

2021 ANNUAL REPORT

Name of Bank	:	COOPERATIVE BANK OF BOHOL
Address	:	0126 CPG East Avenue, Barangay Poblacion 1, Tagbilaran City
Authority to Operate	:	CB No. E- 1028 dated October 29, 1980
Contact Numbers	:	(038) 427-2116; 501-9904
E-Mail Address	:	cooperativebank_bohol@yahoo.com
Contact Person	:	Juvie D. Calacat – President

CORPORATE POLICY

Vision : Reliability in financial services to cooperatives and individuals.

Mission :
1) To provide quality financial services;
2) To promote/foster economic opportunities;
3) To extend continuing education to member-cooperatives.

Social Goals :
1) Creating opportunities for financial stability among Boholanos;
2) Establishing branches wherever possible in order to bring services close to the people;
3) Adopting technological advancement in the banking system;
4) Institutionalizing cooperative social development.

Core Values :

1. Honesty and Integrity
 - Speaks the truth and act truthfully.
 - Demonstrates sound moral and ethical principles at work on which member-cooperatives, co-workers, and individual clients build relationships, trust, and effective interpersonal relationships.
 - A good steward of resources and in exercising frugality that honesty is always the best policy and that trust has to be earned.
2. Reliability
 - Working as a TEAM (Together, Everyone, Achieve, More) so everything can move faster to fulfil the vision and mission of the Cooperative Bank of Bohol (CBB).
 - Worthy of trust; dependable not only in providing financial services but also in managing carefully the relationships that has been developed and demonstrating consistent behavior as consistency is key to building trust.
3. Efficiency
 - A commitment to doing great for the whole; do things well, successfully, and without waste.
 - Well organized and competent.

4. Service to others
 - To serve the member-cooperatives, co-workers, and individual clients effectively as they are our prized assets. They must be treated specially, with honesty and empathy, and with a sense of honour and respect.
 - To be responsive to the needs of the member-cooperatives, co-workers, and individual clients. To satisfy them beyond their expectation and be resourceful in providing innovative alternatives and solutions to their concerns.
 - An effort to alleviate poverty and make life better for others.
5. Open-mindedness
 - A commitment to innovation and excellence being receptive to new ideas, views and knowledge of others.

Developmental Goal:

A cooperative which can provide services in terms of cooperative education, accommodating deposits and loan applications of the Boholanos especially the farmers and fisher folks with the end view of uplifting the quality of life of its clients and consequently help the economy of the Province.

Tag Line: Guiding You Through

- a) To be a reliable financial institution is the vision of the Cooperative Bank of Bohol. The Province of Bohol particularly in the City of Tagbilaran has a lot of commercial banks. People used to bank with them because of their popularity and that people consider them as big banks. Cooperative Bank of Bohol has upgraded its system; adopt the present technology in order to provide quality services among the **137** member-cooperatives and the general public.
- b) In addition to reliability in financial services to cooperatives and individuals, Cooperative Bank of Bohol will be guiding its clients on what kind of facility the bank can offer to him/her, how to avail and the personal guidance of the terms and conditions from our bank's personnel. Once, a client have decided to avail in any of the bank's services, processing will take only two hours for salary loans and one to two weeks for loans secured by Real Estate Mortgage. That's how Cooperative Bank of Bohol of service to the Boholano community.
- c) Crafting a business model is part of establishing a meaningful business strategy. Due to its target market and the nature of the bank's operation, our Bank uses the retail-funded business model, relying mainly on retail sources of funding, i.e., through stable sources, primarily deposits and have limited interbank activity. It generates deposits from individual and corporate clients and lends the same to the public through agricultural, agrarian, business and consumption loans.

As a financial institution, Cooperative Bank of Bohol started its operation on November 3, 1980 accepting deposits and offering loans to member-cooperatives, Samahang Nayons and the general public. Different types of loan which will fit the needs of the clients. The bank shall earn income out of the interest and service fee of the loan releases. Other income shall be generated from sale of foreclosed properties. Expenses of the bank will include interest on deposits, salaries and wages of the employees, honorarium of the

Board of Directors, taxes and licenses, supplies, light and water, fuel and lubricants, and other expenses related to bank operation. As a cooperative bank, mandatory reserves shall be allocated out of the net income. After the mandatory allocation, the remaining income will be available for dividend and patronage refund to the different stockholders. The bank aims to grow so that marketing strategies, collection, good management and innovative works to answer the present demand of the people are all the concerns made for the success of the Cooperative Bank of Bohol.

BUSINESS MODEL

For the last 41 years, Cooperative Bank of Bohol is into traditional retail banking business model. It generates deposits from the banking public, in addition to its capital investments in order to lend to customers which drive profit. Management strives to provide excellent service to maintain deposits, although not all low cost, and strengthen marketing strategies to market new quality loans while monitoring and keeping those existing accounts and have to become cost efficient. Further, the bank also crafted its investment policy in order to manage well its funds and be able to earn and maximize returns.

With the evolution of banks in this technological era, and changes in the economic environment and to new rules and regulations, Cooperative Bank of Bohol also considers these things in building its strategic objectives. Nowadays, availability of variety of distribution channels such as online and mobile banking has become important. Customers become price sensitive and look for products and services that serve and satisfy their needs at the lowest possible cost. In response to this, the bank has to diversify by partnering with business leaders to offer Point of Sales (POS) terminals, domestic money transfer and remittance, and ATM terminals in order to increase profits. Among its goals for the year is to pursue its application for the direct membership with Bancnet for the bank to continue offering ATM deposit products to the public enabling our clients to conveniently access their funds and account information and receive or transfer funds 24/7. The bank is pursuing its application for additional branch in Dauis Panglao Island and a license for a Type A Electronic Payment and Financial Services (EPFS).

Cooperative Bank of Bohol is geared towards digitalization as part of its medium to long-term plans. With the current trends, new customer behaviors, the current and future regulations supporting it, and the presence of new and aggressive competitors, the bank has been more active in product innovation and providing holistic customer service in order to retain and market new customers, achieve set targets and ensure sufficient profitability to sustain operational growth.

After conducting an assessment of its strengths, weaknesses, opportunities and threats, the bank has crafted this year's objectives and comprehensive action plans in achieving them. With the implementation of the new performance assessment tool, the Supervisory Assessment Framework (SAFr) which is forward looking, the bank laid out plans to strengthen its risk management and internal control systems, governance and oversight functions as well as effective monitoring of institutional level supports. Top Management and the Board believe that empowered employees who are highly motivated and with high level performance makes a successful business. With that, the bank also laid plans on providing them trainings, seminars and other activities to equip them with the right knowledge and skills and groom them to be well rounded and highly effective professionals and individuals.

While the business impact of this COVID 19 pandemic continues, and the Typhoon Odette in December, the bank has also laid strategies as it navigates into the trends of the new normal to be able to sustain growth and profitability.

With the help of the Holy Name University Center for Community Extension, Linkages and Partnerships, the bank's directors, officers and supervisors conducted the 5 year development plan. We conducted SWOT analysis to see the current realities of the bank and evaluated if its objectives are still relevant and in line with its mission, vision and goals. Such evaluation arrived at seven (7) revised strategic directions, namely: 1) Sound asset management, 2) Prompt compliance to regulatory bodies, 3) Intensive internal control, 4) Aggressive Marketing, 5) Human Resource Management, 6) Corporate Social Responsibility and bank activities, and 7) Effective credit risk Management. We have identified the key result areas, success indicators and measures of each strategic direction and crafted the 5 year strategic plan of actions and timelines.

FINANCIAL SUMMARY / FINANCIAL HIGHLIGHTS

Minimum Required Data		Consolidated		Parent Bank (Solo)	
		Current Year	Previous Year	Current Year	Previous Year
Profitability					
	Total Net-Interest Income			52,921,895.00	42,058,024.00
	Total Non-Interest Income			6,858,618.00	5,482,919.00
	Total Non-Interest Expenses			56,488,873.00	44,970,681.00
	Pre-provision profit			2,495,837.00	1,646,716.00
	Allowance for credit losses			39,235,163.00	32,206,919.00
	Net Income			1,700,034.00	2,570,262.00
Selected Balance Sheet Data					
	Liquid Assets			226,381,887.00	164,232,844.00
	Gross Loans			332,083,381.00	318,604,045.00
	Total Assets			613,797,635.00	531,637,246.00
	Deposits			517,889,374.00	431,662,888.00
	Total Equity			60,908,151.00	71,849,788.00
Selected Ratios					
	Return on equity			2.56%	3.67%
	Return on assets			0.30%	0.50%
	CET 1 capital ratio (for UBs/KBs)			NA	NA
	Tier 1 capital ratio (for UBs/KBs)			NA	NA
	Capital Adequacy Ratio			12.02	12.21
Per Common share data (For Ubs, KBs and publicly listed Banks)					
	Net Income per share:				
	Basic			NA	NA

	Dilluted			NA	NA
	Book Value			NA	NA
Others					
	Cash dividends declared			446,258.93	NA
	Headcount				
	Officers			10	11
	Staff			38	34

FINANCIAL CONDITION AND RESULTS OF OPERATION



President's Report

Dear CBB Shareholders,

In the last year, a year when we face insurmountable obstacles, a year of setbacks and detours, we have closely evaluated a number of opportunities since there was a shift in the direction in doing business and banking strategies brought about by the pandemic and the super typhoon Odette. And as we continue this, as part of our ongoing diversification strategy in order to survive in this business, I would first like to take this opportunity to pay tribute to the bank's shareholders for your continued support especially this time that we are still conducting this assembly through combination of video conferencing and physical attendance.

It is with great pride and honor to congratulate our shareholders in the 42nd Annual General Assembly with this year's theme "Guiding the members and community towards a sustainable tomorrow". As I address you today, I would like to convey to the assembly that banks have a critical role not only during the pandemic containment phase but also during the economic recovery phase, hence, a capital buffer is very important. Capital and liquidity are properly monitored to hold substantial buffer that would help the bank surpass the current global economic crisis. Moreover, Loan loss provisioning and lower capital can have negative spillover effects, which might put us in difficult position even worse and undermining the broader economy. However, Bangko Sentral Ng Pilipinas (BSP) and Cooperative Development Authority (CDA) have helped us avoid any bank failures over the recent months. They have also helped to support the banking sector in its critical function of keeping the economy running.

