



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 956 Series of 2017

Subject: Amendments to the Guidelines on the Submission of Annual Reports and the Sanctions to be Imposed for Non-Disclosure of Relevant Information

The Monetary Board, in its Resolution No. 461 dated 16 March 2017, approved the following amendments to the Guidelines on the submission of Annual Reports of banks and quasi-banks (QBs) as well as the sanctions to be imposed for non-disclosure of relevant information as provided for under existing regulations, as follows:

Section 1. Subsection X190.5 (2008 – X166.5) of the Manual of Regulations for Banks (MORB) is hereby amended to read, as follows:

Subsection X190.5 (2008 – X166.5) “Disclosure requirements in the Annual Report. It is the thrust of the Bangko Sentral ng Pilipinas (Bangko Sentral) to promote greater disclosure and transparency to the public. In line with this, the Bangko Sentral recognizes the importance of the Annual Report in providing financial information on the bank, which will be useful to the public in understanding the true condition of the bank. This is consistent with financial consumer protection and aligned with international best practices. Accordingly, the Bangko Sentral revised the minimum disclosure requirements in the Annual Report of banks to ensure that proper disclosure is made on all significant matters regarding the bank, including its financial condition, performance, ownership and governance.

Consistent with the principles embodied under Subsec. X141.3 of the MORB, the board of directors shall have the overall responsibility in ensuring that the Annual Report of the bank fully discloses the minimum disclosure requirements as included in this Subsection. The board of directors may delegate its oversight function to a board-level committee which shall have oversight over the preparation of the Annual Report.

All banks shall prepare an Annual Report which shall include a discussion and/or analysis of the following minimum information in no particular order:

- a. Corporate Policy;
- b. Financial Summary/Financial Highlights;
- c. Financial Condition and Results of Operations;
- d. Risk Management Framework, including practices to mitigate and/or prevent money laundering and terrorist financing risks;
- e. Corporate Governance;
- f. Corporate Information; and

- g. Audited Financial Statements (AFS). For banks with subsidiaries, the AFS should be presented side by side on a solo basis (parent) and on a consolidated basis (parent and subsidiaries) as provided under Sec. X190 of the MORB.

For complex banks¹ with various business segments, it shall also disclose the "Financial Results of Business Segments".

The guidelines for the preparation of disclosure requirements in the Annual Report are provided in *Appendix 119* (Annex A-1 of this Circular).

Additional disclosure requirements for universal banks (UBs) and commercial banks (KBs), as well as their subsidiary banks, are found under Part IX of *Appendix 63b*. For stand-alone thrift banks (TBs), rural banks (RBs), and cooperative banks (Coop Banks), additional disclosure requirements are found under Part V of *Appendix 63c*.

Locally incorporated subsidiary banks of foreign banks shall likewise be covered by the requirements of this Subsection. Branches of foreign banks are exempted from compliance with the guidelines.

The revised disclosures shall commence with Annual Reports for financial year 2017."

Section 2. Subsection X190.6 shall be amended to read, as follows:

"Subsection X190.6 (2008 – X166.6) *Posting and submission of Annual Report.* A copy of the latest Annual Report shall be posted/displayed by the bank in a conspicuous place in its head office, all its branches and other offices. The Annual Report should also be published in the bank's website. ✓

Covered banks shall submit the Annual Report Assessment Checklist (ARAC)² together with the Annual Report. The ARAC identifies the pages and sections of the Annual Report corresponding to the disclosures.

The deadline for the submission of the Annual Report and ARAC to the appropriate department of the SES is 180 calendar days after the close of the calendar or fiscal year adopted by the bank.

Banks under the concurrent jurisdiction of the Bangko Sentral and Commission on Audit (COA), however, shall submit the Annual Report and ARAC to the appropriate department of the SES within 100 calendar days after receipt of the annual audit report by the board of directors.

The Annual Report shall be submitted in soft copy to the Bangko Sentral and shall be in Portable Document Format (PDF) as provided in *Appendix 6*. Transmittal of the soft

¹ As defined under Subsec. X141.3 of the MORB

copy of the report shall be covered by a letter to the appropriate department of the SES. On the other hand, banks shall continue to submit the ARAC in hard copy.”

