 banking days from end of December of each tear until the Bank is deemed by the BSP to have fully complied with its capital build-up program.

On December 15, 2016, the Parent Company filed its application for the increase in its authorized capital stock as approved by the BOD and the BSP with the SEC.

On January 29, 2017, the SEC approved the Parent Company's application for the increase in authorized capital stock from ₱6.10 billion divided into 43.68 million common shares, 356.32 million preferred shares A and 210.00 million preferred shares B of ₱10.00 par value each, to ₱12.00 billion divided into 633.64 million common shares, 356.32 million preferred shares A and 210.00 million preferred shares B of ₱10.00 par value each.

In 2017, the Parent Company issued 590.00 million common shares amounting to ₱5.90 billion in exchange for the deposits for future subscriptions.

In 2017, the Parent Company removed all the other classes of shares, except common shares, and converted its 356.32 million preferred shares A and 210.00 million preferred shares B to 566.32 million common shares with ₱10.00 par value.

Leverage ratio
On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel III Leverage Ratio in the Philippines. The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The leverage ratio intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the leverage ratio was implemented as a Pillar 1 minimum requirement effective on 1 July 2018. The Bank shall maintain of at least 5% leverage ratio at every reporting period.

The BLR of the Group and the Parent Company as of December 31, 2022 and 2021 as reported to the BSP are shown in the table below.

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
	(Amounts in Million Pesos)			
Tier 1 Capital	**₱16,412**	₱15,193	**₱16,175**	₱14,995
Exposure Measure	**188,018**	195,740	**183,431**	192,869
Leverage Ratio	**8.73%**	7.76%	**8.82%**	7.77%

Liquidity coverage ratio
On 18 February 2016, BSP issued circular no. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III's Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. As of December 31, 2022 and 2021, the LCR in single currency is 110.87% and 149.75%, respectively, for the Group and 109.24% and 148.83%, respectively, for the Parent Company.

Net stable funding ratio
On 24 May 2018, BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel III's Net Stable Funding Ratio (NSFR) aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. Banks shall maintain an NSFR of at least 100% at all times. The NSFR complements the Liquidity Coverage Ratio (LCR), which promotes short-term resilience of a Bank's liquidity profile. The Bank started monitoring and reporting NSFR to the BSP in 2019. As of December 31, 2022 and 2021, the NSFR is 124% and 126%, respectively, for the Group and 124% and 126%, respectively, for the Parent Company.

Capital stock
On June 27, 2018, the Parent Company's BOD approved the increase in authorized capital stock from ₱15.00 billion to ₱27.00 billion or an increase of ₱12.00 billion composed of 1.2 billion common shares at ₱10.00 par value per share. On July 16, 2018, the Bank received the subscription from its stockholders amounting to ₱3.00 billion and recorded it as 'Deposit for Future Subscription' in the liability section of the statement of financial position. On August 23, 2018, the said increase in authorized capital stock was approved by the stockholders of Parent Company in a special meeting held for that purpose. Out of the ₱12.00 billion increase, ₱3.00 billion was subscribed and paid-up as follows:

Stockholder	**No. of Shares Subscribed**	**Amount**
JGSCSC	180,000,000	₱1,800,000,000
RRHI	120,000,000	1,200,000,000
Total	300,000,000	₱3,000,000,000

On August 29, 2018, the Parent Company filed with the BSP the request for authority and endorsement to SEC of the proposed increase in authorized capital stock.

On December 12, 2018, BSP approved the proposed increase and issued to the corresponding Certificate of Authority.

On February 4, 2019, the Parent Company filed with the SEC the request for approval of the aforementioned proposed increase in authorized capital stock as approved by the BOD, stockholders, and BSP.

On March 18, 2019, the SEC approved the increase in authorized capital stock of the Parent Company from ₱15.00 billion to ₱27.00 billion.

On March 22, 2019, the Parent Company converted the ₱3.00 billion 'Deposit for Future Stock Subscription' to 'Common Stock'. The transaction cost amounting to ₱30.00 million related to the issuance of common stock is treated as a deduction to 'Surplus' account.

On December 21, 2022, the Board of Directors of Robinsons Bank Corporation ("Bank") approved the declaration of cash dividends at ₱0.2036 per share with December 1, 2022 as Record Date and December 23, 2022 as Payment Date. Under this declaration, the Bank made cash dividend pay-out to its stockholders in the amount of ₱305.40 million. Consistent with the Merger Agreement with the Bank of the Philippine Islands (BPI), prior consent of BPI was given to the Bank on October 25, 2022. The declaration was likewise reported to the SEC on the day of the declaration, December 21, 2022. The BSP was also notified on January 9, 2023 and the BSP has noted the notification on February 8, 2023.

22. Retirement Plan

The Parent Company has a noncontributory defined benefit retirement covering substantially all its officers and regular employees. Under this retirement plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

LSB has funded noncontributory retirement plan covering all its regular permanent employees. Under the retirement plan, all employees are entitled to cash benefits after satisfying certain age and service requirements.

The latest actuarial valuation of the retirement plan of the Group was made as of December 31, 2022. The principal actuarial assumptions used in determining retirement liability of the Group as of January 1, 2022 and 2021 are shown below:

	Parent Company		LSB	
	2022	2021	**2022**	2021
Average remaining working life in years	**26.1**	26.9	**27.5**	28.6
Discount rate	**5.01%**	3.64%	**5.20%**	3.94%
Salary rate increase	**5.70%**	5.70%	**5.70%**	5.70%

The principal actuarial assumptions used in determining retirement liability of the Group as of December 31, 2022 and December 31, 2021 are as follows:

	Parent Company		LSB	
	2022	2021	**2022**	2021
Average remaining working life in years	**25.3**	26.1	**26.9**	27.5
Discount rate	**7.16%**	5.01%	**7.24%**	5.20%
Salary rate increase	**5.70%**	5.70%	**5.70%**	5.70%

The amounts recognized in the statements of financial position follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Present value of defined benefit obligation	**₱367,520,476**	₱374,821,869	**₱351,604,370**	₱344,496,488
Fair value of plan assets	**(328,913,872)**	(286,253,680)	**(328,815,210)**	(284,885,825)
Retirement liability (Note 19)	**₱38,606,604**	₱88,568,189	**₱22,789,160**	₱59,610,663

The amounts of 'Retirement expense' included in 'Compensation and other benefits' in the statements of income follow:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Current service cost	**₱60,484,496**	₱55,632,770	₱55,647,715	**₱50,517,809**	₱51,315,692	₱52,001,405
Past service cost	**–**	–	826,517	**–**	–	–
Net interest cost	**4,221,578**	288,012	3,586,233	**3,122,856**	(638,697)	3,586,233
	₱64,706,074	₱55,920,782	₱60,060,465	**₱53,640,665**	₱50,676,995	₱55,587,638

Changes in net defined benefit obligation (DBO) of funded funds follow:

Consolidated	**Present Value of DBO**	**Fair Value of Plan Assets**	**Net Retirement Liability**
January 1, 2022	**₱374,821,869**	**₱286,253,680**	**₱88,568,189**
Net benefit cost in Consolidated Statements of Income			
Current service cost	**60,484,496**	**–**	**60,484,496**
Net interest cost	**20,112,030**	**15,890,452**	**4,221,578**
Sub-total	**80,596,526**	**15,890,452**	**64,706,074**
Benefits paid*	**(32,126,766)**	**(15,570,222)**	**(16,556,544)**
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	**–**	**42,339,962**	**(42,339,962)**
Changes in the effect of the asset ceiling	**–**	**–**	**–**
Actuarial changes arising from experience adjustments	**3,101,197**	**–**	**3,101,197**
Actuarial changes arising from changes in financial/demographic assumptions	**(58,872,350)**	**–**	**(58,872,350)**
Sub-total	**(55,771,153)**	**42,339,962**	**(98,111,115)**
December 31, 2022	**₱367,520,476**	**₱328,913,872**	**₱38,606,604**

**included benefits paid out of the Group's own funds amounting to ₱16.56 million*

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability
January 1, 2021	₱337,719,712	₱333,584,557	₱4,135,155
Net benefit cost in Consolidated Statements of Income			
Current service cost	55,632,770	–	55,632,770
Net interest cost	12,364,923	12,076,911	288,012
Sub-total	67,997,693	12,076,911	55,920,782
Benefits paid	(3,801,080)	(3,677,508)	(123,572)
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)		(55,730,280)	55,730,280
Changes in the effect of the asset ceiling	(698,191)	–	(698,191)
Actuarial changes arising from experience adjustments	12,330,365	–	12,330,365
Actuarial changes arising from changes in financial/demographic assumptions	(38,726,630)		(38,726,630)
Sub-total	(27,094,456)	(55,730,280)	28,635,824
December 31, 2021	₱374,821,869	₱286,253,680	₱88,568,189