As such, Cooperative Bank of Bohol has done a lot of preparations, hindrances and adjustments to cushion the impact of the crisis to us. These include distributing flyers in malls, marketing caravan from Tagbilaran to Ubay, Kotse Regalo Raffle and Tabo during market day in the

different municipalities in the province of Bohol. We have also successfully conducted the bank's annual general assembly as well as the special general assembly. And as we continue to still be under this 'new normal', it has become clear which among our efforts, adjustments, and strategies are viable and which are not, making these our roadmap that will lead us to becoming more resilient and stronger. Hence, I am very proud to inform this assembly that the bank has been selected as an awardee for the Department of Agriculture- Agricultural Credit Policy Council (ACPC) 2nd Gawad sa Paglingap sa Magsasaka at Mangingisda as one of the outstanding partner lending conduits nationwide for the year 2021 for our outstanding and exemplary contribution for the implementation of the Department of Agriculture- Agricultural Credit Policy Council (ACPC) credit programs to the farmers and fisherfolks in the province of Bohol amid the pandemic. We were also given recognition by the Cooperative Development Authority, CDA Gawad Parangal – a recognition of Koop Bayanihan effort during Covid-19 pandemic.

At this juncture, allow me to express my gratitude to the pillars of this bank, our Board of Directors headed by our Chairperson - Atty. Maximiliano A. Cempron for bringing your passion, intellect, insight, experience and resources to the table and lastly, for accepting and not giving up on the challenges in banking. I also commend the Board of Directors for ensuring a timely and sound decision-making process on our business continuity plan and recovery map to address the pressing concerns due to the pandemic and typhoon Odette. The Board of Directors and its management have been very proactive in managing the operations amidst the pandemic we are facing.

Lastly, I would like to extend my heartfelt appreciation to all the people behind this team. As the Bank's president, being in charge is a big responsibility and it has not been an easy journey for me. I did not automatically stand where I am right now nor have the opportunity to work as a manager at once, but I had to earn it. It is my greatest honor as a banker because the men and women of this bank trust me to lead the bank. It's easy to be positive when everything is working out as expected, but it's much harder when nothing goes our way. That is why I would like to emphasize the importance of our workforce because my co-employees always do their job 100% regardless of the stress and hardship they encounter. Their contribution is very important to the rest of the team. Mind you, "This Bank would not be the same if we did not count on you and your work."

And for this, I am beyond grateful that you are a part of this bank.

Financial Highlights

This is an overview of our banking operations over the past years to the present, emphasizing key aspects such as financial status and operational results. The financial condition of the bank is satisfactory. Despite the adverse effects of the COVID-19 pandemic on operations, earnings and liquidity of the bank remain satisfactory. However, the continuous threat to Asset Quality brought about by the COVID-19 pandemic; poses a higher-than-normal risk to capital. The Bank has a minimal capital allowance to absorb losses resulting from the prolonged impact of the pandemic on its borrowers. Moving forward, due to the series of challenges that hit the province, Boholanos who have lost their jobs or are laid off have less income, and therefore might not be able to repay their loans. This will negatively affect the bank's profit and capital. A swift recovery becomes less likely, banks can expect further losses resulting in the need for additional provisions, thus undermining their profitability and capital position.

Further, banks face lower non-interest revenues to lower demand for their different services. Given these situations, I am encouraging this assembly to support the Cooperative Bank of Bohol

from availing our products and services and putting up additional capital to protect bank's financial stability

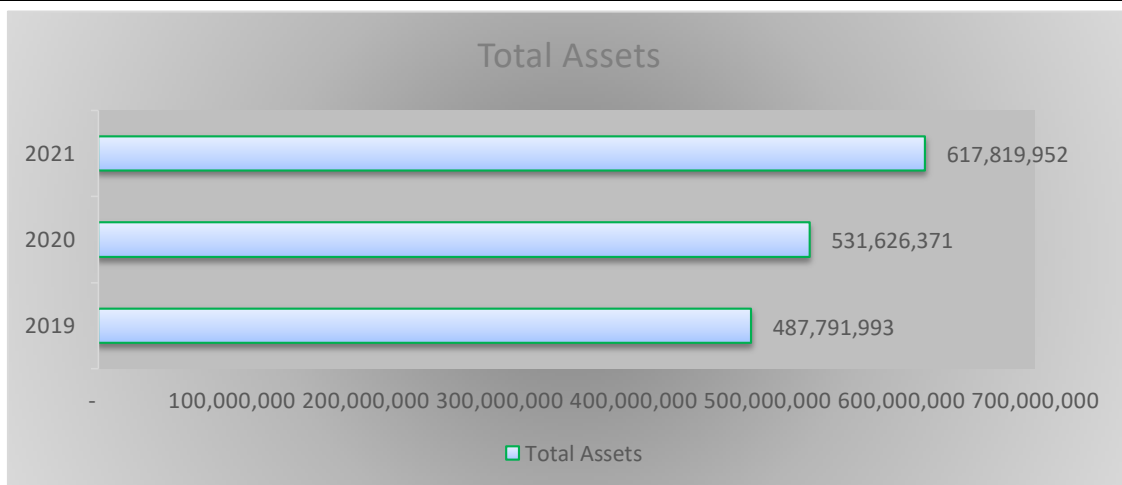
Note: Figures for 2021 are based on the in-house Financial Statements as we are still waiting for the final Audited Financial Statements (AFS)

1.) As to the Financial Position

Particulars	2021	2020	2019
Cash & Cash Equivalents	29,069,474	21,421,579	9,008,069
Due from BSP	14,895,944	14,350,398	14,433,995
Due from Other Banks	182,569,966	131,333,425	136,890,649
Loans & Receivables (net)	296,809,260	287,183,510	264,736,478
Non-current Assets held for Sale	13,951,921	15,221,428	15,054,494
Other Assets	80,523,387	62,126,906	47,668,308



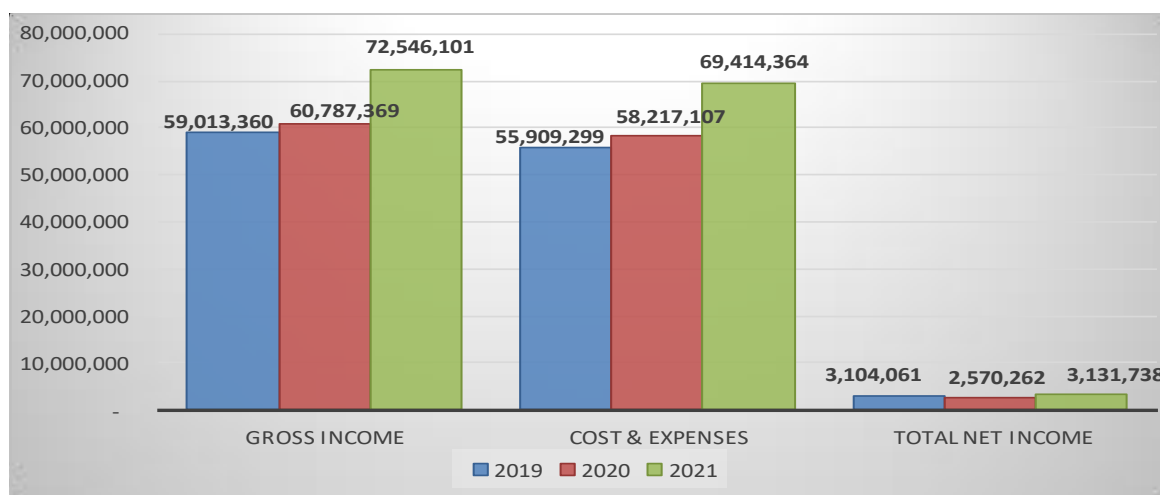
Particulars	2021	2020	2019
Total Assets	617,819,952	531,626,371.00	487,791,993



2.) As to the Results of Operations- The summary of the cumulative impact of revenue, gain, expense, and loss transactions for a given period.

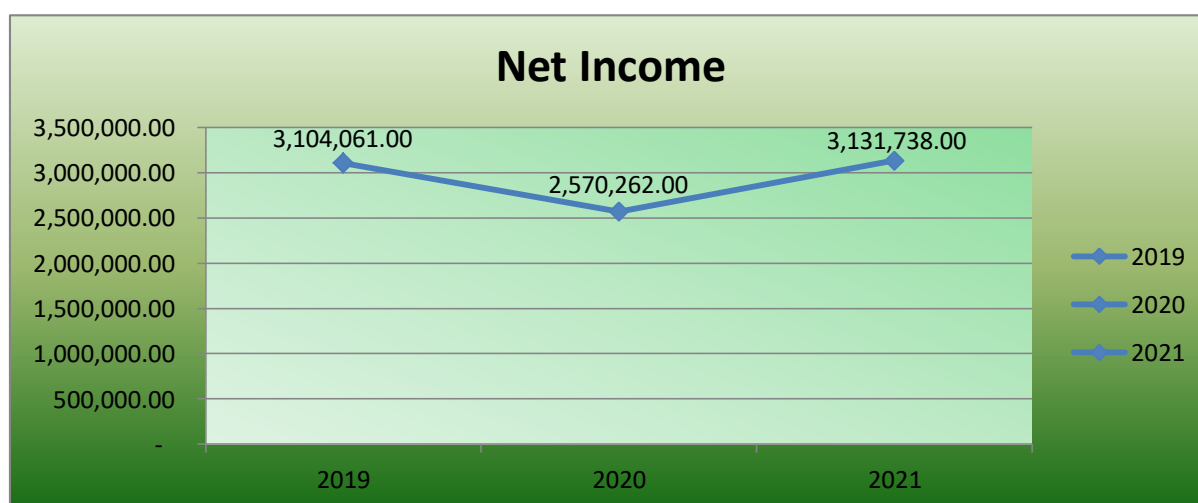
a.) Profitability

Particulars	2021	2020	2019
Gross Income	72,546,101	60,787,369	59,013,360
Cost & Expenses	69,414,364	58,217,107	55,909,299
Net Income	3,131,738	2,570,262	3,104,061
Total Comprehensive Income	3,131,738	3,591,353	3,104,061