Section 3. The provisions of Subsection 4190Q.5 (2008 – 4172Q.4) of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFi) are amended to read, as follows:

“Subsection 4190Q.5 (2008 – 4172Q.4) *Disclosure requirements in the Annual Report.* It is the thrust of the Bangko Sentral to promote greater disclosure and transparency to the public. In line with this, the Bangko Sentral recognizes the importance of the Annual Report in providing financial information on the QB, which will be useful to the public in making financial decisions. This is consistent with financial consumer protection and aligned with international best practices. Accordingly, the Bangko Sentral revised the minimum disclosure requirements in the Annual Report of QBs to ensure that proper disclosure is made on all significant matters regarding the QB, including its financial condition, performance, ownership and governance.

Consistent with the principles embodied under Subsec. 4141Q.3, the board of directors shall have the overall responsibility in ensuring that the Annual Report of the QB fully discloses the minimum disclosure requirements as included in this subsection. The board of directors may delegate its oversight function to a board-level committee which shall have oversight over the preparation of the Annual Report.

All QBs shall prepare an Annual Report which shall include, in addition to the audited financial statements and other usual information contained therein, a discussion and/or analysis of the following information in no particular order:

- a. Corporate Policy;
- b. Financial Summary/Financial Highlights;
- c. Financial Condition and Results of Operations;
- d. Financial Results of Business Segments, as may be applicable;
- e. Risk Management Framework, including practices to mitigate and/or prevent money laundering and terrorist financing risks;
- f. Corporate Governance;
- g. Corporate Information; and
- h. Audited Financial Statements (AFS). For QBs with subsidiaries, the AFS should be presented side by side on a solo basis (parent) and on a consolidated basis (parent and subsidiaries) as provided under Sec. 4190Q.

The guidelines for the preparation of disclosure requirements in the Annual Report are provided in *Appendix Q-72* (Annex A-2 of this Circular).

In addition to the foregoing, QBs which are subsidiaries of UBs/KBs shall also prepare disclosure requirements found under Part IX of *Appendix Q-46* of the MORNBFi.

The revised disclosures shall commence with Annual Reports for financial year 2017.”

Section 4. Subsection 4190Q.6 shall be amended to read, as follows:

"Subsection 4190Q.6 (2008 – 4172Q.5) Posting and submission of Annual Report.

A copy of the latest Annual Report shall be posted/displayed by the QB in a conspicuous place in its head office, all its branches and other offices. The Annual Report should also be published in the QB's website. ✓

Covered QBs shall submit the Annual Report Assessment Checklist (ARAC) together with the Annual Report. The ARAC identifies the pages and sections of the Annual Report corresponding to the disclosures.

The deadline for the submission of the Annual Report and ARAC to the appropriate department of the SES is 180 calendar days after the close of the calendar or fiscal year adopted by the QB.

QBs under the concurrent jurisdiction of the Bangko Sentral and COA, however, shall submit the Annual Report and ARAC to the appropriate department of the SES within 100 calendar days after receipt of the annual audit report by the board of directors.

The Annual Report shall be submitted in soft copy to the Bangko Sentral and shall be in Portable Document Format (PDF) as provided in *Appendix Q-3*. Transmittal of the soft copy of the report shall be covered by a letter to the appropriate department of the SES. On the other hand, QBs shall continue to submit the ARAC in hard copy."

Section 5. Subsections X190.7 and 4190Q.7 of MORB and MORNBF, respectively, shall be added to read, as follows:

"Subsection X190.7/4190Q.7 Sanctions for non-disclosure of certain information and/or delayed submission of Annual Report.

a. Non-disclosure of certain information. Willful non-disclosure or erroneous disclosure of any item required to be disclosed under Subsec. X190.5/4190Q.5 on disclosure requirements in the Annual Report shall be considered as a serious offense for purposes of determining the appropriate penalty that will be imposed on the bank/QB.