Parent Company	**Present Value of DBO**	**Fair Value of Plan Assets**	**Net Retirement Liability**
January 1, 2022	**₱344,496,488**	**₱284,885,825**	**₱59,610,663**
Net benefit cost in Statements of Income			
Current service cost	**50,517,809**	**–**	**50,517,809**
Net interest cost	**18,932,097**	**15,809,241**	**3,122,856**
Sub-total	**69,449,906**	**15,809,241**	**53,640,665**
Benefits paid*	**(20,691,444)**	**(15,570,222)**	**(5,121,222)**
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	**–**	**43,690,366**	**(43,690,366)**
Changes in the Effect of the Asset Ceiling	**–**	**–**	**–**
Actuarial changes arising from experience adjustments	**5,071,864**	**–**	**5,071,864**
Actuarial changes arising from changes in financial/ demographic assumptions	**(46,722,444)**	**–**	**(46,722,444)**
Sub-total	**(41,650,580)**	**43,690,366**	**(85,340,946)**
December 31, 2022	**₱351,604,370**	**₱328,815,210**	**₱22,789,160**

**included benefits paid out of the Parent Company's own funds amounting to ₱5.12 million*

Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability
January 1, 2021	₱313,744,478	₱332,251,858	(₱18,507,380)
Net benefit cost in Statements of Income			
Current service cost	51,315,692	–	51,315,692
Net interest cost	11,420,299	12,058,996	(638,697)
Sub-total	62,735,991	12,058,996	50,676,995
Benefits paid	(1,921,524)	(1,921,524)	–
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	–	(57,503,505)	57,503,505
Changes in the Effect of the Asset Ceiling	(698,191)	–	(698,191)
Actuarial changes arising from experience adjustments	9,033,952	–	9,033,952
Actuarial changes arising from changes in financial/ demographic assumptions	(38,398,218)	–	(38,398,218)
Sub-total	(30,062,457)	(57,503,505)	27,441,048
Contributions	–	–	–
December 31, 2021	₱344,496,488	₱284,885,825	₱59,610,663

The Parent Company's major categories of plan assets as a percentage of the fair value of total plan assets follow:

	December 31, 2022	December 31, 2021
Deposits in banks	**1.27%**	0.61%
Debt securities:		
Government securities	**4.96%**	6.43%
Private securities	**0.44%**	0.56%
	5.40%	6.99%
Equity securities	**17.02%**	2.34%
Investment in UITF	**76.26%**	89.62%
Other assets	**0.05%**	0.44%
	100%	100%

Investment in UITF pertains to investments in the RBank Tax-Exempt Retirement Fund (A Balanced UITF). The portfolio is invested in peso-denominated fixed income and exchange-listed preferred shares, with the option to invest a portion in USD-denominated securities.

Movements in "Remeasurement gains (losses) on retirement plan" in OCI follow:

	Consolidated	
	December 31, 2022	December 31, 2021
Balance at beginning of year	**(₱55,294,513)**	(₱31,841,311)
Remeasurement gains (losses) during the year	**97,713,721**	(29,033,217)
Tax effect	**(24,428,430)**	7,258,304
Remeasurement gains (losses) during the year, net of tax	**73,285,291**	(21,774,913)
Effect of CREATE Law	**–**	(1,976,334)
Remeasurement gains (losses) on retirement plan in OCI	**17,990,778**	(55,592,558)
Share in OCI of the associate		
Balance at beginning of period	**298,045**	–
Remeasurement gains (losses) on associate's retirement plan during the period, net of tax	**–**	298,045
Remeasurement gains (losses) on associate's retirement plan	**298,045**	298,045
Balance at end of year, net of tax	**₱18,288,823**	(₱55,294,513)

	Parent Company	
	December 31, 2022	December 31, 2021
Balance at beginning of year	**(₱49,242,065)**	(₱26,750,527)
Remeasurement gains (losses) during the year	**85,340,946**	(27,838,541)
Tax effect	**(21,335,237)**	6,959,610
Remeasurement gains (losses) during the year, net of tax	**64,005,709**	(20,878,931)
Effect of CREATE Law	**–**	(1,612,607)
Remeasurement gains (losses) during the year, net of tax	**64,005,709**	(22,491,538)
Balance at end of year, net of tax	**₱14,763,644**	(₱49,242,065)

	Subsidiary and Associates	
	December 31, 2022	December 31, 2021
Balance at beginning of year	**(₱6,052,448)**	(₱5,090,784)
Remeasurement gains (losses) during the year	**12,770,169**	(797,283)
Tax effect	**(3,192,542)**	199,346
Remeasurement gains (losses) during the year, net of tax	**9,577,627**	(597,937)
Effect of CREATE Law	−	(363,727)
Remeasurement gains (losses) during the year, net of tax	**9,577,627**	(961,664)
Balance at end of year, net of tax	**₱3,525,179**	(₱6,052,448)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the DBO as of December 31, 2022 and December 31, 2021, assuming if all other assumptions were held constant:

		December 31, 2022	
	+/- basis points (bps)	**Consolidated Impact to DBO**	**Parent Company Impact to DBO**
Discount rate	+100 bps	**(₱29,972,466)**	**(₱28,574,018)**
	-100 bps	**21,013,821**	**19,404,002**
Salary increase rate	+100 bps	**21,138,784**	**19,520,208**
	-100 bps	**(30,504,399)**	**(29,074,345)**

		December 31, 2021	
	+/- basis points (bps)	Consolidated Impact to DBO	Parent Company Impact to DBO
Discount rate	+100 bps	(₱28,659,177)	(₱24,104,214)
	-100 bps	33,017,873	27,327,717
Salary increase rate	+100 bps	32,467,654	26,866,819
	-100 bps	(28,745,762)	(24,171,317)

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

	Consolidated		**Parent Company**	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Less than 1 year	**₱34,056,722**	₱37,222,785	**₱33,447,269**	₱37,026,889
More than 1 year to 5 years	**188,556,057**	154,191,673	**183,095,975**	150,698,587
More than 5 years to 10 years	**466,311,298**	409,609,193	**448,608,825**	391,037,823
More than 10 years to 15 years	**420,812,727**	355,916,963	**398,955,785**	355,916,963
More than 15 years to 20 years	**361,522,015**	258,545,874	**337,927,877**	258,545,874
More than 20 years	**509,429,844**	393,728,100	**509,429,844**	393,728,100

The Parent Company's weighted average duration of the defined benefit obligation is equivalent to 6.9 years and 7.5 years in 2022 and 2021, respectively.

23. Leases

The Group's leases mostly pertain to building and parking spaces and generally have terms ranging from 2 to 10 years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Group's option under certain terms and conditions. Various lease contracts include escalation clauses. As of December 31, 2022 and December 31, 2021, the Group has neither a contingent rent payable nor an asset restoration obligation in relation with these lease agreements.

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2022 and 2021:

	Consolidated		Parent Company	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
1 year or less	**₱338,722,637**	₱322,115,526	**₱336,508,714**	₱305,248,403
More than 1 year to 5 years	**437,427,575**	635,761,284	**376,791,105**	584,057,597
More than 5 years to 10 years	**8,178,965**	4,892,692	**2,011,349**	3,582,313
	₱784,329,177	₱962,769,502	**₱715,311,168**	₱892,888,313

The Group also has certain leases of building and parking spaces with lease terms of 12 months or less and leases with low value. The Group applies the recognition exemptions for these type of leases.

Right-of-Use Assets
Details of the carrying amounts of ROU assets recognized and the movements during the years ended December 31, 2022 and 2021 are disclosed in Note 10.

Lease Liabilities
Details of the rollforward analysis of the Group's and Parent Company's lease liabilities presented under 'Accrued Expense and Other Liabilities'(see Note 19) as of December 31, 2022 and December 31, 2021 are as follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Balance at beginning of year	**₱939,045,318**	₱910,388,202	**₱880,443,266**	₱852,537,551
Additions	**106,390,378**	314,426,270	**90,886,609**	301,768,128
Accretion	**35,803,915**	42,911,819	**31,410,463**	38,320,827
Payments	**(341,822,140)**	(328,680,973)	**(322,408,522)**	(312,183,240)
Balance at end of year	**₱739,417,471**	₱939,045,318	**₱680,331,816**	₱880,443,266

24. Income and Expenses

Net service fees and commission income consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Service fees and commission income:						
Credit-related	**₱664,317,625**	₱415,782,559	₱227,873,006	**₱664,317,625**	₱415,782,559	₱227,873,006
Commissions	**93,622,215**	79,430,022	61,209,657	**85,848,862**	79,386,020	61,185,942
Deposit-related	**94,266,753**	68,505,234	69,778,956	**92,557,467**	66,972,367	68,421,098
Utility and store payment charges	**18,703,582**	28,284,635	21,707,522	**18,703,582**	28,284,635	21,707,522
Trust and other fiduciary	**30,998,304**	27,360,298	17,778,850	**30,998,304**	27,360,298	17,778,850
	901,908,479	619,362,748	398,347,991	**892,425,840**	617,785,879	396,966,418
Service charges and commission expense:						
Cards fees and commissions	**341,942,140**	166,584,149	133,319,702	**341,942,140**	166,584,149	133,319,702
Banking fees	**36,073,266**	24,914,795	25,682,056	**36,073,266**	24,914,795	25,682,056
Brokerage and commissions	**22,789,397**	13,679,095	7,463,371	**10,767,137**	5,581,313	3,635,459
	400,804,803	205,178,039	166,465,129	**388,782,543**	197,080,257	162,637,217
	₱501,103,676	₱414,184,709	₱231,882,862	**₱503,643,297**	₱420,705,622	₱234,329,201