b.) Net Income

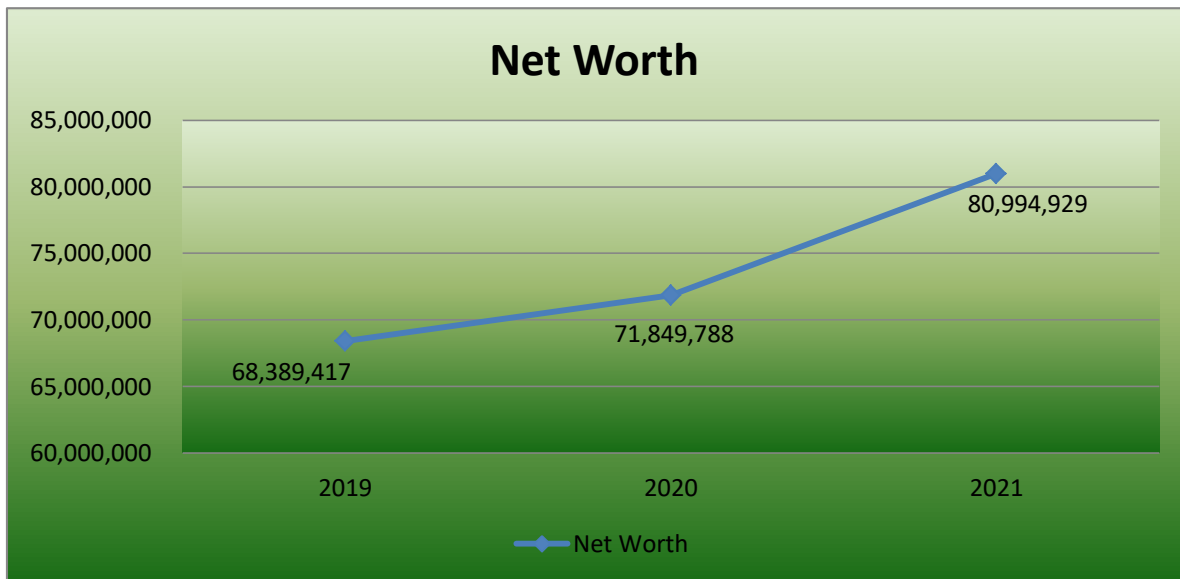
Particulars	2021	2020	2019
Net Income	3,131,738	2,570,262	3,104,061



c.) Net Worth

Bank’s net worth is the value of the bank’s assets minus the liabilities it owes. Part of bank’s plan is to preserve capital in times of uncertainties in order to promptly source and infuse additional capital should CAR fall below the required minimum.

Particulars	2021	2020	2019
Net Worth (Assets Minus Liabilities)	80,994,929	71,849,788	68,389,417



Membership

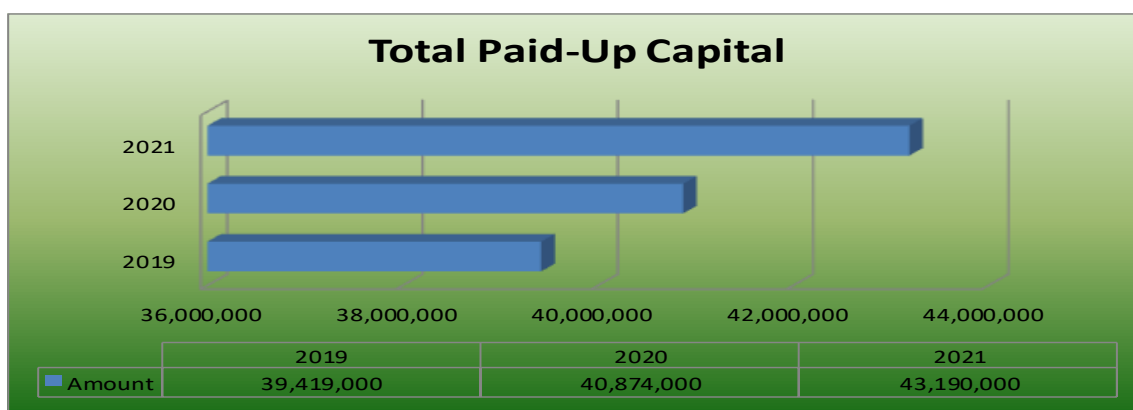
Though the bank’s strategic direction is slightly affected, especially in the areas of income generation and managing loan portfolio, the bank was still able to protect the shareholders’ and depositors’ interests and promote the stability and efficiency of the bank’s financial system by ensuring the adequacy of its Capital. As of December 31, 2021, the bank’s ownership structure is dispersed, with common (voting) shares held by 137 different primary cooperatives and 425 samahang nayons. The drive to continue to encourage shareholders to invest for additional capital and to remind them of their subscribed amount, series of information dissemination was done by the bank starting January 18, 2022, which was attended by more or less 40 participants for the 1st district, followed on February 18, 2022, attended by almost 20 shareholders from the 2nd district and ended last March 11, 2022, with more than 22 participants held at our Candijay Branch for the 3rd district of Bohol.

The approved annual development plan includes educational programs and an array of benefits for the shareholders. The bank is true to its promise in prioritizing the benefits of the shareholders; hence, trainings were conducted last year as part of the bank’s strategic direction as compliance also of the CDA continuing education and training fund guidelines and implementation of the social development plan/ programs were some of the benefits of the members. Moreso, patronage refund and stock dividends were also distributed to the shareholders. Lastly, the bank also provided cash assistance to the member cooperatives for the year 2021 and the preceding year 2020.

a.) Total Paid-Up Capital

To bolster shareholders capital, the bank increases its Authorized Capital to two hundred million pesos (P150 Million Common Shares, P50 Million Preferred Shares) upon approval of amended AOC & By-Laws.

Particulars	2021	2020	2019
Total Paid-Up Capital	43,190,000.00	40,874,000.00	39,419,000



List of Top 15 Member Cooperatives

As of December 2021:

	Name of Cooperative	Amount
1	Valencia Cansibao CC	2,500,000.00
2	B O P E Cooperative	2,426,000.00
3	BADOTSCO	2,415,000.00
4	Bagtic Masagana M P C	2,197,000.00
5	B I T I/C Credit Coop	1,815,000.00
6	Loboc Comm. CC	1,470,000.00
7	Bohol Community Mpc	1,320,000.00
8	Bohol Island Operators & Drivers Mpc	1,088,000.00
9	1CISP	1,072,000.00
10	Manga M P C	564,000.00
11	B D M P C	540,000.00
12	Loon Service Providers Mpc	508,000.00
13	Dauis-panglao Island M P C	504,000.00
14	Dimiao Parish MPC	492,000.00
15	Carmen S N M P C	483,000.00

2021 ALLOCATION FROM CONSOLIDATED NET INCOME *(based on In-house FS)*

NET INCOME		3,131,738.00
LESS: CDA Mandatory Reserves Allocation:		
GENERAL RESERVES FUND	30%	939,521.40
Due to APEX Org'n.	5%	156,586.90
Due to CETF	5%	156,586.90
Due to Community Dev't. Fund	3%	93,952.14
Due to Optional Fund	7%	219,221.66
		626,347.60
AVAILABLE FOR PATRONAGE AND DIVIDEND DISTRIBUTION		1,565,869.00
Patronage Refund (30%)		469,760.70
Dividend (70%)		1,096,108.30
AVAILABLE SURPLUS FUND		-

Operational Highlights

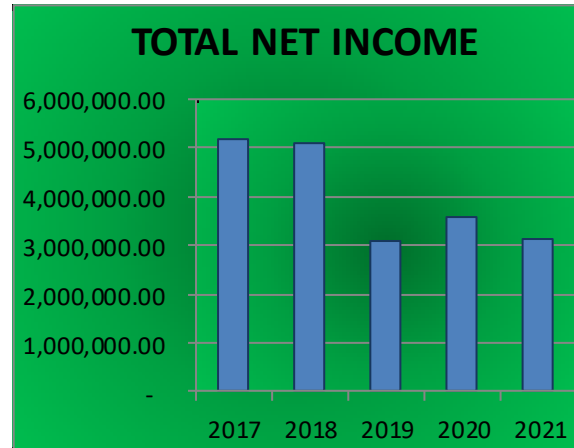
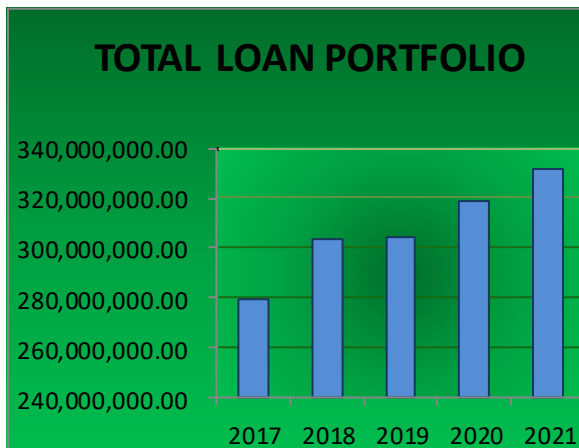
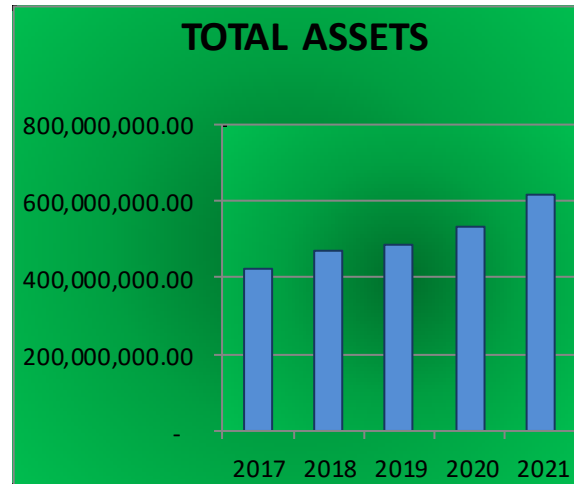
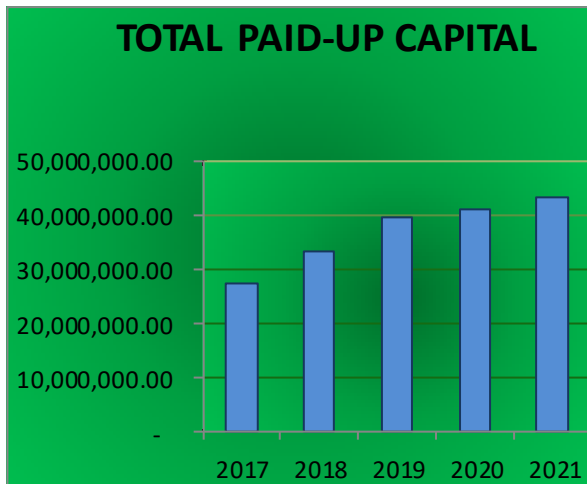
A. Target vs. Actual 2021

Honestly, due to the bank's challenge brought by the pandemic and typhoon Odette, total releases and collections of the bank have been affected. Targets for the year 2021 was not achieved as some of our clients are still on the process of recovery. Hence, the Board of Directors and the Management find ways and offer products and services that are both beneficial to clients and bank that can help in our recovery this year.