The Bangko Sentral shall also determine if the non-disclosure or erroneous disclosure involves material information that may mislead the public, which warrants stiffer sanctions as provided under Section X009/4009Q.

Material information refers to information which if omitted or misstated, could change or influence the assessment or decisions of a person relying on the disclosure, such as depositors, creditors, investors, and professional analysts, for the purpose of making deposits and investments, among others.

b. *Delayed submission of Annual Report.* Sanctions in case of willful delay in the submission of Annual Report and the ARAC shall be in accordance with the provision under Subsec. X192.2/4192Q.2."

Section 6. The provisions of Subsection X115.9(b), Section X118(c)(2) Item (a), and Part VIII of Appendix 63c Item (B) of the MORB and Subsection 4115Q.9(b) of the MORNBF are hereby amended to read, as follows:

"Subsection X115.9(b)/Section X118(c)(2) Item (a)/Part VIII of Appendix 63c Item (B)/Subsection 4115Q.9(b) Sanctions

For non-compliance with required disclosures. Willful non-disclosure or erroneous disclosure of any item required to be disclosed under this framework in the Published Statement of Condition shall be considered as a serious offense for purposes of determining the appropriate penalty that will be imposed on the bank/QB. x x x"

Section 7. Effectivity

This Circular shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Officer-in-Charge

17 April 2017

DISCLOSURE REQUIREMENTS IN THE ANNUAL REPORT

(Appendix to Subsec. X190.5 of the MORB)

Introduction

This Appendix outlines the guidelines on the minimum disclosure requirements of the Bangko Sentral ng Pilipinas for the Annual Reports of banks.

The guidelines shall take effect for financial year 2017.

Basic Disclosure Requirements

All banks shall prepare an Annual Report which shall include a discussion and/or analysis of the following minimum information:

1. Corporate Policy

A brief discussion of the following information covering the first page of the Annual Report:

- a. Brief discussion of bank's vision and mission statements
- b. Introduction of the bank's brand that differentiates it from other banks
- c. Business model of the bank

2. Financial Summary/Financial Highlights

A two (2)-Year comparative presentation of selected profitability, capital, performance, and balance sheet data/ratios which will serve as a snapshot of the bank's financial condition to be presented after *Item "1"* above on Corporate Policy. The bank may use the template below:

Minimum Required Data	Consolidated ¹		Parent Bank (Solo)	
	Current Year	Previous Year	Current Year	Previous Year
Profitability				
Total Net Interest Income				
Total Non-Interest Income				
Total Non-interest Expenses				
Pre-provision profit				
Allowance for credit losses				
Net Income				
Selected Balance Sheet Data				
Liquid Assets				
Gross Loans				
Total Assets				

¹ Consolidated amounts of Parent and Subsidiaries

Minimum Required Data	Consolidated ¹		Parent Bank (Solo)	
	Current Year	Previous Year	Current Year	Previous Year
Deposits				
Total Equity				
Selected Ratios				
Return on equity				
Return on assets				
CET 1 capital ratio (for UBs/KBs)				
Tier 1 capital ratio (for UBs/KBs)				
Capital Adequacy Ratio				
Per common share data (For UBs, KBs and publicly listed Banks)				
Net Income per share:				
Basic				
Diluted				
Book value				
Others				
Cash dividends declared				
Headcount				
Officers				
Staff				

For banks with subsidiaries, the Financial Summary/Financial Highlights should be presented side by side on a solo basis (parent) and on a consolidated basis (parent and subsidiaries) as provided under Sec. X190 of the MORB Financial Condition and Results of Operations

3. Financial Condition and Results of Operation

A report from either the chairman or president/chief executive officer or officer of equivalent rank addressed to the stockholders and other stakeholders of the bank covering the following information:

- Review of bank's operations and result of operations for the financial year including details and explanations for any significant change during the year
- Highlight of major activities during the year that impact operations, if any
- Major strategic initiatives of the bank and the banking group, as applicable
- Challenges, opportunities, and responses during the year, if any