Credit-related service fees and commission income include merchant discount and interchange fees from the credit card business of the Bank totaling to ₱258.42 million, ₱128.29 million and ₱95.77 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Miscellaneous income consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Gain (loss) on initial recognition of investment properties (Note 11)	**₱105,905,880**	₱83,805,485	(₱48,301,239)	**₱102,522,762**	₱77,809,494	(₱48,659,416)
Penalties	**79,531,839**	97,511,557	80,533,609	**79,531,839**	97,511,557	80,533,609
Recovery on charged-off assets	**31,834,466**	6,600,770	2,646,750	**30,845,222**	5,310,465	2,459,620
Gain on sale of investment properties (Note 11)	**31,621,478**	13,874,289	3,560,023	**31,621,478**	13,874,289	3,560,023
Dividend income	**8,916,075**	13,038,094	14,890,056	**8,916,075**	13,038,094	14,890,056
Gain on sale of property and equipment (Note 10)	**5,076,514**	30,413,145	1,909,732	**5,014,760**	30,015,977	1,705,218
Others	**38,277,094**	36,853,181	43,757,184	**20,028,465**	18,667,120	26,971,811
	₱301,163,346	₱282,096,521	₱98,996,115	**₱278,480,601**	₱256,226,996	₱81,460,921

The Group's 'Others' include bank and other charges amounting ₱28.73 million, ₱23.24 million, and ₱27.74 million for the years ended December 31, 2022, 2021 and 2020, respectively, dividend income amounting to ₱8.92 million, ₱13.04 million, and ₱14.89 million for the years ended December 31, 2022, 2021 and 2020, respectively, rental income from safety deposit box and night depository amounting to ₱0.63 million, ₱0.57 million, and ₱1.13 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The Parent Company's 'Others' include other bank charges amounting ₱10.48 million, ₱5.06 million, and ₱10.95 million for the years ended December 31, 2022, 2021, and 2020, respectively, dividend income amounting to ₱8.92 million, ₱13.04 million, and ₱14.89 million for the years ended December 31, 2022, 2021, and 2020, respectively, rental income from safety deposit box and night depository amounting to ₱0.63 million, ₱0.57 million and ₱1.13 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Loss on sale of repossessed chattels (Note 13)	**₱141,775,152**	₱126,254,759	₱119,281,078	**₱142,926,252**	₱142,438,995	₱120,922,822
Fines, penalties and other charges	**137,224,402**	101,645,701	75,361,949	**135,275,202**	100,258,894	74,232,939
Advertising	**93,113,210**	133,236,276	151,703,925	**92,662,223**	132,767,668	150,555,292
Litigation expense (Note 11)	**88,243,614**	81,409,078	19,680,093	**86,540,464**	78,919,551	18,843,812
Transportation and travel	**75,001,689**	57,426,567	48,694,997	**61,643,681**	43,949,695	37,339,584
BSP supervisory fees	**64,851,240**	50,833,769	45,091,449	**64,043,078**	49,747,057	44,351,360
Share in corporate center expenses	**63,452,000**	33,715,915	43,000,000	**63,452,000**	33,715,915	43,000,000
Appraisal fees	**33,091,793**	27,126,097	22,435,776	**33,091,793**	27,126,097	22,435,776
Stationery and supplies	**22,549,631**	36,728,548	40,263,575	**19,592,130**	33,098,455	33,601,689
Loss on initial recognition of repossessed chattels (Note 13)	**21,819,912**	17,915,263	511,114	**21,819,912**	17,915,263	511,114
Membership dues	**14,678,755**	11,719,589	11,515,064	**14,477,377**	11,308,424	11,100,415
Merchant acquiring fees	**11,768,236**	6,065,764	6,568,390	**11,768,236**	6,065,764	6,568,390
Freight and courier service fees	**11,189,280**	9,173,313	13,542,083	**11,189,280**	9,173,313	13,542,083
Filing fees	**1,826,685**	682,154	929,444	**1,826,685**	682,154	929,444
COVID - related expenses	**1,283,857**	4,261,630	27,070,643	**1,283,857**	4,261,630	27,070,643
Others	**52,262,193**	40,459,947	13,089,776	**50,104,760**	37,232,450	10,226,016
	₱834,131,649	₱738,654,370	₱638,739,356	**₱811,696,930**	₱728,661,325	₱615,231,379

Share in corporate center expenses refer to service fees related to human resource services, other support services and administrative expenses shared by affiliates within JG Group. Others consist mainly of bills payment fee, statement rendition, rewards redemption fee, and other miscellaneous expenses.

25. **Income and Other Taxes**

Under Philippine tax laws, the Parent Company is subject to percentage and other taxes (presented as 'Taxes and licenses' in the statement of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp taxes.

Breakdown of taxes and licenses of the Group and Parent Company consists of:

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Documentary stamps used	**₱249,470,856**	₱315,862,876	₱338,172,507	**₱249,470,856**	₱315,862,876	₱338,172,507
Gross receipts tax	**320,539,952**	275,190,445	245,701,275	**296,236,887**	256,339,139	230,567,771
Permits	**35,009,092**	34,829,778	31,268,417	**32,313,106**	31,961,342	28,974,306
	₱605,019,900	₱625,883,099	₱615,142,199	**₱578,020,849**	₱604,163,357	₱597,714,584

Provision for (benefit from) income tax of the Group and Parent Company consists of:

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Current:						
Final	**₱262,524,382**	₱218,945,167	₱201,413,025	**₱257,914,941**	₱216,978,799	₱197,943,717
RCIT	**124,809,147**	124,898,685	68,850,714	**116,755,168**	124,898,685	68,850,714
MCIT	**−**	3,193,260	5,611,045	**−**	1,993,432	2,040,134
	387,333,529	347,037,112	275,874,784	**374,670,109**	343,870,916	268,834,565
Deferred	**(54,048,380)**	(40,699,273)	(305,253,569)	**(93,037,681)**	(26,540,937)	(290,513,894)
	₱333,285,149	₱306,337,839	(₱29,378,785)	**₱281,632,428**	₱317,329,979	(₱21,679,329)

Income taxes consist of final withholding taxes on gross interest income from government securities, deposits and other deposit substitutes, tax on the FCDU income and RCIT, as discussed below, on net taxable income. These income taxes, as well as the deferred tax benefit, are presented in the statement of income as 'Provision for income tax'.

Current tax regulations provide that the RCIT rate shall be 25.00% in 2021. Interest allowed as deductible expense shall be 20.00% of interest income subjected to final tax.

The optional standard deduction (OSD) equivalent to 40.00% of gross income may be claimed as an alternative deduction in computing for the RCIT. In 2018, the Parent Company elected to claim itemized expense deductions instead of the OSD in the RCIT computation.

The regulations also provide for MCIT of 1.00% of modified gross income and allow a NOLCO benefit. Both the excess of over the RCIT and NOLCO may be applied against the regular tax liability and taxable income, respectively, over three (3) years from the year of inception.

Current tax regulations also provide for the ceiling on the amount of entertainment and representation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue. EAR expenses of the Parent Company amounted to ₱76.42 million, ₱98.45 million and ₱96.09 million in December 31, 2022, December 31, 2021 and 2020, respectively.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is generally subject to 10.00% income tax. In addition, interest income on deposit placement with other FCDUs and offshore banking units (OBUs) is taxed at 7.50%.

Current tax regulations provide that the income derived by the FCDU from foreign currency-denominated transactions with non-residents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency-denominated loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax. FCDUs' all other income is subject to 25.00% income tax.

Relevant Tax Updates

Revenue Regulations No. 25-2020

On September 30, 2020, the Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act", allowing qualified businesses or enterprises which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

CREATE Law

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Law introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

Applying the provisions of the CREATE Act, the Parent Company would have been subjected to lower regular corporate income tax rate of 25% and lower minimum corporate income tax rate of 1% effective July 1, 2020. For LSB, the Company would have been subjected lower minimum corporate income tax rate of 1% effective July 1, 2020.

Net deferred tax assets of the Group and the Parent Company consist of the following:

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
Deferred tax assets on:				
Allowance for credit and impairment losses	**₱796,312,628**	₱731,314,233	**₱721,577,136**	₱600,773,238
Accumulated depreciation on investment properties and repossessed chattels	**56,051,481**	56,366,070	**51,543,729**	51,464,869
Unamortized past service cost on retirement plan	**37,161,595**	42,470,398	**37,161,595**	42,470,398
Accrued sick leave and vacation leave	**50,261,115**	36,023,443	**50,261,115**	36,023,443
Lease liability- net	**26,719,018**	27,113,850	**24,342,448**	24,891,945
Retirement liability - net	**9,651,651**	22,142,048	**5,697,290**	14,902,666
Loan modification loss - net	**14,213,403**	21,449,530	**13,777,541**	19,785,132
NOLCO	–	14,346,283	–	–
Unrealized loss on foreign exchange	–	6,129,937	–	6,129,937
Impairment loss on FVOCI	**434,332**	858,829	**434,332**	858,829
Excess of MCIT over RCIT	–	4,770,739	–	–
	990,805,223	962,985,360	**904,795,186**	797,300,457
Deferred tax liabilities on:				
Branch licenses	**155,000,000**	186,000,000	**–**	–
Unrealized gain on initial recognition of investment properties and repossessed chattels	**86,116,922**	67,443,429	**84,574,802**	64,179,025
Unrealized foreign exchange gain	**15,894,141**	–	**15,894,141**	
Retirement asset - net	–	–	–	–
Unrealized gain on financial assets at FVTPL	–	497,634	–	497,634
	257,011,063	253,941,063	**100,468,943**	64,676,659
	₱733,794,160	₱709,044,297	**₱804,326,243**	₱732,623,798