PARICULARS	ACTUAL 2021	TARGET 2021	VARIANCE OVER ACTUAL	REMARKS
Total Net Income	3,131,737.51	3,038,772.44	92,965.07	FAVORABLE
Expenses	69,414,363.75	70,048,520.38	634,156.63	FAVORABLE
Loan Releases	271,688,857.30	272,945,250.00	(1,256,392.70)	UNFAVORABLE
Collection	258,557,499.59	293,041,627.55	(34,484,127.96)	UNFAVORABLE

B. 5-Year Significant Accounts

PARTICULARS	2021	2020	2019	2018	2017
Total Paid-Up Capital	43,190,000	40,874,000	39,419,000	33,324,000	27,303,400
Total Assets	617,819,952	531,626,371	487,791,993	466,963,607	421,969,128
Loan Portfolio	331,905,505	318,604,045	304,165,528	303,907,840	279,429,159
Total net Income	3,131,738	2,570,262	3,104,061	5,101,961	5,165,546



Comparative Performance for the year 2021 and 2020

PARTICULARS	2021	2020	REMARKS	
			INCREASE/ DECREASE	AMOUNT
Total Assets	617,819,951.92	531,626,371.00	Increase	86,193,580.92
Loan Portfolio	331,905,504.67	318,604,045.13	Increase	13,301,459.54
Deposit	517,927,373.79	431,662,888.00	Increase	86,264,485.79
Capital	80,994,929.46	71,788,402.00	Increase	9,206,527.46
ROE (Return on Equity) Formula: Net Income After Tax for the period/ Ave. Capital for the period	4.01%	3.04%	Increase	0.97%
Ratio of Expenses to Total Income	95.68%	96.00%	Decrease	-0.32%
Past Due Ratio	22.16%	19.74%	Increase	2.42%

Challenge and Roadmap

Honorable Shareholders, while we commend our achievements, we recognize that there are obstacles to overcome. One of them is the BSP's pending approval of our By-Laws and Articles of Cooperation. Another problem is that the bank's Governance remains inadequate as Board and Management have yet to institute measures to preserve capital, build sufficient buffers to consider uncertainties, and infuse fresh capital should Capital Adequacy Ratio (CAR) fall below the required minimum. Further, the level of capital is threatened by prolonged uncertainties brought about by the COVID-19 pandemic and typhoon Odette.

As we speak today, we are looking forward to the approval of our 4th branch application this year. Another challenge for a stand-alone bank like us is the fulfillment of the bank's roadmap leading to full digitalization as the BSP continues to foster the growth and development of digitalization through enabling policies and regulations; it also promotes further financial inclusion as BSP Governor Benjamin E. Diokno emphasized the importance of digitalization in keeping the gears of the economy running amid the pandemic. Another milestone that we are about to take is the migration of the bank's core banking system into full integration of online banking.

Corporate Social Responsibility and Recognition

Cooperative Bank of Bohol has been a partner lending conduit with the Department of Agriculture - Agricultural Credit Policy Council in the implementation of the Department of Agriculture - ACPC Agri- fishery credit programs like Expanded Sure Aid and Recovery Project, Agri- Negosyo Loan Program (ANYO) and Kapital Access for Young Agripreneurs (KAYA) for small farmers and fisherfolks, and micro and small enterprises (MSEs) amid the pandemic with total loan releases of P29, 975,000.00 for 874 recipients.

Type of Loan	Tagbilaran		Candijay		Inabanga		Total	
	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts
Sure Aid	9,050,000.00	362	4,225,000.00	169	5,450,000.00	218	18,725,000.00	749
Anyo	4,855,000.00	52	2,880,000.00	33	3,315,000.00	39	11,050,000.00	124
Kaya	200,000.00	1					200,000.00	1
	14,105,000.00	415	7,105,000.00	202	8,765,000.00	257	29,975,000	874

Further, Bangko Sentral Ng Pilipinas (BSP) also recognizes our action when we granted restructured loans to qualified pandemic-affected SMEs with a total amount of P3,816,457.45 for six (6) accounts. Other activities done as part of the bank's social corporate responsibility are as follows but not limited to the following; tree planting, coastal clean-up, cash assistance to member cooperatives, medical assistance thru DYRD Inyong Alagad Program, relief operation to the victims of typhoon Odette in partnership with UWASCO MPC at Ubay Bohol, Trinidad MPC at Poblacion Trinidad and Casbu MPC in Guindulman.

The bank also sponsored a webinar last year attended by our member cooperatives that helped them comply with Cooperative Development Authority required trainings like Business Continuity Planning and Cooperative Governance with more or less 120 participants conducted by Negros Oriental Union of Cooperatives (NEURONCO) training provider which is a CDA accredited.

Closing Statement

The incumbent set of the Board of Directors and Management will continue to serve the banking public as we formulate and implement new policies and programs in this new normal of doing business. Again, I am grateful to the Board of Directors for their willingness to devote their time and resources in achieving greater heights in the future.

As for me, I will continue to guide the management in providing quality financial services to our members, clientele, stakeholders and the general public, especially in the marginalized sector.

The combined strategies and efforts of the Board of Directors and Management with the support from the Shareholders have kept me remain committed to the banking rules and regulations with adherence to our own vision, mission, goals, core values, risk statement and risk appetite as the only cooperative bank in the province of Bohol to retain the public's trust and confidence. Having said all these, collective efforts of everyone will guide us in achieving a sustainable tomorrow. Together, we will develop a passion for excellence anchored on good governance.

Once again, I am honored and privileged to serve as your president.

Thank you and God bless.

Tagbilaran City
March 26, 2022

RISK MANAGEMENT FRAMEWORK ADOPTED

The principles set forth in the Circular No. 855 regarding credit risk management guidelines shall be used in determining the adequacy and effectiveness of the CBB's credit risk management process and adequacy of capital relative to exposure.

Role of the Board and Senior Management

1. Board of Directors
 - a. Responsible for the approval and regular review of credit risk strategy and credit policy, as well as the oversight of the implementation of a comprehensive and effective credit risk management system appropriate for the size, complexity and scope of operations of CBB.
 - b. Ensure that the system provides for adequate policies, procedures and processes to identify, measure, monitor and control all credit risks inherent in CBB's products and activities, both at the individual and portfolio levels on a consistent and continuing basis; and that an independent assessment of the system is periodically performed, the results of which shall be reported to it or to a board-level committee for appropriate action.
2. Senior Management
 - a. Responsible for ensuring that the credit risk-taking activities of CBB are aligned with

the credit risk strategy approved by the board of directors.

- b. Also responsible for developing and implementing CBB's credit policies and procedures that lay down the conditions and guidelines for an effective credit risk management process, as well as proper channels of communication to ensure that these policies are clearly communicated and adhered to by all levels of the organization.

Outsourcing of financial services exposes a bank to a number of risks which need to be evaluated and effectively managed & mitigated. Key risk areas should be evaluated before entering into and while managing outsourcing contracts. The key risks that may arise due to outsourcing are:

- **Strategic Risk:** The service provider may conduct business on its behalf, which is inconsistent with the overall strategic goals and objectives of the bank.
- **Reputation Risk:** Poor service from the service provider, its client interaction may not be consistent with the overall standards of the bank.
- **Legal Risk:** It includes, but not limited to, exposure to fines, penalties or punitive damages resulting from supervisory and lawful actions, as well as private settlements due to omissions and commissions of the service provider.
- **Operational Risk:** Arising due to technology failure, fraud, error, inadequate financial capacity of the service provider to fulfil obligations and/or provide remedies.
- **Compliance Risk:** Privacy, consumer and prudential laws provided by regulatory agencies may not be adequately complied with by the service provider.
- **Concentration Risk:** Due to lack of control of the bank over a service provider, more so when overall banking industry has considerable exposure to one service provider. The failure of the service provider in providing the desired services covered by the terms of agreement or any non-compliance of any legal/regulatory requirements by the service provider can lead to reputational or financial loss for the bank which can trigger a systematic risk in the banking system as such. The imperative therefore will be securing effective management by the bank for mitigation of this risk.

In this regard, the management and the oversight/control personnel of the Cooperative Bank of Bohol must perform risk assessment of every business activity and evaluate the implications of performing the activity in-house or outsourced.

In line with the BSP's thrust to foster a balanced and coherent approach to innovation, the Monetary Board (MB) recently approved the issuance of Circular 949 dated 15 March 2017 the pioneering guidelines on social media risk management that advocate responsible use of social media by BSP Supervised Financial Institutions (BSFIs) such as the Cooperative Bank of Bohol. BSP recognizes that social media presents vast potential benefits and opportunities for greater economic advancement and financial inclusion. The guidelines ensure that the necessary safeguards, governance structure and standards are in place to effectively manage the associated risks.

The Cooperative Bank of Bohol's social media risk management program should, at a minimum, be able to address potential reputational risks as well as provide guidance on acceptable use of social media by employees, whether for official or personal purposes. The bank, in formulating and implementing their social media policies, should see to it that existing rules and regulations on financial consumer protection, cyber-security, outsourcing and anti-money laundering, among others, are complied with. Aside from ensuring that the pertinent legal, reputational, strategic, operational, and compliance risks are addressed, the new guidelines highlight added dimensions to these traditional risks which the bank need to consider in designing their social media risk management

program. These include the growing threats on information security and fraud such as account take over, malware attacks, and phishing and spoofing schemes, among others.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Cooperative Bank of Bohol must ensure that its board of directors and senior management are actively involved in the oversight of the operational risk management framework, it has an operational risk management system that is conceptually sound and is implemented with integrity, and it has sufficient resources in the use of the approach in the major business lines as well as the control and audit areas.

Management should evaluate its rights and obligations in contractual relationships, conform with legal and regulatory requirements agreements/contracts entered into and that no party is unduly disadvantaged, assess the trends of customer complaints, manage outstanding legal cases involving bank or any of its directors, officers, with respect to suits filed in line with the performance of their duties, assess and report regularly the potential outcome including probable liability or receivable, identify and understand the distinct operational risk arising from the products and services being offered or innovative delivery channels used, and ensure sustained delivery of financial services to the unserved and underserved sector.