4. Risk Management Framework Adopted

This section highlights the bank's board-approved risk management framework and should include at a minimum the following information:

- Overall risk management culture and philosophy (discuss the general mission and goal of the bank's risk management practices and the corresponding risk management policy/principles adopted by the bank's board for the attainment of the said mission and goal)

- b. Risk appetite and strategy (describe the risk appetite of the Bank and the factors considered in defining the said risk appetite; and discuss the significant risk areas/exposures of the bank)
- c. Bank-wide risk governance structure and risk management process (Define the roles and responsibilities and the reporting lines for the different business units that composed the risk management group/unit. For better appreciation, illustrate in a chart/table form the risk management structure and organization of the relevant risk management function. Discuss also the scope and nature of risk reporting and/or measurement systems)
- d. AML governance and culture, and description of the overall Money Laundering (ML)/Terrorist Financing (TF) risk management framework to prevent the use of the bank for ML/TF activities

5. Corporate Governance

This section comprehensively discusses the bank's corporate governance framework and corporate culture adopted by the bank and the banking group, as applicable. The following minimum information should be disclosed in this section:

- a. Overall corporate governance structure and practices (describe the overall governance framework adopted by the bank)
- b. Selection process for the board and senior management (describe the bank's process/procedure for identifying, assessing and selecting board and senior management candidates to ensure application of fit and proper standards)
- c. Board's overall responsibility (describe the general responsibility of the board in the approval and oversight of management's implementation of bank's strategic objectives, risk strategy, corporate governance and corporate values, among others)
- d. Description of the major role and contribution of the chairman of the board
- e. Board composition (include the names of the members of the board. For each member, include the following:
 - i. Type of directorship [executive, non-executive, or independent director];
 - ii. The principal stockholder represented if nominee;
 - iii. The number of years served as director;
 - iv. Number of direct and indirect shares held; and
 - v. Percentage of shares held to total outstanding shares of the bank.
- f. Board qualification (provide details of the relevant qualifications and experiences of each member of the board of directors, including current directorship and officership in other companies, their age and nationality).
- g. List of board-level committees including membership and function.

- h. Directors' attendance at board and committee meetings (include the total number of board and committee meetings for the election year and the number of board and committee meetings attended by each director²). A sample template is provided below.

Name of Directors	Board Number of Meetings		[Name of Board Committee] Number of Meetings		[Name of Board Committee] Number of Meetings		[Name of Board Committee] Number of Meetings		[Name of Board Committee] Number of Meetings	
	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%
1										
2										
3										
4										
5										
Total Number of Meetings Held During the Year										

- i. Changes in the board of directors (*for complex banks only*) (indicate the changes in the composition of the board of directors that happened during the period including the reason for said change, i.e., resignation, death, removal)
- j. List of executive officers/senior management (disclose the name, position, relevant qualifications/experience, age and nationality of the officer. Senior management refers to the president/CEO or officer of equivalent rank and other persons having authority and responsibility for planning, directing and controlling the activities of the bank).
- k. Performance Assessment Program (describe the process adopted by the Bank in assessing the performance of the board and senior management based on established performance standards that are consistent with the bank's strategic objectives).
- l. Orientation and Education Program (disclose the in-house and external training program of the bank for its directors and senior management to ensure that they continuously possess the qualifications for the position).
- m. Retirement and Succession Policy (describe the retirement and succession policy of the bank including the retirement age for the board and senior management; and the term limit for the members of the board).
- n. Remuneration policy
- i. Remuneration Policy and Structure for executive and non-executive directors (disclose the bank's remuneration policy and the structure of its remuneration package for the Board).