Movements in deferred tax that were recognized in OCI and profit or loss in 2022 and 2021 follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Recognized in OCI	**₱29,298,517**	₱92,687,233	**₱21,335,236**	₱92,622,300
Recognized in profit or loss	**(54,048,380)**	(40,699,273)	**(93,037,681)**	(26,540,937)
	(₱24,749,863)	₱51,987,960	**(₱71,702,445)**	₱66,081,363

Details of NOLCO follow:

Subsidiary				
Inception Year	Amount	Used	Balance	Expiry Year
2020	**₱79,783,402**	**₱79,783,402**	**₱–**	**2025**

Details of the excess of MCIT over RCIT follow:

Subsidiary				
Inception Year	Amount	Used	Balance	Expiry Year
2022	**₱2,812,128**	**₱–**	**₱2,812,128**	**2025**
2021	**2,092,556**	**2,092,556**	**–**	**2024**
2020	**2,678,183**	**2,678,183**	**–**	**2023**

A reconciliation of statutory income tax rate to the effective income tax rate of the Group and the Parent Company follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Statutory income tax rate	**25.00%**	25.00%	30.00%	**25.00%**	25.00%	30.00%
Tax effect of:						
Tax paid and tax-exempt income	**(3.97)**	(4.43)	(26.51)	**(5.30)**	(4.37)	(26.70)
Non-deductible expenses	**3.97**	4.30	20.47	**4.06**	4.15	(0.57)
Unrecognized deferred tax assets	**0.89**	(2.11)	(14.03)	**(1.09)**	(1.45)	6.3
FCDU income	**(7.58)**	(8.92)	(13.17)	**(7.82)**	(8.88)	(13.05)
Impact of CREATE Law	–	6.36	–	–	6.32	–
Others - net	**0.89**	(0.08)	–	**1.87**	(0.08)	1.65
Effective income tax rate	**19.20%**	20.12%	(3.24%)	**16.72%**	20.69%	(2.37%)

26. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control of common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities.

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

The foregoing transactions of the Parent Company with LSB were eliminated in the consolidated financial statements of the Group.

The significant transactions and outstanding balances of the Parent Company and the Subsidiary with its related parties follow:

	Parent Company				
	December 31, 2022		December 31, 2021		
Nature of Transaction	**Amount/ Volume**	**Outstanding Balance**	Amount/ Volume	Outstanding Balance	**Terms and Conditions/Nature**
Subsidiary					
Advances from a subsidiary	**₱1,406,800**	**₱1,985,900**	(₱1,717,700)	₱579,100	Settlement account of ATM transactions using LSB terminal
Accounts receivable	**(148,280)**	**6,469,279**	2,736,047	6,617,559	Unsecured, non-interest bearing, payable on demand
Receivable from customers - bills purchased	–	–	(15,000,000)	–	Non-interest bearing domestic bills purchased
Deposit liabilities	**4,516,439**	**37,040,855**	(3,398,514)	32,524,416	Regular checking account, with annual interest rates ranging from nil to 0.13%
Affiliates					
Accrued expense	**12,794,992**	**18,200,547**	(37,594,445)	5,405,555	Unsecured, non-interest bearing, Share in coporate expenses of affiliates within JG Group
Receivable from customers - commercial loans	**(405,250,963)**	**5,130,013,979**	1,289,597,442	5,535,264,942	Secured loans with intere st ranging from 2.00% to 6.24% and 2.80% to 6.75% in 2022 and 2021, respectively.
Receivable from customers - bills purchased	**442,032,719**	**442,032,719**	(488,648,547)	–	Non-interest bearing domestic bills purchased
Deposit liabilities	**9,886,784,303**	**27,390,807,700**	(5,826,453,422)	17,504,023,397	Various terms and with annual interest rates ranging from nil to 5.00%
Interest expense	**285,530,329**	–	65,891,181	–	Interest expense on deposit liabilities
Interest income	**122,369,740**	–	138,546,730	–	Interest income from secured commercial loans
Service fee income	**5,121**	–	7,062	–	Income from non-interest bearing domestic bills purchased
Rent expense	**16,460,283**	–	15,245,926	–	Office rental paid to affiliates and JG Summit Holdings Inc.
ROU assets	**(86,433,089)**	**247,978,677**	(19,955,186)	334,411,766	Lease renewed every 5 years with 5% escalation rate
Depreciation expense on ROU assets	**123,159,603**	–	115,932,080	–	Lease renewed every 5 years with 5% escalation rate
Lease liability	**(88,195,195)**	**271,656,167**	(52,540,797)	359,851,362	Lease renewed every 5 years with 5% escalation rate
Interest expense on lease liability	**13,590,835**	–	16,464,370	–	Lease renewed every 5 years with 5% escalation rate
Board of Directors					
Deposit liabilities	**(770,059,874)**	**9,019,271,840**	(8,476,227,890)	9,789,331,714	Various terms and with annual interest rates ranging from nil to 5.50%
Interest expense	**153,615,880**	–	123,764,821	–	Interest expense on deposit liabilities
Key Officers					
Deposit liabilities	**(34,799,114)**	**106,413,710**	25,508,426	141,212,824	Various terms and with annual interest rates ranging from nil to 5.50%
Interest expense	**4,268,128**	–	4,304,716	–	Interest expense on deposit liabilities

Details on significant related party transactions of the Subsidiary with its other related parties follow:

	Subsidiary				
	December 31, 2022		December 31, 2021		
Nature of Transaction	**Amount/ Volume**	**Outstanding Balance**	Amount/ Volume	Outstanding Balance	**Terms and Conditions/Nature**
Key employees					
Receivables from customers	**₱7,908,178**	**₱12,949,845**	₱496,622	₱5,041,667	Loans of directors, officers and stockholders
Interest income	**150,469**	–	367,028	–	Interest earned from loans of directors, officers and stockholders
Deposit liabilities	**1,360,458,007**	**1,361,911,759**	113,925	1,453,752	Deposits of directors, officers and stockholders
Interest expense	**3,662,328**	–	3,531	–	Interest expense on deposit liabilities
Compensation and fringe benefits	**10,786,594**	–	13,970,041	–	Remuneration and benefits to directors and key management personnel
Post-employment benefits	**3,782,313**	–	1,632,414	–	Post-employment benefits

The retirement fund of the Parent Company's employees amounted to ₱328.82 million and ₱284.89 million as of December 31, 2022 and December 31, 2021, respectively (see Note 22). The fund is being managed by JG Summit Multi-Employer Retirement Plan (MERP), a corporation created for the purpose of managing the funds of the Group, with Robinsons Bank Corporation (RBC)-Trust and Investment Group (TIG) as the trustee. Income earned by the Parent Company through its TIG from managing these funds amounted to ₱1.98 million and ₱2.22 million in December 31, 2022 and 2021, respectively.

Details of the transactions of the Parent Company with its retirement plan follow:

		December 31, 2022		
Related Party	**Nature of Transaction**	**Amount/ Volume**	**Outstanding Balance**	**Terms and Conditions/Nature**
Retirement plan	Contribution, benefits paid and interest earned	**(₱43,929,385)**	**₱328,815,210**	Contributions to the Fund plus interest earned during the year

		December 31, 2021		
Related Party	Nature of Transaction	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
Retirement plan	Contribution, benefits paid and interest earned	(₱47,366,033)	₱284,885,825	Contributions to the Fund plus interest earned during the year

The retirement plan under the MERP has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the plan. Certain members of the BOD of the Parent Company are represented in the Executive Retirement Committee. RBC Trust and Investment Group manages the plan based on the mandate as defined in the trust agreement.

Details of remuneration of directors and other key management personnel of the Group and the Parent Company follow:

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
Short-term benefits	**₱229,860,594**	₱231,878,663	**₱155,227,569**	₱138,974,337
Post-employment benefits	**17,178,381**	15,170,461	**13,396,068**	13,538,047
	₱247,038,975	₱247,049,124	**₱168,623,637**	₱152,512,384

27. Trust Operations

Properties held by the Parent Company in fiduciary or agency capacity for their customers are not included in the accompanying statement of financial position since these are not assets of the Parent Company (see Note 28).

In compliance with the requirements of the General Banking Law relative to the Parent Company's trust functions, treasury bills with a total face value of ₱410 million and ₱560.0 million included under Financial Assets at Fair Value through OCI as of December 31, 2022 and December 31, 2021, respectively, were deposited with the BSP.

An appropriation of 10.00% of the Parent Company's income from trust operations is set aside as surplus reserve to absorb any losses that may arise from its trust functions.

28. Commitments and Contingencies

a. The Group is also involved in a number of legal proceedings. The estimate of the probable costs for the resolutions of these claims has been developed in consultation with outside counsel handling the Group's defense and is based on an analysis of potential results. The Group does not believe that these proceedings will have a material adverse effect on the financial statements.

b. In the normal course of the Group's operations, there are various outstanding commitments, contingent liabilities and bank guarantees which are not reflected in the accompanying financial statements. The Group does not anticipate material unreserved losses as a result of these transactions.