To address the liquidity risks or the risk of running out of funds, the bank shall adopt a sound contingency funding plan. The said Contingency Funding Plan of the Bank was first approved by the Board of Directors on June 28, 2017 per Board Resolution No. 2017-243. However, the Board of Directors feel the need to review and test the effectiveness of said Contingency Funding Plan, hence, the Board of Directors decided to amend the said plan and this has been consequently approved per Board Resolution No. 2020-222 dated May 25, 2020. The amended CFP design, plans and procedures should be closely integrated with the bank's ongoing analysis of liquidity risk and with the results of the scenarios and assumptions used in stress tests. Senior management of the Cooperative Bank of Bohol should monitor for potential liquidity stress events by using early warning indicators and event triggers. Early indicators should identify any adverse movement; create an initial assessment; and potential management action in order to mitigate the bank's exposure to liquidity risk. The Cash Department Head as chief financial officer shall be responsible in establishing and maintaining liquidity risk measures and monitoring system. However, when banking distress becomes systemic and reaches a crisis proportion which is likely to impact on the entire financial services industry, the routine processes and procedures of the supervisory authority to deal with the situation may be inadequate.

RISK APPETITE AND STRATEGY

Our reputation is based on trust and confidence from our clients, employees, stakeholders, regulators and the public in general. We will avoid actions and situations that can compromise trust and result in negative impact to Cooperative Bank of Bohol's reputation, and, if and when, an unwanted and inevitable incident/situation arises, we shall manage it head-on to preserve our reputation.

Cooperative Bank of Bohol has established a history of client trust, financial strength and innovation in pursuit to achieving its vision, mission and goals. The bank's risk management framework seeks to ensure that there is an effective process in place to monitor and manage risks.

Our mission is to provide the financial welfare of both the cooperatives and individuals and upholding trust and confidence of the depositors. The bank is willing to take on the risk of borrowing funds from other banks or sources at 85% of its approved credit line in order to maintain its liquidity ratio at 30%. If in any case there might be a rapid increase in deposits or an abrupt withdrawal of

deposits involving large amounts of cash resulting to a decline of said ratio below its minimum limit, we shall limit our granting of loan releases up to 25% above the desired target, intensify collection scheme specifically those that are nearing bad debts, and evaluate and assess loans to borrowers with good credit standing which could be possibly granted short-term credits that will easily be converted to cash to pay-off currently maturing obligations owed to valued clients.

Cooperative Bank of Bohol has a very low appetite for prolonged outage of a core banking system which supports its critical business functions including those which relate to banking operations. The Bank is also committed to ensuring that its information is relevant, accurate, timely and properly conserved and managed in accordance with legislative and business requirements. The Bank has no appetite for any fraud or corruption perpetrated by its personnel. It takes all assertions of suspected fraud or corruption earnestly and responds fully and impartially as set out in the Bank's Manual of Operation.

The Bank is dedicated to a high level of compliance with relevant legislation, regulation, industry standards as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. It has no appetite for deliberate or purposeful violations of legislative or regulatory requirements.

The Bank utilizes credit practices which provide assurance that loans will be repaid and risk of not collecting these accounts is minimized. The Bank reviews borrower's repayment ability by analyzing the borrower's cash flows against his impending loan obligation. It will not accept real estate mortgage secured loans where the loan to appraisal value is greater than 60%. For unsecured loans, the Bank applies conservative methods of determining the maximum loanable amount. The Bank's objective is to provide a secured environment for its people by ensuring its security measures meet high standards. It has a very low appetite for work health and safety risk and aims to create a safe working environment for its entire staff, where people are protected from physical or psychological harm. It does not condone practices or behaviors that lead to staff being harmed while at work.

Cooperative Bank of Bohol's overall risk tolerance is low to moderate.

Below are the risks affecting the Bank and its associated risk tolerance:

Type of Risk		Risk Category			
Enterprise Risk	Capital and Earnings	<p>Capital Adequacy Ratio</p> <table border="0"> <tr> <td>Low Risk below 12% to 11.5%</td> <td>Moderate Risk Below 11.5% to 11%</td> <td>High Risk below 11% to 10.5%</td> </tr> </table> <p>A net income after tax of 3% to 4% below the budget is considered low risk, 5% to 9% below is moderate risk and the bank cannot bear risk for income which falls down to 10% or more from the budget. The bank believes to meet the total income net of tax to at least within the target or increase to not less than 10% from the target. While, total expenses should not exceed the budget so net income will not be compromised. A decrease of total expenses from the target is acceptable and encouraged but an increase of total expenses by 5% or more than the target is not tolerable. More so, loan releases must be achieved per the computed target at the end of each year without weakening the established bank credit policies. The bank cannot take the risk for loan releases that is 20% or more below the set target.</p>	Low Risk below 12% to 11.5%	Moderate Risk Below 11.5% to 11%	High Risk below 11% to 10.5%
	Low Risk below 12% to 11.5%	Moderate Risk Below 11.5% to 11%	High Risk below 11% to 10.5%		
Reputational Risk	Low				
Non-Financial	Operational Risk	Low to Moderate			

Risk	Compliance Risk and Legal Risk	Low to Moderate
Financial Risk	Credit Risk	Low
	Liquidity Risk	Low
	Market Risk	Low

b. The Bank also look into the Operational risks which may bring probability of loss resulting from employee errors, inadequate or failed procedures, system failures or failed procedures, policies or systems.

Management Information - Cooperative Bank of Bohol has a very low appetite for prolonged outage of its core banking system which supports its critical business functions including those which relate to banking operations. The Bank is also committed to ensuring that its information is relevant, accurate, timely and properly conserved and managed in accordance with legislative and business requirements.

Internal Fraud and Corruption - The Bank has no appetite for any fraud or corruption perpetrated by its personnel. It takes all assertions of suspected fraud or corruption earnestly and responds fully and impartially as set out in the Bank's Manual of Operation.

Credit and Collection Risk –The Bank utilizes credit practices which provide assurance that loans will be repaid and risk of not collecting these accounts is minimized. The Bank reviews borrower's repayment ability by analyzing the borrower's cash flows against his impending loan obligation. It will not accept real estate mortgage secured loans where the loan to appraisal value is greater than 60%. For unsecured loans, the Bank applies conservative methods of determining the maximum loanable amount.

People and Culture Risk - The Bank's objective is to provide a secured environment for its people by ensuring its security measures meet high standards. It has a very low appetite for work health and safety risk and aims to create a safe working environment for its entire staff, where people are protected from physical or psychological harm. It does not condone practices or behaviors that lead to staff being harmed while at work.

c. Compliance and Legal Risk - The Bank is dedicated to a high level of compliance with relevant legislation, regulation, industry standards as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. It has no appetite for deliberate or purposeful violations of legislative or regulatory requirements.

The following are the strategies of the Bank to manage legal and compliance risk:

- ensure adequate transaction documentation
- accept customers that have the required authority or not legally restricted to transact
- evaluate that the transaction is permissible under applicable laws and regulations
- Avoid penalty by submission of reports before the deadline
- timely dissemination of regulatory information, regulations and policies affecting our bank
- compliance to all laws, policies, regulations, issuances, Circulars, Accounting and Auditing Standards

- Immediate action of compliance issues and identified deficiencies
- Increase CAMELS from current rating

RISK MANGEMENT AND ASSET QUALITY REPORTING

Asset Quality Review will begin in full following the completion of the Enhanced Policies on loan restructuring and Enhanced Processes and Policies on Credit Risk.

Methodology levels and implementation:

- Processes, policies and accounting review
The Accountant will make a quarterly consolidated report for the Board of Directors of the classified loans for provisioning of valuation and allowance booking.
- Loan tape creation and data integrity validation
- Sampling
A credit folder will be carried out for review, involving the review of specifics such as loan classification and provisioning.
- Credit File Review
The bank team composed of Compliance Officer; Internal Auditor and Credit Risk Officer will verify the existence of the collateral and to check credit exposure that has been classified in the bank's system by conducting credit file review. The result will be finalized by the Internal Auditor for submission to the Board of Directors.
- Collateral and Real Estate Valuation
This is to determine if the appropriate carrying amount and valuation of collateral are accurate.
- Collective Provision Analysis
Provisioning models should align with the letter and spirit of accounting rules of International Accounting Standards and Generally Accepted Accounting Principles.
- Define Mediation Activities
 - *Creation of a credit valuation adjustment if any;*
 - *Corrections to specific provisions for individually impaired credit facilities that were sampled in the file review;*
 - *Bank's implementation of corrective internal models and policies.*

The primary function of credit and asset quality reporting and monitoring is to assist the management and Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others; the systems of internal controls established by management and the Board; and the risk management, accounting and financial reporting processes.

Authority:

- To provide open avenues of communication among the risk management committee, manager internal auditor, compliance officer, loan officer, accountant and the Board of Directors.
- To report Committee actions to the full Board of Directors and make recommendations.
- To meet quarterly, more frequently if circumstances make that preferable. The Risk Management Committee chairman has the power to call a Committee meeting whenever necessary.

Documentation Review

1. The Board of Directors shall review the risk management reports provided to management and management's response.
2. Review internal audit reports and address and resolve any concerns associated with the conduct of accompanying internal audits to ensure independence with the Risk Management Committee is maintained throughout the audit schedule.
3. Review with management and External Audit team the interim and annual financial information prior to its filing.
4. Review with top management, Audit Committee and Risk Management Committee the quarterly financial statements, key performance ratios and operating results.

Cooperative Bank of Bohol realized that banking institutions have faced difficulties over the years for a multitude of reasons, the major cause of serious banking problems continues to be directly related to lax credit standards for borrowers, poor portfolio risk management, or a lack of attention to changes in economic or other circumstances that can lead to a deterioration in the credit standing of a bank's borrowers.

To reduce the bank's credit risk, the bank may perform a credit check on the prospective borrower as well as review the credit standing of the existing borrowers. In general, the higher the risk, the higher will be the possibility of non-payment.

For most banks, loans are the largest and most obvious source of credit risk; however, other sources of credit risk exist throughout the activities of a bank, including in the banking book and in the trading book, and both on and off the balance sheet.

Cooperative Bank of Bohol implemented this enhanced credit risk in order to promote sound practices for managing credit risk. Principles contained in this program are not new to the bank but only to sharpen the existing credit policies of the bank, that are most clearly applicable to the business of lending, they should be applied to all activities where credit risk is present.

The Management now implements more comprehensive loan review and improves the existing processes, policies, assessment of bank loans, provisioning and collateral evaluation, among others.

This is to ensure proper matching of loan terms with timing cash flows and Settlement risk. The risk that the completion or settlement of a financial transaction will fail to take place as expected, thus includes elements of liquidity, market, operational and reputational risk as well as credit risk.