² Past and present directors during the year

- ii. Remuneration Policy for senior management (disclose the process used for determining the remuneration of the president/CEO or officer of equivalent rank, and the four (4) most highly compensated management officers of the bank).
- o. Policies and procedures on related party transactions
 - i. Describe the bank's overarching policies and procedures for managing related party transactions (RPT) as defined under Subsec. X146.1 of the MORB, including managing of conflicts of interest or potential conflicts of interest; and responsibility of the RPT Committee³.
 - ii. Conglomerate structure (for UBs and KBs that are part of conglomerates under Subsec. X146.3 of the MORB).
 - iii. Provide the details of material RPTs as defined under Subsec. X146.2(e) of the MORB, including the nature, terms and conditions, as well as original and outstanding individual and aggregate balances, including off-balance sheet commitments.
- p. Self-Assessment Function
 - i. Describe the structure of the internal audit and compliance functions including its role, mandate/authority, and reporting process
 - ii. Describe the review process adopted by the board to ensure effectiveness and adequacy of the internal control system
- q. Dividend policy (discuss the bank's policies and procedures for declaring dividends and the amount of total dividends declared during the year, if any)
- r. Corporate Social Responsibility Initiatives (discuss any initiative undertaken or proposed to be undertaken by the bank during the year)
- s. Consumer Protection Practices⁴
 - i. Describe the role and responsibility of the board and senior management for the development of consumer protection strategy and establishment of an effective oversight over the bank's consumer protection programs;
 - ii. Describe the consumer protection risk management system of the bank, i.e., means by which a bank identify, measure, monitor, and control consumer protection risks inherent in its operations; and
 - iii. Describe the consumer assistance management system of the bank which shall include the consumer assistance policies and procedures as well as the corporate structure for handling complaints.

6. Corporate Information

- a. Present the organizational structure, including the name and position of key officers

³ As required under Subsec. X146.2(a)(7) of the MORB

⁴ As required under Sec. X1001 of the MORB on Consumer Protection Oversight Function

- b. List of major stockholders⁵ of the bank, including nationality, percentage of stockholdings and voting status
- c. List and description of products and services offered
- d. Bank website (as applicable)
- e. List of banking units (such as branches, extension offices, other banking offices, and representative offices) domestic and abroad including address and contact details (optional for banks that disclose these information in their websites)

7. Audited Financial Statements (AFS) with Auditor's Opinion

The AFS for the calendar or fiscal year including the opinion of the external auditor of the bank should be presented in full in the Annual Report. For banks with subsidiaries, the AFS should be presented side by side on a solo basis (parent) and on a consolidated basis (parent and subsidiaries) as provided under Sec. X190 of the MORB.

For complex banks⁶ with various business segments, it shall also submit Financial Results of Major Business Segments with a summary report from each business segment (such as corporate banking, consumer banking, treasury, trust, wealth management, among others) highlighting the following minimum information:

- a. Summary of financial performance of the business segment for the year
- b. Contribution of business segment to the total revenue of the bank during the year
- c. Significant developments during the year including major activities
- d. Future plans/targets/objectives

⁵ Stockholders owning more than twenty percent (20%) of voting shares of stock of a bank or which enables such stockholder to elect, or be elected as, a director of such bank.

⁶ As defined under Subsec. X141.3 of the MORB

DISCLOSURE REQUIREMENTS IN THE ANNUAL REPORT

(Appendix to Subsec. 4190Q.5)

Introduction

This Appendix outlines the guidelines on the minimum disclosure requirements of the Bangko Sentral ng Pilipinas for the Annual Report of quasi-banks (QBs).

The guidelines shall take effect for financial year 2017.

Basic Disclosure Requirements

All QBs shall prepare an Annual Report which shall include a discussion and/or analysis of the following minimum information:

1. Corporate Policy

A brief discussion of the following information covering the first page of the Annual Report:

- a. Brief discussion of QB's vision and mission statements
- b. Introduction of the QB's brand that differentiates it from other QBs
- c. Business model of the QB

2. Financial Summary/Financial Highlights

A two (2)-Year comparative presentation of selected profitability, capital, performance, and balance sheet data/ratios which will serve as a snapshot of the QB's financial condition to be presented after *Item "1"* above on Corporate Policy. The QB may use the template below:

Minimum Required Data	Consolidated ¹		Parent Entity (Solo)	
	Current Year	Previous Year	Current Year	Previous Year
Profitability				
Total Net Interest Income				
Total Non-Interest Income				
Total Non-interest Expenses				
Pre-provision profit				
Allowance for credit losses				
Net Income				
Selected Balance Sheet Data				
Liquid Assets				
Gross Loans				
Total Assets				

¹ Consolidated amounts of Parent and Subsidiaries

Minimum Required Data	Consolidated ¹		Parent Entity (Solo)	
	Current Year	Previous Year	Current Year	Previous Year
Deposits				
Total Equity				
Selected Ratios				
Return on equity				
Return on assets				
CET 1 capital ratio (for UBs/KBs)				
Tier 1 capital ratio (for UBs/KBs)				
Capital Adequacy Ratio				
Per common share data (For UBs, KBs and publicly listed Banks)				
Net Income per share:				
Basic				
Diluted				
Book value				
Others				
Cash dividends declared				
Headcount				
Officers				
Staff				

For QBs with subsidiaries, the Financial Summary/Financial Highlights should be presented side by side on a solo basis (parent) and on a consolidated basis (parent and subsidiaries) as provided under Sec. X190 of the MORB Financial Condition and Results of Operations

3. Financial Condition and Results of Operation

A report from either the chairman or president/chief executive officer or officer of equivalent rank addressed to the stockholders and other stakeholders of the QB covering the following information:

- Review of QB's operations and result of operations for the financial year including details and explanations for any significant change during the year
- Highlight of major activities during the year that impact operations, if any
- Major strategic initiatives of the QB and its subsidiaries, as applicable
- Challenges, opportunities, and responses during the year, if any

4. Financial Results of Major Business Segments, as may be applicable

A summary report from each business segment highlighting the following minimum information:

- Summary of financial performance of the business segment for the year
- Contribution of business segment to the total revenue of the QB during the year
- Significant developments during the year including major activities
- Future plans/targets/objectives

5. Risk Management Framework Adopted

This section highlights the QB's board-approved risk management framework and should include at a minimum the following information:

- a. Overall risk management culture and philosophy (discuss the general mission and goal of the QB's risk management practices and the corresponding risk management policy/principles adopted by the QB's board for the attainment of the said mission and goal)
- b. Risk appetite and strategy (describe the risk appetite of the QB and the factors considered in defining the said risk appetite; and discuss the significant risk areas/exposures of the QB)
- c. Entity-wide risk governance structure and risk management process (Define the roles and responsibilities and the reporting lines for the different business units that composed the risk management group/unit. For better appreciation, illustrate in a chart/table form the risk management structure and organization of the relevant risk management function. Discuss also the scope and nature of risk reporting and/or measurement systems)
- d. AML governance and culture, and description of the overall Money Laundering (ML)/Terrorist Financing (TF) risk management framework to prevent the use of the QB for ML/TF activities

6. Corporate Governance

This section comprehensively discusses the entity's corporate governance framework and corporate culture adopted by the QB and its subsidiaries, as applicable. The following minimum information should be disclosed in this section:

- a. Overall corporate governance structure and practices (describe the overall governance framework adopted by the QB)
- b. Selection process for the board and senior management (describe the QB's process/procedure for identifying, assessing and selecting board and senior management candidates to ensure application of fit and proper standards)
- c. Board's overall responsibility (describe the general responsibility of the board in the approval and oversight of management's implementation of QB's strategic objectives, risk strategy, corporate governance and corporate values, among others)
- d. Description of the major role and contribution of the chairman of the board

- e. Board composition (include the names of the members of the board. For each member, include the following:
 - i. Type of directorship [executive, non-executive, or independent director];
 - ii. The principal stockholder represented if nominee;
 - iii. The number of years served as director;
 - iv. Number of direct and indirect shares held; and
 - v. Percentage of shares held to total outstanding shares of the QB.
- f. Board qualification (provide details of the relevant qualifications and experiences of each member of the board of directors, including current directorship and officership in other companies, their age and nationality).
- g. List of board-level committees including membership and function.
- h. Directors' attendance at board and committee meetings (include the total number of board and committee meetings for the election year and the number of board and committee meetings attended by each director²). A sample template is provided below.