The following is a summary of the Group's commitments and contingent liabilities at their equivalent peso contractual amounts:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Trust and investment group accounts (Note 26)	**₱35,036,174,465**	₱35,673,879,283	**₱35,036,174,465**	₱35,673,879,283
Committed credit lines	**7,686,944,261**	7,659,531,656	**7,686,944,261**	7,659,531,656
Guarantees issued	**1,840,289,166**	1,850,923,767	**1,840,289,166**	1,850,923,767
Spot exchange - foreign currency	**1,132,016,250**	537,380,930	**1,132,016,250**	537,380,930
Inward bills for collection	**779,150,580**	2,271,244,978	**779,150,580**	2,271,244,978
Outward bills for collection	**452,029,817**	124,641,556	**452,029,817**	124,641,556
Letters of credit	**319,247,791**	667,045,172	**319,247,791**	667,045,172
Late deposit/payment received	**42,319,307**	20,604,807	**41,823,498**	20,549,807
Contingent - foreign currency swap	**41,380,038**	–	**41,380,038**	–
Items held for safekeeping	**193,312**	188,923	**178,807**	173,789
Other contingent account	**182,055**	184,260	**178,686**	178,686

29. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. The Group's business segments follow:

- Consumer Banking - principally providing consumer type loans and support for effective sourcing and generation of consumer business;
- Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to trust operations, remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The General Ledger system of the Bank captures the transactions on a segment level, and segment performance is evaluated based on net income before taxes.

In 2019, the Parent Company incorporated the use of Transfer Pool Rate (TPR) in monitoring the performance of the business units where the fund generating segments such as Treasury and Branch Banking charge the net fund users such as Consumer Banking and Corporate Banking for the excess funds provided.

TPR is reviewed and set by the Parent Company's Asset and Liabilities Committee. It is the blended cost of interest bearing funds including all funding-related costs such as reserves, document stamp taxes, and other intermediary costs.

This segment performance review is regularly provided to the Bank's Chief Operating Decision maker who is the Parent Company’s President and Chief Executive Officer.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense.

The Group’s revenue-producing assets are located in the Philippines (i.e., one geographical location), therefore, geographical segment information is no longer presented.

The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. Transactions between segments are conducted at estimated market rates on an arm’s length basis. Interest is charged/credited to business segments based on a pool rate which approximates the cost of funds.

The following table presents revenue and income information of operating segments and assets and liabilities (amounts in millions):

	December 31, 2022					
	Consumer Banking	Corporate Banking	Treasury	Branch Banking	Others	Total
Statement of Income						
Net interest income:						
Third party	**3,779**	**₱3,633**	**₱997**	**(₱429)**	**(₱333)**	**₱7,647**
Intersegment	**(1,383)**	**(2,099)**	**(846)**	**3,272**	**1,056**	–
	2,396	**1,534**	**151**	**2,843**	**723**	**7,647**
Noninterest income	**509**	**40**	**216**	**245**	**(34)**	**976**
Revenue - net of interest expense	**2,905**	**1,574**	**367**	**3,088**	**689**	**8,623**
Noninterest expense	**1,681**	**702**	**319**	**1,590**	**2,488**	**6,780**
Income before income tax	**1,224**	**872**	**48**	**1,498**	**(1,799)**	**1,843**
Share in net income of associate						**(107)**
Provision for income tax						**333**
Net income for the year						**₱1,403**

	December 31, 2022					
	Consumer Banking	Corporate Banking	Treasury	Branch Banking	Others	Total
Statement of Financial Position						
Total assets	**₱56,983**	**₱53,837**	**₱61,822**	**₱5,369**	**₱9,819**	**₱187,830**
Total liabilities	**₱1,243**	**₱1,343**	**₱67,497**	**₱61,003**	**₱36,893**	**₱167,979**
Other Segment Information						
Capital expenditures	**₱18**	**₱13**	**₱3**	**₱135**	**₱251**	**₱420**
Depreciation and amortization	**₱79**	**₱71**	**₱5**	**₱113**	**₱454**	**₱722**
Provision for (recovery of) credit and impairment losses	**₱424**	**₱355**	**(₱1)**	**₱–**	**₱187**	**₱965**

	December 31, 2021					
	Consumer Banking	Corporate Banking	Treasury	Branch Banking	Others	Total
Statement of Income						
Net interest income:						
Third party	₱3,333	₱3,184	₱658	(₱522)	₱168	₱6,821
Intersegment	(765)	(1,688)	(620)	2,495	578	–
	2,568	1,496	38	1,973	746	6,821
Noninterest income	320	40	413	196	132	1,101
Revenue - net of interest expense	2,888	1,536	451	2,169	878	7,922
Noninterest expense	1,582	858	372	1,641	1,950	6,403
Income before income tax	1,306	678	79	528	(1,072)	1,519
Share in Net Income of Associate						3
Provision for income tax						306
Net income for the year						₱1,216

	December 31, 2021					
	Consumer Banking	Corporate Banking	Treasury	Branch Banking	Others	Total
Statement of Financial Position						
Total assets	₱50,017	₱47,001	₱66,309	₱8,370	₱8,073	₱179,770
Total liabilities	₱871	₱1,405	₱46,912	₱106,904	₱5,241	₱161,333
Other Segment Information						
Capital expenditures	₱21	₱2	₱2	₱148	₱172	₱345
Depreciation and amortization	₱71	₱70	₱4	₱123	₱470	₱738
Provision for (recovery of) credit and impairment losses	₱671	₱565	₱–	₱–	₱68	₱1,304

	December 31, 2020					
	Consumer Banking	Corporate Banking	Treasury	Branch Banking	Others	Total
Statement of Income						
Net interest income:						
Third party	₱3,094	₱2,898	(₱35)	(₱553)	₱389	₱5,793
Intersegment	(627)	(1,847)	(208)	1,992	690	–
	2,467	1,051	(243)	1,439	1,079	5,793
Noninterest income	125	(26)	950	135	(277)	907
Revenue - net of interest expense	2,592	1,025	707	1,574	802	6,700
Noninterest expense	1,469	646	395	1,374	1,910	5,794
Income (loss) before income tax	1,123	379	312	200	(1,108)	906
Provision for income tax						(29)
Net income						₱935

	December 31, 2020					
	Consumer Banking	Corporate Banking	Treasury	Branch Banking	Others	Total
Statement of Financial Position						
Total assets	₱43,448	₱41,436	₱50,845	₱8,659	₱6,759	₱151,147
Total liabilities	₱626	₱2,006	₱60,641	₱65,487	₱4,061	₱132,821
Other Segment Information						
Capital expenditures	₱12	₱32	₱4	₱87	₱76	₱211
Depreciation and amortization	₱62	₱56	₱4	₱116	₱449	₱687
Provision for (recovery of) credit and impairment losses	₱535	₱415	₱–	₱–	₱152	₱1,102

Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gains - net, foreign exchange gain - net, income from trust operations, leasing, dividends and miscellaneous income. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related cost, amortization of software costs, income (loss) attributable to non-equity non-controlling interest and miscellaneous expense.

30. Notes to Statements of Cash Flows

Details of non-cash investing/financing activities follow:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Increase in investment securties at amortized cost due to reclassification from FVOCI	**₱24,052,276,131**	₱–	₱–	**₱24,052,276,131**	₱–	₱–
Decrease in FVOCI due to reclassification to investment from amortized cost	**(21,384,297,363)**	–	–	**(21,384,297,363)**	–	–
Increase in investment properties due to foreclosure (Note 11)	**568,660,462**	421,376,943	128,566,894	**558,957,362**	406,376,086	127,250,894
Disposal of investment properties and repossessed chattels through sales contract receivable	**(17,838)**	(630,755)	(1,504,170)	**–**	–	–
Increase in property and equipment due to reclassifications (Note 10)	**1,900,556**	12,233,482	2,897,778	**1,900,556**	11,257,535	1,022,292
Increase in repossessed chattels due to foreclosure (Note 13)	**727,423,702**	703,862,639	647,144,700	**726,427,702**	701,469,639	642,884,700
Recognition of new ROU of asset and lease liability (Note 23)	**106,390,378**	314,426,270	385,946,690	**90,886,609**	301,768,128	396,502,761
Increase in surplus reserves due to appropriations for Trust operations	**–**	76,327	–	**–**	76,327	–
Increase in surplus reserves due to appropriations for expected credit losses	**126,386,854**	–	–	**126,386,854**	–	–
Increase (decrease) in investment in subsidiary from share on remeasurement gain (loss) on retirement plan	**–**	(1,862,707)	–	**–**	(1,612,707)	–

Presented below is the supplemental information on the Group's and the Parent Company's liabilities arising from financing activities:

	Consolidated				
	LTNCD	**Bills Payable**	**Bonds Payable**	**Lease Liabilities**	**Total**
Balances at January 1, 2022	**₱5,948,312,591**	**₱2,500,000,000**	**₱–**	**₱939,045,318**	**₱9,387,357,909**
Cashflows from financing activities:					
Additions	**–**	**13,000,000,000**	–	**106,390,377**	**13,106,390,377**
Repayment of borrowings	**(4,182,320,000)**	**–**	–	**(341,822,138)**	**(4,524,142,138)**
Non-cash financing activities:					
Amortization of debt issue costs and accretion of interest	**10,820,656**	**(74,410,531)**	–	**35,803,914**	**(27,785,961)**
Balances at December 31, 2022	**₱1,776,813,247**	**₱15,425,589,469**	**₱–**	**₱739,417,471**	**₱17,941,820,187**