AML Governance and Culture

The Cooperative Bank of Bohol's Money Laundering Prevention Program is aligned to comply and support the policies set by the Anti-Money Laundering Council and the Bangko Sentral ng Pilipinas. It is the vital responsibility of the Board of Directors that the bank is compliant with the AML regulations and the internal policies are adequate to risks associated with the ML/TF activities. The Senior Management oversees the day-to-day management of the bank and ensures effective implementation of the said policies along with the independent supervision of the Compliance Officer and Internal Auditor.

It is the fundamental role of the bank to identify, understand and assess the ML/TF risks arising from the delivery of services to the customers, thus, creating the risk assessment tool

appropriate with the nature of operations and complexity of the bank. Minimum Know-Your-Client policy is required before starting any business relationship with the customers. Customer due diligence is properly applied in a manner that will not discriminate certain customer types such as politically exposed persons, certain religions, race or ethnic origin or other attributes.

If there is a suspicion of money laundering or terrorist financing, and if there is doubt about the veracity or adequacy of previously obtained customer information data then enhanced due diligence shall be undertaken by the bank. All customer identification records shall be maintained and safely stored for five (5) years from the date of transaction which are jointly safeguarded by the bank's two (2) designated personnel. Reporting of covered and suspicious transactions to the AMLC shall be done as prescribed within five (5) working days from the occurrence thereof.

The AML Compliance Officer shall ensure the accuracy and completeness of the CT and ST report. The AML Compliance Officer also guarantees that the bank is compliant with AMLA by conducting periodic compliance checking, providing the bank's personnel on resolutions, circulars and other issuances of the BSP and AMLC, and reviewing the noted deficiencies during onsite examination by the Internal Auditor, Bangko Sentral ng Pilipinas and other regulating bodies, the deficiencies are immediately corrected and acted upon.

The Internal Auditor conducts periodic and independent evaluation of the risk management, customer identification process and completeness of the information and documents establishing the true and full identity, the risk classification and standard of due diligence applied to customer, and the effectiveness of other existing internal controls associated with the bank's money laundering prevention program. The results of the audit are timely communicated to the Board of Directors and are also communicated to the Compliance Office for appropriate monitoring of corrective actions taken by the different units concerned.

CORPORATE GOVERNANCE

The business of the bank shall be conducted under the supervision and control by the Board of Directors of nine (9) members who shall be elected from among the representatives of the cooperatives and federations of cooperatives by secret balloting by the members at the annual general assembly and hold office for a term of two (2) years unless earlier removed for cause, or have resigned or become incapacitated due to illness or death, and until their successors shall have been elected and qualified.

The Board of Directors are representatives of member cooperative shareholders of the bank. Each Board of Directors has no indirect shares held.

The Board of Directors, as a body, but not by any of the directors acting in their individual capacity, shall have general supervision and control of the affairs of the bank. It shall prescribe policies consistent with the by-laws and the resolutions of the general assembly for the management of its business and the guidance of its members, officers and employees.

The board of directors shall be responsible for approving and overseeing of the bank's corporate governance framework. They shall ensure corporate governance policies are followed and periodically reviewed for ongoing improvement. They shall constitute at a minimum, the Audit, Risk Oversight, Corporate Governance and Related Party Transaction committees.

The members of the Board of Directors, in the discharge of their duties, shall be jointly and severally responsible for transactions, acts, omissions made in violation of the law, regulations, by-laws, or

the resolutions of the general assembly, except those who entered a protest at the time when such transaction, act or omission was acted upon.

The executive directors of the bank have management responsibilities. The non-executive directors are members of the board without daily management responsibilities of the bank which shall include the independent directors to promote independent oversight of management by the board of directors. The chairman of the board provides leadership in the board of directors. He ensures effective functioning of the board of directors, including maintaining a relationship of trust with members of the board of directors.

BOARD COMPOSITION

Name	Cooperative Represented	Type of Directorship	No. of Years as Director	No. of Shares held as of 12/31/21	%age of shares held to total outstanding shares of the bank
Cempron, Maximiliano A.	Loboc Community CC	Executive	40	1,470	4.79%
Evardone, Francisco M.	Manga MPC	Executive	29	564	1.84%
Balite, Dionisio D.	Valencia Cansibao CC	Executive	11*	2,500	8.14%
Calamba, Ernesto B.	Cansumbol MPC	Executive	11	353	1.15%
Daniel, Melchor Sr. R.	Bohol Community MPC	Non-executive	3	1,320	4.30%
Belderol, Samuel S.	Bol-anon MPC (TACCECO)	Non-executive	1	285	.93%
Daganato, Teodorico E.	Bohol Center Cooperative	Independent Director	2	111	.36%
Quiwag, Teodora M.	Dauis-Panglao Island MPC	Executive	15	504	1.64%
Suarez, Ranulfo L.	Bagtic Masagana MPC	Non-executive	7	2,197	7.16%

**Dir. Balite served as Chairman of the Board of Directors from 1985 to 1994. He resumed serving as member of the Board of Directors in 2020.*

QUALIFICATIONS AND DISQUALIFICATIONS OF COOP BANK DIRECTORS

(Excerpt from the Rules and Regulations on the Conduct of the Annual Regular Election of the Members of the Board of Directors and members of the Election Committee)

QUALIFICATIONS

1. Shall be at least twenty-five (25) years of age at the time of his/her election or appointment;
2. Shall be at least a college graduate or have at least five (5) years experience in business;
3. Must be fit and proper for the position of a director of the cooperative bank. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, competence, education, diligence and experience/training;
4. Has paid the minimum capital requirement;
5. Has no delinquent account with the cooperative bank;
6. Has continuously patronized the cooperative bank services;
7. A member in good standing for the last two (2) years;

8. Must have attended a special seminar for board of directors conducted or accredited by the Bangko Sentral ng Pilipinas within a period of six (6) months from the date of his/her election; and
9. completed or willingness to complete within the prescribed period the required education and training whichever is applicable.

DISQUALIFICATIONS

1. Holding any elective position in the government, except that of a party list representative being an officer of a cooperative he/she represents;
2. Members holding any other position directly involved in the day-to-day operation and management of the bank;
3. Having direct or indirect personal interest with the business of the bank;
4. Having been absent for at least fifty (50%) percent of the total number of meetings in the preceding year unless with valid excuse as approved by the board of directors;
5. Being an official or employee of the cooperative development authority, except in a cooperative organized among themselves;
6. Having been convicted by final judgement in administrative proceedings or civil/criminal suits involving financial and/or property accountability;
7. Persons who have been convicted by final judgment of the court for violation of banking laws;
8. Persons who have been judicially declared insolvent, spendthrift or incapacitated to contract; and
9. Directors, officers or employees of closed banks/qbs/trust entities who were responsible for such institution's closure as determined by the monetary board;
10. Other disqualifications as provided for in the manual of regulations for banks (MORB).

MANNER OF VOTING

Per Article VI. Sec. 8 of the By-laws as amended on May 29, 2010, manner of voting is Corporate straight voting.

BOARD LEVEL COMMITTEES

The Board level committees are the Audit Committee and Executive Committee. Different committees created by the Board of Directors are Mediation Committee, Ethics Committee, Election, Credit, and Mediation and Conciliation Committee.

AUDIT COMMITTEE

MEMBERSHIP

The committee shall be composed of three (3) members of the board of directors who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson, elected by the general assembly. The chairperson shall be with accounting, auditing or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the bank.

FUNCTIONS

- 1) Provides oversight over the institution's financial reporting policies, practices and control and internal and external audit functions. It shall be responsible for the setting up of the internal audit department and for the appointment of the internal auditor as well as external auditor who shall both report directly to the audit committee. In cases of appointment or dismissal of external auditors, it is encouraged that the decision be made only by the independent and non-executive audit committee members. It shall monitor and evaluate the adequacy and effectiveness of the internal control system;
- 2) Reviews and approves the audit scope and frequency. It shall receive key audit reports and ensure that senior management is taking necessary corrective actions in a timely manner to address the weaknesses, non-compliance with policies, laws and regulations and other issues identified by auditors;
- 3) It shall have explicit authority to investigate any matter within its terms of reference, full access to 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. The committee shall ensure that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management is conducted at least annually;
- 4) It establishes and maintains mechanisms by which officers and staff shall, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues to persons or entities that has power to take corrective action;
- 5) Reviews loans to capture and identify existing or potential problem loans by assessing the adequacy of the credit evaluation and appropriate reserves
- 6) Identifies and evaluates exposures. The committee shall assess the probability of each cash risk becoming a reality and shall estimate its possible effect and cost. Priority areas of concern are those risks that are the most likely to occur and are costly when they happen;
- 7) Develop risk management strategies. The committee shall develop a written plan defining the strategies for managing and controlling the major risks. It shall identify practical strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real;
- 8) Oversees the implementation of the risk management plan. The committee shall conduct regular discussions on the institution's current risk exposure based on regular management reports and assess how the concerned units or offices reduced these risks;
- 9) Reviews and revises the plan as needed. The committee shall evaluate the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness. It shall revisit strategies, look for emerging or changing exposures, and stay abreast of development that affect the likelihood of harm or loss. The committee shall report regularly to the board of directors the entity's overall risk exposure, action taken to reduce these risks, and recommend further action or plan as necessary.

CREDIT COMMITTEE

MEMBERSHIP

The Committee shall be composed of two (2) members appointed by the Board from the General Assembly and shall serve for a term of one (1) year and the President of the bank as the 3rd member. They will elect among themselves their Committee Chairperson, Secretary and member. The President is a permanent member of the committee. Loan Officer II shall be the Assisting Secretary of the Committee.

The Committee members must be impartial and independent when approving of loan application and shall not be subjective but prudent during deliberations to avoid risks.

FUNCTIONS

- 1) Reviews and ensures completeness and accuracy of the loan documents submitted by the Loans Officer;
 - a. Ascertains the truth of the purpose of the loan;
 - b. Ensures/ascertains whether collaterals offered are clean and appropriate
 - c. Reviews appraisal of collaterals made by the Appraiser;
 - d. Checks coverage, expiry and renewal dates of the loan applied for;
 - e. Checks existence of a right of way;
 - f. Determines comprehensiveness of insurance coverage, dates of renewal and expiry;
 - g. Decides to grant the loan after at least 80% degree of certainty on the viability of the loan has been attained;
- 2) The committee shall check the credit background of the client:
 - a. Identifies other creditors of the client;
 - b. Conducts a background check to determine whether the prospective borrower is a good payor;
 - c. Ascertains whether the prospective borrower is not heavily indebted to other banks or lending institutions; and
 - d. Offers to prospective borrowers' affordable plan of loan payment.
- 3) Approves loan applications with loanable amount above P1,000,000.00 to P1,500,000.00;
- 4) Recommends to the Board loan applications above P1,500,000.00;
- 5) Campaigns for more deposits and loan clients;
- 6) Monitors the accomplishment of the collectors and propose measures/activities to improve/increase collections by the Collectors.
- 7) Confirms loan approved by the Managers and President
- 8) Other functions delegated by the Board of Directors.