Name of Directors	Board Number of Meetings		[Name of Board Committee] Number of Meetings		[Name of Board Committee] Number of Meetings		[Name of Board Committee] Number of Meetings		[Name of Board Committee] Number of Meetings	
	Attended	%	Attended	%	Attended	%	Attended	%	Attended	%
1										
2										
3										
4										
5										
Total Number of Meetings Held During the Year										

- i. Changes in the board of directors (indicate the changes in the composition of the board of directors that happened during the period including the reason for said change, i.e., resignation, death, removal)
- j. List of executive officers/senior management (disclose the name, position, relevant qualifications/experience, age and nationality of the officer. Senior management refers to the president/CEO or officer of equivalent rank and other persons having authority and responsibility for planning, directing and controlling the activities of the QB).
- k. Performance Assessment Program (describe the process adopted by the QB in assessing the performance of the board and senior management based on

² Past and present during the year

established performance standards that are consistent with the QB's strategic objectives).

- l. Orientation and Education Program (disclose the in-house and external training program of the QB for its directors and senior management to ensure that they continuously possess the qualifications for the position).
- m. Retirement and Succession Policy (describe the retirement and succession policy of the QB including the retirement age for the board and senior management; and the term limit for the members of the board).
- n. Remuneration policy
 - i. Remuneration Policy and Structure for executive and non-executive directors (disclose the QB's remuneration policy and the structure of its remuneration package for the Board).
 - ii. Remuneration Policy for senior management (disclose the process used for determining the remuneration of the president/CEO or officer of equivalent rank, and the four (4) most highly compensated management officers of the QB).
- o. Policies and procedures on related party transactions (for QBs that are subsidiary of banks only)
 - i. Describe the QB's overarching policies and procedures for managing related party transactions (RPT), as defined under Subsec. X146.1 of the MORB, including managing of conflicts of interest or potential conflicts of interest.
 - ii. Provide the details of material RPTs as defined under Subsec. X146.2e of the MORB, including the nature, terms and conditions, as well as original and outstanding individual and aggregate balances, including off-balance sheet commitments.
- p. Self-Assessment Function
 - i. Describe the structure of the internal audit and compliance functions including its role, mandate/authority, and reporting process
 - ii. Describe the review process adopted by the Board to ensure effectiveness and adequacy of the internal control system
- q. Dividend policy (discuss the QB's policies and procedures for declaring dividends and the amount of total dividends declared during the year, if any)
- r. Corporate Social Responsibility Initiatives (discuss any initiative undertaken or proposed to be undertaken by the QB during the year)
- s. Consumer Protection Practices³
 - i. Describe the role and responsibility of the board and senior management for the development of consumer protection strategy and establishment of an effective oversight over the QB's consumer protection programs;

³ As required under Sec. 41001Q of the MORNBF on Consumer Protection Oversight Function

- ii. Describe the consumer protection risk management system of the QB, i.e., means by which a QB identify, measure, monitor, and control consumer protection risks inherent in its operations; and
- iii. Describe the consumer assistance management system of the QB which shall include the consumer assistance policies and procedures as well as the corporate structure for handling complaints.

7. Corporate Information

- a. Present the organizational structure, including the name and position of key officers.
- b. List of major stockholders⁴ of the QB, including nationality, percentage of stockholdings and voting status
- c. List and description of products and services offered
- d. QB website (as applicable)
- e. List of QB units (such as branches and other offices) domestic and abroad including address and contact details (as applicable)

8. Audited Financial Statements (AFS) with Auditor's Opinion

The AFS for the calendar or fiscal year including the opinion of the external auditor of the QB should be presented in full in the Annual Report. For QB with subsidiaries, the AFS should be presented side by side on a solo basis (parent) and on a consolidated basis (parent and subsidiaries) as provided under Sec. X190 of the MORB.

⁴ Stockholders owning more than twenty percent (20%) of voting shares of stock of a bank or which enables such stockholder to elect, or be elected as, a director of such QB.