	Parent Company				
	LTNCD	**Bills Payable**	**Bonds Payable**	**Lease Liabilities**	**Total**
Balances at January 1, 2022	**₱5,948,312,591**	**₱2,500,000,000**	**₱–**	**₱880,443,266**	**₱9,328,755,857**
Cashflows from financing activities:					
Additions	**–**	**13,000,000,000**	**–**	**90,886,608**	**13,090,886,608**
Repayment of borrowings	**(4,182,320,000)**	**–**	**–**	**(322,408,521)**	**(4,504,728,521)**
Non-cash financing activities:					
Amortization of debt issue costs and accretion of interest	**10,820,656**	**(74,410,531)**	**–**	**31,410,463**	**(32,179,412)**
Proceeds					
Balances at December 31, 2022	**₱1,776,813,247**	**₱15,425,589,469**	**₱–**	**₱680,331,816**	**₱17,882,734,532**

	Consolidated				
	LTNCD	Bills Payable	Bonds Payable	Lease Liabilities	Total
Balances at January 1, 2021	₱5,937,710,710	₱–	₱9,951,888,873	₱910,388,202	₱16,799,987,785
Cashflows from financing activities:					
Additions	–	2,500,000,000	–	314,426,270	2,814,426,270
Repayment of borrowings	–	–	(10,000,000,000)	(328,115,803)	(10,328,115,803)
Non-cash financing activities:					
Amortization of debt issue costs and accretion of interest	10,601,881	–	48,111,127	42,911,819	101,624,827
Proceeds					
Adjustments				(565,170)	(565,170)
Balances at December 31, 2021	₱5,948,312,591	₱2,500,000,000	₱–	₱939,045,318	₱9,387,357,909

	Parent Company				
	LTNCD	Bills Payable	Bonds Payable	Lease Liabilities	Total
Balances at January 1, 2021	₱5,937,710,710	₱–	₱9,951,888,873	₱852,537,551	₱16,742,137,134
Cashflows from financing activities:					
Additions	–	2,500,000,000	–	301,768,128	2,801,768,128
Repayment of borrowings	–	–	(10,000,000,000)	(312,183,240)	(10,312,183,240)
Non-cash financing activities:					
Amortization of debt issue costs and accretion of interest	10,601,881	–	48,111,127	38,320,827	97,033,835
Balances at December 31, 2021	₱5,948,312,591	₱2,500,000,000	₱–	₱880,443,266	₱9,328,755,857

31. Subsequent Events

Plan of Merger with Bank of the Philippine Islands (BPI)
On January 17, 2023, at the special stockholders' meeting of the Parent Company called for the purpose, its stockholders owning more than two thirds (2/3) of all issued and outstanding shares approved the plan of merger and articles of merger with BPI.

On January 26, 2023, the Parent Company and BPI jointly filed with the BSP and SEC their request for approval of their statutory merger. To date, the statutory merger of the Parent Company and BPI is still awaiting approvals of the aforementioned government regulators.

Completion of all approvals is targeted by the last quarter of 2023 and legal merger is expected to take effect by January 1, 2024. The merger is seen as a strategic move that will unlock various synergies across businesses, expand customer bases, and enhance the overall banking experience of the Parent Company's customers with the combined network. Pending the required approvals, the Parent Company will in in the meantime continue to operate on a business-as-usual basis (see Note 1).

32. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were approved and authorized for issue by the BOD on April 26, 2023.

32. Supplementary Information Required under Revenue Regulation (RR) 15-2010

The BIR issued RR No. 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. This RR include provisions for additional disclosure requirements in the notes to the financial statements, particularly on composition of taxes, duties, licenses paid or accrued during the year.

<u>Supplementary Information Required Under RR No. 15-2010</u>

The Parent Company reported and/or paid the following types of taxes for the year:

Gross Receipts Tax (GRT)
The National Internal Revenue Code (NIRC) of 1997 provides for the imposition of GRT on gross receipts derived by banks from sources within the Philippines. Accordingly, the Parent Company's gross receipts are subject to GRT as re-imposed in RA No. 9238 beginning January 1, 2004.

Details of the Parent Company's gross receipts and GRT due declared and paid for taxable year 2022, follow:

	Gross Receipts	GRT Due
Interest income	₱8,870,244,944	₱263,433,092
Other income	492,551,156	34,478,581
	₱9,362,796,100	₱297,911,673

Documentary stamp tax:
The Documentary stamp tax (DST) paid or accrued on the following transactions are:

Transaction	Amount	DST thereon
Deposits	₱267,796,762,734	₱194,260,259
Loan instruments	36,265,040,404	271,987,803
Leases	7,372,125	14,746
	₱304,069,175,263	₱466,262,808

Part of the DST remitted to the BIR are shouldered/ charged to clients/borrowers.

Other taxes and licenses
This includes all other taxes, local and national, including local business tax, licenses and permit fees lodged under the 'Taxes and Licenses' account in the statement of income and expenses.

Withholding taxes
The following table shows the breakdown of taxes withheld and remitted as of December 31, 2022:

	Total Withheld	Total Remitted
Withholding tax on deposits	₱157,049,687	₱117,274,397
Withholding taxes on compensation and benefits	213,696,849	180,205,654
Expanded withholding taxes	360,316,933	331,838,023
Withholding VAT	2,252,739	2,252,739
Final withholding taxes - others	4,693,207	4,693,207
	₱738,009,415	₱636,264,020

33. Supplementary Information Required under BSP Circular No. 1074

On February 7, 2020, the BSP issued Circular No. 1074 to amend certain provisions of the MORB and Manual of Regulations for Foreign Exchange Transactions (MORFXT). The Circular provides for new and amended disclosure requirements to the audited financial statements, which are to be presented either (i) on specific notes to the financial statements, or (ii) in a separate note containing supplementary information as required by the BSP. This supplementary information is not a required disclosure under PFRSs.

In compliance with the requirements set forth by Circular No. 1074, hereunder are the supplementary information:

Financial performance indicators

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Return on average equity	**7.33%**	6.62%	**7.33%**	6.62%
Return on average assets	**0.76%**	0.73%	**0.78%**	0.75%
Net interest margin on average earnings assets	**4.42%**	4.36%	**4.34%**	4.24%

The following formulas were used to compute the indicators:

Performance Indicator	BSP Prescribed Formula
Return on Average Equity	Net Income (or Loss) after Income Tax x 100 / Average Total Capital Accounts*
Return on Average Assets	Net Income (or Loss) after Income Tax x 100 / Average Total Assets*
Net Interest Margin	Net Interest Income x 100 / Average Interest Earning Assets*

**Average amount is calculated based on current year-end and previous year-end balances*

Capital instruments

As of December 31, 2022 and 2021, the Parent Company has outstanding capital stock shown below:

	Shares		Amount	
	2022	2021	**2022**	2021
Common shares - ₱10 par value				
Authorized	**2,700,000,000**	2,700,000,000	**₱27,000,000,000**	₱27,000,000,000
Issued and outstanding				
Issued and outstanding	**1,500,000,000**	1,500,000,000	**₱15,000,000,000**	₱15,000,000,000
Issued during the year	**–**	–	**–**	–
Balances at end of year	**1,500,000,000**	1,500,000,000	**₱15,000,000,000**	₱15,000,000,000

Breakdown of total loans as to security and status

The following table shows the breakdown of receivable from customers as to secured and unsecured and the breakdown of secured receivables from customers as to the type of security as of December 31, 2022 and 2021:

	Consolidated			
	December 31, 2022		December 31, 2021	
	Amount	**%**	Amount	%
Secured by:				
Real estate	**₱52,092,027,137**	**46.31%**	₱45,694,479,349	46.06%
Chattel	**10,316,901,903**	**9.17%**	10,494,979,114	10.58%
Deposit hold-outs	**4,180,631,843**	**3.72%**	4,491,289,196	4.53%
Others	**3,599,567,547**	**3.20%**	3,746,903,484	3.78%
	70,189,128,430	**62.40%**	64,427,651,143	64.94%
Unsecured	**42,288,147,920**	**37.60%**	34,784,673,058	35.06%
	₱112,477,276,350	**100.00%**	₱99,212,324,201	100.00%

	Parent Company			
	December 31, 2022		December 31, 2021	
	Amount	**%**	Amount	%
Secured by:				
Real estate	**₱52,067,647,232**	**47.69%**	₱45,520,389,919	46.89%
Chattel	**10,297,788,599**	**9.43%**	10,365,977,568	10.68%
Deposit hold-outs	**4,180,362,018**	**3.83%**	4,490,361,432	4.63%
Others	**3,596,952,980**	**3.29%**	3,726,625,761	3.83%
	70,142,750,829	**64.25%**	64,103,354,680	66.03%
Unsecured	**39,026,800,225**	**35.75%**	32,981,388,608	33.97%
	₱109,169,551,054	**100.00%**	₱97,084,743,288	100.00%

Others include jewelry, mortgage trust indenture, company guarantees, deed of assignments of receivables and deed of suretyships.