ELECTION COMMITTEE

MEMBERSHIP

The election committee shall be composed of three (3) members elected during a general assembly meeting. They shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within ten (10) days after their election, they shall elect from among themselves a chairperson, vice-chairperson and a secretary. No member of the committee shall hold any other position within the cooperative during his/her term of office.

FUNCTIONS:

- 1) Formulate election rules and guidelines and recommend to the general assembly for approval;
- 2) Implement election rules and guidelines duly approved by the general assembly;
- 3) Recommend necessary amendments to the election rules and guidelines for the general assembly's approval;
- 4) Supervise the conduct, manner and procedure of election and other election related activities and act on the changes thereto;
- 5) Canvass and certify the results of the election;
- 6) Proclaim the winning candidates;
- 7) Decide election related cases except those involving the committee or its members; and
- 8) Perform such other functions as prescribed in the by-laws or authorized by the general assembly.

MEDIATION AND CONCILIATION COMMITTEE

Membership

The committee shall be composed of three (3) members appointed by the chairperson of the board from the general assembly. They shall elect from among themselves a chairperson, vice-chairperson and a secretary.

FUNCTIONS:

- 1) Formulates and develops the conciliation-mediation program and ensures that it is properly implemented;
- 2) Settles disputes among shareholders, clients, members of the board of directors, and employees of the bank;
- 3) Monitors conciliation-mediation programs and processes;
- 4) Submits semi-annual reports of cooperative cases to the authority within fifteen (15) days after the end of every semester;
- 5) Accepts and files evaluation reports;
- 6) Submits recommendations for improvements to the board of directors;
- 7) Recommends to the board of directors any member of the cooperative for conciliation-mediation training as cooperative conciliator-mediator;
- 8) Issues the certificate of non-settlement (CNS) ; and
- 9) Performs such other functions as may be prescribed in the by-laws or authorized by the general assembly.

ETHICS COMMITTEE

MEMBERSHIP

The committee shall be composed of three (3) members appointed by the chairperson of the board from the general assembly. They shall elect from among themselves a chairperson, vice-chairperson and a secretary.

FUNCTIONS:

- 1) Develops code of conduct and ethical standards to be observed by officers, employees, and members of the cooperative subject to the approval of the board of directors and ratification of the general assembly;
- 2) Disseminates, promotes and implements the approved code of governance and ethical standards;
- 3) Monitors compliance with the code of conduct and ethical standards and recommends to the board of directors' measures to address the gap, if any;
- 4) Conducts initial investigation or inquiry upon receipt of a written complaint arising from the code of conduct and ethical standards and submits a report to the board of directors together with the appropriate sanctions;
- 5) Recommends ethical rules and policy to the board of directors; and
- 6) Performs such other functions as may be prescribed in the by-laws or authorized by the board.

EXECUTIVE COMMITTEE

MEMBERSHIP

The committee shall be composed of the Chairperson, Vice Chairperson, President and three regular members of the Board of Directors. Each member is handling different sub-committees which include Corporate Governance, Education/Human Resources, Related Party Transactions, and Gender and Development.

FUNCTIONS

1. Acts on urgent matters when the Board is not in session;
2. Prepares agenda for board meetings; and
3. Performs other functions as authorized by the Board of Directors.

EDUCATION & HUMAN RESOURCE DEVELOPMENT SUB-COMMITTEE

MEMBERSHIP

This is handled by the Vice Chairperson of the board.

FUNCTIONS

- 1) Prepares a comprehensive education and training plan to be attended/participated in by the following:
 - a. stockholders of the bank
 - b. board of directors
 - c. officers/employees
- 2) Conducts a province-wide information campaign of the services rendered by the bank.
- 3) Strengthens employer-employee relations and consolidate efforts for the continued viable operations of the bank;
- 4) Enhances personal and professional growth and development of the staff through continuing human resource development initiatives;
- 5) Is responsible for the recruitment and hiring of employees, their promotion, transfer, and performance appraisal for recommendation to the Board.

RELATED PARTY TRANSACTIONS SUB-COMMITTEE

MEMBERSHIP

This is handled by the one director member of the Executive Committee. In case he/she has conflict of interest in a particular RPT, he/she should refrain from evaluating that particular transaction. The compliance officer or internal auditor may sit as resource person.

PURPOSE

The Related Party Transactions Committee shall be responsible for the continuing identification and review of existing relations between and among businesses and counterparties, and for ensuring that RPTs are processed in the regular course of business, and are priced fairly.

FUNCTIONS

- 1) Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships shall be reflected in the relevant reports to the board of directors and regulators/supervisors.
- 2) Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
 - (a) The related party's relationship to the bank and interest in the transaction;
 - (b) The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - (c) The benefits to the BSFI of the proposed RPT;
 - (d) The availability of other sources of comparable products or services; and
 - (e) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The bank shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs. All RPTs that are considered material based on bank's internal policies shall be endorsed by the RPT committee to the board of directors for approval.
- 3) Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the bank's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of the bank's affiliation or transactions with other related parties.
- 4) Report to the board of directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- 5) Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
- 6) Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

CORPORATE GOVERNANCE SUB-COMMITTEE

MEMBERSHIP

This is handled by a director who is a member of the Executive Committee.

PURPOSE

The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities.

FUNCTIONS

- 1) Reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors;
- 2) Ensures the Board's effectiveness and due observance of corporate governance principles and guidelines;
 - a. Oversees the periodic performance evaluation of the Board and its committees and executive management and conduct an annual self-evaluation of its performance.
 - b. Coordinates with external facilitators in carrying out board assessment, within the frequency approved by the entire Board.
 - c. Decides whether or not a director is able to and has been adequately carrying out his/her duties as director based on its own assessment or the assessment of external facilitators, bearing in mind the director's contribution and performance (competence, candor, attendance, preparedness and participation).
- 3) Makes recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the board members and senior officers, and their remuneration commensurate with corporate and individual performance;
- 4) Decides the manner by which the Board's performance shall be evaluated and propose an objective performance criteria duly approved by the Board;
- 5) Recommends a system of awards for exceptional and/or highly commendable performance of employees.

GENDER AND DEVELOPMENT SUB-COMMITTEE

MEMBERSHIP

This is handled by a director who is a member of the Executive Committee.

FUNCTIONS

- 1) Conducts gender analysis;
- 2) Develops and recommends Gender and Development and Gender Equality policies and programs/activities/projects to the Board.
- 3) Monitors and assesses progress in the implementation of GAD programs/activities/projects towards achieving GE;
- 4) Submits report to the Board; and
- 5) Provides directional guidance

Directors Attendance at Board and Committee Meetings

Cooperative Bank of Bohol
Compliance Monitoring Report

Directors Attendance at Board and Committee Meetings

For the Year 2021

#	Name of Director	Board Meeting Number of Meetings		Audit Committee Number of Meetings		Education/HR Number of Meetings		Executive Committee Number of Meetings		Special Event Committee Number of Meetings	
		Attended	%	Attended	%	Attended	%	Attended	%	Attended	%
1	<u>Maximiliano A. Cempron</u>	28	100					8	100		
2	<u>Francisco M. Evardone</u>	28	100					8	100		
3	<u>Ernesto B. Calamba</u>	28	100			11	100	8	100		
4	<u>Teodorico E. Daganato</u>	22	78.58*	7	70						
5	<u>Dionisio D. Balite</u>	23	82.15					4	50		
6	<u>Teodora M. Quiwag</u>	28	100					8	100	3	100
7	<u>Ranulfo L. Suarez</u>	28	100	5	50						
8	<u>Dositeo M. Oppus</u>	3	10.72**	2	20						
9	<u>Nicandro M. Pagaran</u>	6	21.43***								
10	<u>Melchor R. Daniel</u>	28	100	6	60						
Total Number of Meetings Held During the Year		28		10		11		8		3	

- Dir. Daganato sit in the Board in March 2021
- Dir. Oppus died in March 2021
- Dir. Pagaran did not run in the March 2021 elections

EXECUTIVE OFFICERS

Name	Position	Qualification	Age	Nationality
Cempron, Maximiliano	Chairman	LLB	88	Filipino
Evardone, Francisco	Vice Chairman	LLB	77	Filipino
Bungabong, Georgia	Secretary	BS Agriculture	62	Filipino
Durango, Emmanuel	Treasurer	BSC-Banking and Finance	51	Filipino
Calacat, Juvie	President	BS Accountancy	40	Filipino

The executive officers of the bank shall be the Chairman of the Board, Vice-Chairman, Secretary, President and the Treasurer.

1. Chairman

The Chairman shall see to it that all orders and resolutions of the board of directors, of the Monetary Board of the Bangko Sentral Ng Pilipinas, and all rules and regulations and circulars of the Cooperative Development Authority governing cooperatives pertaining to and applicable to cooperative banks are carried out into effect, and shall exercise such other powers and perform such other duties as are prescribed for the office of the Chairman of the Board.

2. Vice-Chairman

The Vice-Chairman shall exercise the powers, authority and duties of the Chairman of the board during the absence or inability of the latter to act.

3. Secretary

He/she shall keep the records of the bank and shall have custody of the corporate seal. He/she shall, in addition, exercise such powers and perform such other duties as are prescribed for the office of the Secretary or usually pertaining to that office, and other duties prescribed from time to time by the Board of Directors.

4. Treasurer

He/she shall have the custody of all funds, securities, and other assets of the bank, shall keep full and complete record of all its assets and liabilities and shall make reports with respect thereto as may be required by the Board of Directors. He/she shall, in addition, exercise such other powers and perform such other duties as are prescribed for the office of the Treasurer and all other duties usually pertaining to that office and such other duties as may be prescribed by the Board of Directors.

5. President

The president shall be the chief executive officer of the cooperative bank. He/she shall be the overall-in-charge for the management of the business and affairs of the cooperative bank governed by the strategic direction and risk appetite approved by the board of directors. He/she shall be primarily accountable to the board of directors in championing the desired conduct and behavior, implementing strategies and in promoting the long-term interest of the cooperative bank. He/she has the power to recommend/appoint and remove subordinate employees of the cooperative bank to the board of directors.