REPORTS REQUIRED OF BANKS						
<u>Category</u>	<u>Form No.</u>	<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/email Address</u>
A. UBs/KBs						
B	Unnumbered	X190.6	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year	Annually	Non-government banks - 180th calendar day after the close of the calendar/ fiscal year elected by the bank	Soft copy in Portable Document Format (PDF) with covering transmittal letter - Appropriate department of the SES
do	do	do	do	do	Government banks - 100th calendar day after the close of the calendar/ fiscal year elected by the bank	do
B	Unnumbered	X190.6	Annual Report Assessment Checklist (ARAC)	Annually	Non-government banks - 180th calendar day after the close of the calendar/ fiscal year elected by	Hard copy to appropriate department of the SES

REPORTS REQUIRED OF BANKS						
<u>Category</u>	<u>Form No.</u>	<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/email Address</u>
					the bank	
do	do	do	do	do	Government banks - 100th calendar day after the close of the calendar/ fiscal year elected by the bank	do
B. TBs						
B	Unnumbered	X190.6	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year	Annually	Non-government banks - 180th calendar day after the close of the calendar/ fiscal year elected by the bank	Soft copy in Portable Document Format (PDF) with covering transmittal letter - Appropriate department of the SES
do	do	do	do	do	Government banks - 100th calendar day after the close of the calendar/ fiscal year elected by the bank	do
B	Unnumbered	X190.6	Annual Report Assessment Checklist (ARAC)	Annually	Non-government - 180th calendar	Hard copy to appropriate

REPORTS REQUIRED OF BANKS						
<u>Category</u>	<u>Form No.</u>	<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/email Address</u>
					day after the close of the calendar/ fiscal year elected by the bank	department of the SES
do	do	do	do	do	Government banks - 100th calendar day after the close of the calendar/ fiscal year elected by the bank	do
C.RBs/Coop Banks						
B	Unnumbered	X190.6	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year	Annually	Non-government banks - 180th calendar day after the close of the calendar/ fiscal year elected by the bank	Soft copy in Portable Document Format (PDF) with covering transmittal letter - Appropriate department of the SES
do	do	do	do	do	Government banks - 100th calendar day after the close of the	do

REPORTS REQUIRED OF BANKS						
<u>Category</u>	<u>Form No.</u>	<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/email Address</u>
					calendar/ fiscal year elected by the bank	
B	Unnumbered	X190.6	Annual Report Assessment Checklist (ARAC)	Annually	Non-government - 180th calendar day after the close of the calendar/ fiscal year elected by the bank	Hard copy to appropriate department of the SES
do	do	do	do	do	Government banks - 100th calendar day after the close of the calendar/ fiscal year elected by the bank	do

LIST OF REPORTS REQUIRED FROM QUASI-BANKS						
<u>Category</u>	<u>Form No.</u>	<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/email Address</u>
B	Unnumbered (no prescribed form)	4190Q.6	Annual Report of Management to Stockholders Covering Results of Operations for the Previous Year	Annually	Non-government QBs - 180th calendar day after the close of the calendar/ fiscal year elected by the QB	Soft copy in Portable Document Format (PDF) with covering transmittal letter - Appropriate department of the SES
do	do	do	do	do	Government QBs - 100th calendar day after the close of the calendar/ fiscal year elected by the QB	do
B	Unnumbered	4190Q.6	Annual Report Assessment Checklist (ARAC)	Annually	Non-government QBs - 180th calendar day after the close of the calendar/ fiscal year elected by the QB	Hard copy to appropriate department of the SES
do	do	do	do	do	Government QBs - 100th calendar day after the	do

LIST OF REPORTS REQUIRED FROM QUASI-BANKS

<u>Category</u>	<u>Form No.</u>	<u>MOR Ref.</u>	<u>Report Title</u>	<u>Frequency</u>	<u>Submission Deadline</u>	<u>Submission Procedure/email Address</u>
					close of the calendar/ fiscal year elected by the QB	