As of December 31, 2022 and 2021, details of status of loans follow:

	Consolidated			
	Performing		**Non-Performing**	
	2022	2021	**2022**	2021
Commercial loan	**₱61,374,803,462**	₱56,991,325,362	**₱2,595,232,737**	₱887,730,569
Consumption	**13,034,589,898**	10,322,723,002	**729,031,910**	775,541,006
Domestic bills purchased	**461,467,080**	516,654,187	**–**	–
Real estate	**32,724,204,435**	28,099,171,510	**1,557,946,828**	1,619,178,565
	₱107,595,064,875	₱95,929,874,061	**₱4,882,211,475**	₱3,282,450,140

	Parent			
	Performing		**Non-Performing**	
	2022	2021	**2022**	2021
Commercial loan	**₱61,440,752,735**	₱57,005,760,391	**₱2,555,926,276**	₱839,278,098
Consumption	**9,934,207,851**	8,539,979,204	**502,070,144**	607,225,903
Domestic bills purchased	**461,467,080**	516,654,187	**–**	–
Real estate	**32,721,223,946**	27,957,439,194	**1,553,903,022**	1,618,406,311
	₱104,557,651,612	₱94,019,832,976	**₱4,611,899,442**	₱3,064,910,312

Under banking regulations, loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered nonperforming if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

The Group classifies its loans and receivables as NPL in compliance with BSP regulations, or when, in the opinion of management, collection of interest or principal is doubtful. Loans and receivables are not reclassified as performing until interest and principal payments are brought current or the loans are restructured in accordance with existing BSP regulations and future payments appear assured.

As of December 31, 2022 and 2021, details of gross NPLs follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Secured	**₱2,249,455,925**	₱2,406,384,269	**₱2,215,981,206**	₱2,360,457,804
Unsecured	**2,632,755,550**	876,065,871	**2,395,918,236**	704,452,508
	₱4,882,211,475	₱3,282,450,140	**₱4,611,899,442**	₱3,064,910,312

As of December 31, 2021, 2020 and 2019, 70.19%, 67.61% and 40.91%, respectively, of the Group's total receivables from customers are subject to periodic interest repricing.

As of December 31, 2021, 2020 and 2019, 70.19%, 68.93% and 41.72%, respectively of the Parent Company's total receivables from customers are subject to periodic interest repricing.

As of December 31, 2021, 2020 and 2019, net NPLs of the Group and of the Parent Company as follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Total NPLs	**₱4,882,211,475**	₱3,282,450,140	**₱4,611,899,442**	₱3,064,910,312
Deductions as required by the BSP*	**2,154,429,211**	2,255,828,787	**1,934,015,851**	2,026,223,095
	₱2,727,782,264	₱1,026,621,353	**₱2,677,883,591**	1,038,687,217

**Allowance for credit losses per BSP*

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Total NPLs	**₱4,882,211,475**	₱3,282,450,140	**₱4,611,899,442**	₱3,064,910,312
Specific allowance for credit losses on NPL*	**2,017,661,538**	1,379,524,588	**1,799,875,492**	1,171,703,290
	₱2,864,549,937	₱1,902,925,552	**₱2,812,023,950**	₱1,893,207,022

**for NPL Cover ratio computation*

Restructured receivables which do not meet the requirements to be treated as performing receivables shall also be considered as NPLs.

Significant credit exposures as to industry/economic sector

As of December 31, 2022 and 2021, information on the concentration of credit as to industry follows (in millions):

	Consolidated				Parent Company			
	2022		2021		**2022**		2021	
	Amount	**%**	Amount	%	**Amount**	**%**	**Amount**	**%**
Real estate activities	**₱39,803**	**35%**	₱35,415	36%	**₱39,795**	**36%**	₱35,257	36%
Wholesale and retail trade, repair of motor vehicles, motorcycles	**13,008**	**12%**	12,298	12%	**12,936**	**12%**	12,118	13%
Activities of households as employers and undiffrentiated goods-and-services-producing activities of households for own use	**–**	**0%**	8,509	9%	**–**	**0%**	8,509	9%
Manufacturing	**14,044**	**11%**	13,368	14%	**14,043**	**13%**	13,363	14%
Electricity, gas, steam and air conditioning supply	**5,589**	**5%**	5,867	6%	**5,589**	**5%**	5,867	6%
Transportation and storage	**8,611**	**8%**	8,157	7%	**8,610**	**8%**	8,155	7%

(Forward)

	Consolidated				Parent Company			
	2022		2021		**2022**		2021	
	Amount	**%**	Amount	%	**Amount**	**%**	**Amount**	**%**
Financial and insurance activities	**₱4,115**	**4%**	2,470	2%	**₱4,115**	**4%**	₱2,470	3%
Arts, entertainment and recreation	**2,068**	**2%**	1,762	2%	**2,068**	**2%**	1,762	2%
Accommodation and food service activities	**2,423**	**2%**	2,527	3%	**2,420**	**2%**	2,522	3%
Agriculture, forestry and fishing	**1,187**	**1%**	633	1%	**1,158**	**1%**	599	1%
Information and communication	**716**	**1%**	636	1%	**715**	**1%**	636	1%
Construction	**4,175**	**4%**	3,218	3%	**4,170**	**4%**	3,203	3%
Administrative and support service activities	**757**	**1%**	212	0%	**757**	**1%**	212	0%
Water supply, sewerage, waste management and remediation services	**1,533**	**1%**	1,197	1%	**1,533**	**1%**	1,197	1%
Other service activities	**14,448**	**13%**	2,943	3%	**11,261**	**10%**	1,215	1%
	₱112,477	**100%**	₱99,212	100%	**₱109,170**	**100%**	₱97,085	100%

Other service activities include public administration and defense, compulsory social security, education, human health, social work, professional, scientific, technical, mining and quarrying activities.

The BSP considers that concentration risk exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of the total loan portfolio or 10.00% of Tier 1 capital.

Real estate activities accounted for bulk of industry / economic sector credit exposures. However, 78% of this exposure is comprised of Housing Loans which per BSP Circular 600 Limit on Real Estate Loans of Universal Banks (UB) / Commercial Banks (KB), is excluded from the computation of real estate loans for UBs and KBs. The Bank's Real Estate exposure is compliant with BSP Circular 600 which stipulates that loans extended to individual households for purposes of financing the acquisition of any associated land that is or will be occupied by the borrower and those extended to developers/construction companies for acquisition/development of land, construction/ sale of buildings and/or residential properties including housing units should not exceed 25% of total loan portfolio net of interbank loans.

Restructured receivables of the Parent Company as of December 31, 2022 and 2021 amounted to ₱509.49 million and ₱287.69 million, respectively.

Information on related party loans

In the ordinary course of business, the Parent Company has loan transactions with affiliates and with certain DOSRI. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the Parent Company. In the aggregate, loans to DOSRI generally should not exceed the Bank's total regulatory capital or 15.00% of total loan portfolio, whichever is lower.

On January 31, 2007, BSP Circular No. 560 was issued providing the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said circular, the total outstanding exposures to each of the bank's subsidiaries and affiliates shall not exceed 10.00% of bank's net worth, the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank. BSP Circular No. 560 is effective on February 15, 2007.

The following table shows information relating to DOSRI accounts of the Group and Parent Company:

	Consolidated		Parent Company	
	2022	2020	**2022**	2020
Total outstanding DOSRI accounts	**₱5,661,572,534**	₱4,771,777,692	**₱5,661,525,553**	₱4,771,730,711
Percent of DOSRI accounts to total loans	**5.04%**	5.54%	**5.19%**	5.63%
Percent of past due DOSRI loans to total DOSRI loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of nonperforming DOSRI loans to total DOSRI loans	**0.00%**	0.02%	**0.00%**	0.01%
Percent of unsecured DOSRI loans to total DOSRI loans	**1.45%**	1.38%	**1.45%**	1.38%

The Parent Company has no assets pledged as collaterals on its liabilities.

Commitments and contingent liabilities

Following is a summary of the Group's commitments and contingent liabilities at their equivalent peso contractual amounts:

	Consolidated		Parent Company	
	2022	2020	**2022**	2020
Trust and investment group accounts (Note 26)	**₱35,036,174,465**	₱35,673,879,283	**₱35,036,174,465**	₱35,673,879,283
Committed credit lines	**7,686,944,261**	7,659,531,656	**7,686,944,261**	7,659,531,656
Guarantees issued	**1,840,289,166**	1,850,923,767	**1,840,289,166**	1,850,923,767
Spot exchange - foreign currency	**1,132,016,250**	537,380,930	**1,132,016,250**	537,380,930
Inward bills for collection	**779,150,580**	2,271,244,978	**779,150,580**	2,271,244,978
Outward bills for collection	**452,029,817**	124,641,556	**452,029,817**	124,641,556
Letters of credit	**319,247,791**	667,045,172	**319,247,791**	667,045,172
Late deposit/payment received	**42,319,307**	20,604,807	**41,823,498**	20,549,807
Contingent - foreign currency swap	**41,380,038**	–	**41,380,038**	–
Items held for safekeeping	**193,312**	188,923	**178,807**	173,789
Other contingent account	**182,055**	184,260	**178,686**	178,686

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULE**

The Stockholders and the Board of Directors
Robinsons Bank Corporation
17th Floor, Galleria Corporate Center
EDSA corner Ortigas Avenue
Quezon City

We have audited the accompanying financial statements of Robinsons Bank Corporation and its subsidiary (the Group) and the parent company financial statements of Robinsons Bank Corporation (the Parent Company) as at December 31, 2022 and for the years then ended, on which we have rendered the attached report dated April 26, 2023.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the Group and the Parent Company has four (4) stockholders owning more than one hundred (100) shares.

SYCIP GORRES VELAYO & CO.

Juan Carlo Maminta

Juan Carlo B. Maminta
Partner
CPA Certificate No. 115260
Tax Identification No. 210-320-399
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 115260-SEC (Group A)
Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-132-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9564655, January 3, 2023, Makati City

April 26, 2023

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**INDEPENDENT AUDITOR'S REPORT
ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Robinsons Bank Corporation
17th floor, Galleria Corporate Center
EDSA corner Ortigas Avenue
Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated and parent company financial statements of Robinsons Bank Corporation and Subsidiary (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 26, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated and parent company financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated and parent company financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated and parent company financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated and parent company financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Juan Carlo Maminta

Juan Carlo B. Maminta
Partner
CPA Certificate No. 115260
Tax Identification No. 210-320-399
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 115260-SEC (Group A)
Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-132-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9564655, January 3, 2023, Makati City

April 26, 2023

ROBINSONS BANK CORPORATION AND SUBSIDIARY
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2022

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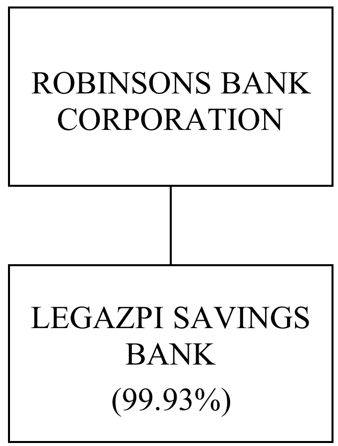
ROBINSONS BANK CORPORATION
SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2022

The table below presents the retained earnings available for dividend declaration as of December 31, 2022:

Unappropriated Retained Earnings, beginning	**₱3,853,493,610**
Adjustments:	
Accumulated equity in net income of subsidiary	(181,109,916)
Accumulated equity in net income of associates	(3,145,148)
Deferred tax assets	(716,209,776)
Unrealized gain on foreclosure of investment properties and repossessed chattels	(256,716,098)
Unappropriated Retained Earnings, as adjusted, beginning	**2,696,312,672**
Add: Net income actually earned/realized during the year	
Net income during the period closed to Retained Earnings	1,402,478,844
Less: Non-actual/unrealized income net of tax	
Benefits from deferred tax assets	93,037,681
Unrealized gain on foreclosure of investment properties	102,522,762
Subtotal	**1,206,918,401**
Other Adjustments	
Appropriations of retained earnings during the year	(126,386,854)
Dividends declarations during the year	(305,400,000)
Subtotal	**(431,786,854)**
Total Retained Earnings available for dividend declaration as of December 31, 2022	**₱3,471,444,219**

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE II
MAP SHOWING RELATIONSHIPS BETWEEN AND AMONG PARENT AND SUBSIDIARY



ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE A -FINANCIAL ASSETS
DECEMBER 31, 2022

Name of Issuing Entity and Description of Each Issue	Amount Shown in the Balance Sheet/Notes	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial Assets at Fair Value Through Profit or Loss			
Various/Government Bonds	₱518,889	₱518,889	₱1,488,724
	518,889	**518,889**	**1,488,724**
Financial Assets at Fair Value Through Other Comprehensive Income			
Various/Government Bonds	2,771,089,142	2,771,089,142	228,060,993
Various/Private Bonds	3,752,835,056	3,752,835,056	320,618,150
Various Equity Quoted Securities	172,287,500	172,287,500	
Various Equity Unquoted Securities	32,958,089	32,958,089	
	6,729,169,787	**6,729,169,787**	**548,679,143**
Financial Assets at Amortized Cost			
Various/Government Bonds	22,790,522,641	22,790,522,641	659,605,341
Various/Private Bonds	11,027,667,965	11,027,667,965	377,995,502
	33,818,190,606	**33,818,190,606**	**1,037,600,843**
	₱40,547,879,282	**₱40,547,879,282**	**₱1,587,768,710**

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2022

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non-Current	Balance at end of period

NONE TO REPORT

Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2022

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non- Current	Balance at end of period
Legazpi Savings Bank (Subsidiary)	**₱6,617,559**	**₱21,645,943**	**₱21,794,223**	**₱–**	**₱6,469,279**	**₱–**	**₱6,469,279**

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2022

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion"	Amount shown under caption "Long-Term Debt"	Interest Rate %	Maturity Date
Long-term Negotiable Certificates of Deposit **(**maturing on December 16,2022**)**	**3,000,000,000** **(**With a right to increase the aggregate issue up to 5,000,000,000 in the event of over subscription**)**	**-**	**-**	**4**	**12/16/2022**
Long-term Negotiable Certificates of Deposit (maturing on January 16, 2024)	Up to P5,000,000,000	**₱–**	**₱1,776,813,247**	**5**	**1/16/2024**
Time Deposits		**₱9,532,973,231**	**₱10,818,772,242**	**0.00-5.75**	**Various dates**
Bills Payable		**₱5,425,589,469**	**₱10,000,000,000**	**3.00-6.675**	**Various dates**

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2022

Name of Related Parties [(i)]	Balance at beginning of period	Balance at end of period [(ii)]

- NONE TO REPORT -

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2022

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person of which statement is filed	Nature of guarantee

- NONE TO REPORT -

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2022

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱10 par value	2,700,000,000	1,500,000,00	−	**1,499,975,248**	**11**	**24,741**

ROBINSONS BANK CORPORATION AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS RATIOS
AS AT DECEMBER 31, 2022 AND 2021

	CONSOLIDATED		PARENT COMPANY	
Liquidity ratio				
	2022	2021	**2022**	2021
Liquid assets	**₱27,983,355,231**	₱39,664,799,542	**₱26,690,733,599**	₱38,961,206,247
Total assets	**187,829,559,854**	179,769,809,903	**183,891,618,841**	177,468,582,339
Ratio of liquid assets to total assets	**14.90%**	22.06%	**14.51%**	21.95%
	2022	2021	**2022**	2021
Loans (net)	**₱112,866,757,417**	₱99,211,620,970	**₱109,924,437,008**	₱97,373,458,296
Total deposits	**146,300,438,456**	152,986,574,560	**142,500,540,600**	150,806,158,940
Ratio of loans to total deposit	**77.15%**	64.85%	**77.14%**	64.57%
Debt to equity ratio				
	2022	2021	**2022**	2021
Total liabilities	**₱167,978,898,335**	₱161,332,690,765	**₱164,040,957,322**	₱159,031,463,201
Total equity	**19,850,661,519**	18,437,119,138	**19,850,661,519**	18,437,119,138
Ratio of debt to equity	**846.22%**	875.04%	**826.38%**	862.56%
Asset to equity ratio				
	2022	2021	**2022**	2021
Total assets	**₱187,829,559,854**	₱179,769,809,903	**₱183,891,618,841**	₱177,468,582,339
Total equity	**19,850,661,519**	18,437,119,138	**19,850,661,519**	18,437,119,138
Ratio of total assets to equity	**946.21%**	975.04%	**926.38%**	962.56%
Interest rate coverage ratio				
	2022	2021	**2022**	2021
Income before income tax	**₱1,735,763,993**	₱1,522,442,882	**₱1,684,111,272**	₱1,533,435,023
Interest expense	**2,075,019,285**	1,491,646,277	**2,013,738,251**	1,456,724,838
Interest coverage ratio	**83.65%**	102.06%	**83.63%**	105.27%
Profitability ratio				
	2022	2021	**2022**	2021
Net income	**₱1,402,478,844**	₱1,216,105,044	**₱1,402,478,844**	₱1,216,105,044
Average total equity	**19,143,890,329**	18,381,366,758	**19,143,890,329**	18,381,366,758
Return on average equity	**7.33%**	6.62%	**7.33%**	6.62%

Net income	**₱1,402,478,844**	₱1,216,105,044	**₱1,402,478,844**	₱1,216,105,044
Average total assets	**183,799,684,879**	165,458,281,930	**180,680,100,590**	163,224,605,682
Return on average assets	**0.76%**	0.73%	**0.78%**	0.75%
Net financial margin	**₱7,647,300,503**	₱6,820,764,468	**₱7,368,956,131**	₱6,521,881,965
Average interest earning asset	**173,022,291,030**	156,312,700,862	**169,729,118,444**	153,935,515,331
Net interest margin on average earning assets	**4.42%**	4.36%	**4.34%**	4.24%

Asset quality ratio

	2022	2021	**2022**	2021
Non-performing loans (net of specific allowance)	**₱2,864,549,937**	₱1,902,925,552	**₱2,812,023,919**	₱1,893,207,022
Gross Loans	**112,477,276,350**	99,212,324,201	**109,169,551,054**	97,084,743,288
Non-performing loans ratio*	**2.55%**	1.92%	**2.58%**	1.95%
Allowance for probable losses	**₱2,644,128,271**	₱2,255,828,786	**₱2,417,910,052**	₱2,026,223,095
Non-performing loans (gross of allowance)	**4,882,211,475**	3,282,450,140	**4,611,899,442**	3,064,910,312
Non-performing loan cover*	**54.16%**	68.72%	**52.43%**	66.11%

** Computed based on BSP Circular 772*