PERFORMANCE ASSESSMENT PROGRAM

Board and Senior Management Assessment is a strategic opportunity in managing multiple priorities and stakeholders and making plans for positive change and enhanced performance. Regulators and other policy making institutions are also considering assessments to determine whether the boards, its committees and senior management are functioning effectively. This assessment should not simply serve as a compliance exercise. Ongoing review and assessment of board and senior management performance can contribute to organizational, board, individual director and senior officers' improvements.

The objectives of this assessment are:

1. to recognize and correct corporate governance problems
2. to recognize the Board and Senior Management as strategic assets
3. to contribute significantly to performance improvement
4. to increase clarity of roles and responsibilities
5. to improve teamwork
6. to increase accountability
7. to improve decision-making
8. to enhance communication
9. to increase efficiency in operations

The assessments shall be conducted by the Corporate Governance Committee, the HR Officer who represents the Management, to be assisted by the CO, IA and the bank's legal counsel.

The scope of this assessment includes the Board, individual directors, and committees, the CO, IA and Senior Management who have frequent interaction with the Board.

The assessment is conducted through combination of written questionnaire, checklist and open answers. The legal counsel shall tabulate the result and will convene with the rest of the assessment group to discuss the result and formulate recommendations for improvement which shall be reported to the Board for further discussion and implementation of action plans.

The assessment shall be conducted annually, within the month of January, for the immediately preceding year.

The assessment report and documentation shall be in the custody of the Corporate Secretary and shall observe the record retention policy of the bank.

This policy shall take effect after the approval of the Board of Directors and shall be subjected for review every 2 years by the assessment team referred to in Section III of the Assessment policy.

Form I
BOARD SELF-ASSESSMENT FOR THE YEAR

Please check your answer

	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. The Board knows and understands the bank's beliefs, values, philosophy, vision, mission, strategic plan and business plan and reflects this understanding on key issues throughout the year.					
2. The Board has and follows procedures for effective meetings.					
3. Board meetings are conducted in a manner that ensures open communication, meaningful participation, and timely resolution of issues.					
4. Board members receive timely and accurate minutes, advance written agenda and meeting notices, and clear and concise background material to prepare in advance of meetings.					
5. Board members evaluate Board's performance on a periodic basis.					
6. The Board reviews, adopts annual capital and operating budgets and monitors regularly throughout the year.					
7. The Board monitors cash flow, profitability, net revenue and expenses, productivity, and indicators to ensure that the bank performs as projected.					
8. The Board monitors bank's performance with the industry comparative data.					
9. Board members stay abreast of issues and trends affecting the bank, and use this information to assess and guide the bank's performance not just year to year, but in the long term.					
10. Board members comprehend and respect the difference					

between the Board's policy-making role and the President's management role.					
11. The Board acts to help the President by setting a clear and well understood policy.					
12. Board's goals, expectations, and concerns are honestly communicated to the President.					
13. The Board is actively engaged in succession planning for the Executive officers of the bank.					

Ranking of answers shall be from 1 - Not Performing to 5 - Outstanding Performance.

Comments:

Accomplished by: _____

Date: _____

Form II

DIRECTOR'S SELF-ASSESSMENT FOR THE YEAR

Please check your answer

	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. I am fully prepared for Board meetings.					
2. I devote an appropriate amount of time to the issues and the needs of the Bank to be able to make informed decisions.					
3. I often speak my mind during meetings, even if the views are different from other Directors.					
4. I encourage contributions from other Board or Committee members.					
5. I take tough, constructive stands at Board or Committee meetings when necessary.					
6. I ensure that the Board or Committee makes decisions.					
7. I make effective contributions at Board or Committee meetings.					
8. I derive satisfaction and a feeling of accomplishment through serving in the Board of Directors.					
9. I understand the Bank's industry and markets.					
10. I challenge the strategy and direction when necessary.					
11. I am able to remain objective, even in the face of the most difficult decisions.					
12. When appropriate, I take the initiative to obtain relevant corporate information.					

13. I maintain discretion and confidentiality with communications received.					
14. I have sufficient expertise to evaluate strategies, policies, market development and industry-specific idiosyncrasies from a higher long-term oriented level.					
15. I am a valuable resource in fulfilling the accountabilities of the Board.					
16. I confront conflict and help manage it constructively and productively.					
17. When I am absent from Board meetings, I gather enough information about the meeting to stay sufficiently informed.					
18. I initiate contact with the Chairman when appropriate.					
19. I have personal contact with senior management.					
20. I make my individual expertise available when called upon by management.					
As a committee member of:					
Audit Committee:					
1. Participate in the review and approval of the audit scope and frequency.					
2. Review the effectiveness of the institution's internal controls, including financial, operational and compliance controls, risk management.					
3. Review loans to capture and identify existing or potential problem loans by assessing the adequacy of the credit evaluation and appropriate reserves.					
4. Attend committee meetings and participate in the discussion.					
5. Oversee the implementation of the risk management plan.					
6. Identify and evaluate exposures and assess the probability of each risk.					
Corporate Governance Sub-Committee					
1. Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors.					
2. Make recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the board members and senior officers, and their remuneration commensurate with corporate and individual Performance					
3. Attend committee meetings and participate in the discussion.					
Related Party Transactions (RPT) Sub-Committee					
1. Refrained from evaluating a particular transaction where I have a conflict of interest in a particular Related Party Transaction					
2. Helped ensure that all related party transactions are continuously identified, RPTs are monitored on a on-going basis, and					

subsequent changes in relationships with counterparties (from related to non-related and vice versa) are captured					
Gender and Development Sub-Committee					
1) Conducts gender analysis;					
2) Develops and recommends Gender and Development and Gender Equality policies and programs/activities/projects to the Board.					
3) Monitors and assesses progress in the implementation of GAD programs/activities/projects towards achieving GE;					
4) Submits report to the Board; and					
5) Provides directional guidance					
Education/HR Sub-Committee					
1) Prepares a comprehensive education and training plan to be attended/participated in by					
2) Conducts a province-wide information campaign of the services rendered by the bank.					
3) Strengthens employer-employee relations and consolidate efforts for the continued viable operations of the bank					
4) Enhances personal and professional growth and development of the staff through continuing human resource development initiatives					
5) Helps in the recruitment and hiring of employees, their promotion, transfer, and performance appraisal for recommendation to the Board					
Executive Committee					
1) Acts on urgent matters when the Board is not in session;					
2) Prepares agenda for board meetings; and					
3) Performs other functions as authorized by the Board of Directors.					

Rating:

SA- Strongly Agree

A – Agree

N - Neither Agree nor Disagree

D - Disagree

SD - Strongly Disagree

Name of Director: _____

Signature: _____

Committee: _____

Date: _____

Assessment of the Related Party Transaction (RPT) Sub-Committee

Name of Director Evaluated					
Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
3. Refrained from evaluating a particular transaction where I have a conflict of interest in a particular Related Party Transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Helped ensure that all related party transactions are continuously identified, RPTs are monitored on a on-going basis, and subsequent changes in relationships with counterparties (from related to non-related and vice versa) are captured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ensure that related parties, RPTs and changes in relationships shall be reflected in the relevant reports to the BOD and regulators/supervisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Evaluated all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Helped ensure that no corporate or business resources of the bank are misappropriated or misapplied in connections with RPT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Helped determine any particular reputational risk issues that may arise as a result in connection with the RPT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Helped ensure all RPTs that are considered material based on the bank's internal policies are endorsed by the RPT committee to the BOD for approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Helped ensure that appropriate disclosure is made, and or information is provided to regulating and supervising authorities relating to the bank's RPT exposures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Helped ensure that a report to the BOD is made on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Helped ensure that all transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Participated in the periodic review of RPT policies and procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Helped in overseeing the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Helped ensure that at all times the RPT committee shall be entirely composed of independent directors and non-executive directors, with majority of the members comprised by independent directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment of the Risk Oversight Sub-Committee

Name of Director Evaluated					
Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. Helped ensure that the Committee shall be composed of at least three members of the BOD, majority of whom shall be independent directors including the Chairperson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Helped assess that the Committee chairperson shall not be the Chairman of the Board, or any other Board level Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Advised the Board of Directors on the bank's overall current and future risk appetite, oversee the senior management's adherence to the risk appetite statement, and report on the state of the risk culture of the bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Overseeing the enterprise risk management framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ensure that there is quarterly review of the effectiveness of the risk management systems and recovery plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ensure corrective actions are promptly implemented to address risk concerns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Helped ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and over-all risk appetite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Has assessed the overall adherence to the risk appetite based on the quality of compliance with the limit structure, policies and procedures relating to risk management and control, and performance management, among others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Helped in the appointment/selection, remuneration and dismissal of the Risk Officer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Helped ensure that the risk management function has adequate resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Helped oversee the risk taking activities of the bank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Have physically attended in all committee meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Have actively participated in the approval, review, and update of the Charter at least annually or whenever there are significant changes therein?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessment of the Corporate Governance Sub-Committee

Name of Director Evaluated					
Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. Have physically attended in all committee meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Have participated in the approval and overseeing the implementation of the risk governance framework of the bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Have participated in defining appropriate governance structure and practices for its own work and ensure that such practices are followed and periodically reviewed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Have actively participated in the approval, review, and update of the Charter at least annually or whenever there are significant changes therein?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Helped ensure that the committee maintained appropriate records that documents fulfillment of its responsibilities and facilitate the assessment of effective performance of our function?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Participated in the discussion of risk management and corporate governance matters in board meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Participated in overseeing the nomination process for members of the board of directors and for positions appointed by the board of directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Helped in the establishment and ensure implementation of policy for on - boarding orientation program for first time directors and annual continuing education for all directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Participated in overseeing the periodic evaluation of contribution and performance of the board of directors, board level committee and senior management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Helped ensured that the remuneration and other incentives policy is aligned with operating and risk culture as well as strategic and financial interests of the Bank, promotes good performance and conveys acceptable risk taking behaviour defined under its Code of Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Helped promote good performance and conveys acceptable risk taking behaviour defined under its Code of Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Helped ensured compliance with legal and regulatory requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUDIT COMMITTEE ASSESSMENT FORM

Name of Audit Committee	
Member :	
Accomplished by:	
Date Accomplished:	
Signature:	

ROLES AND RESPONSIBILITIES	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. Ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ensures that periodic assessment of the internal control system is conducted to identify the weaknesses and evaluates its robustness considering the bank's risk profile and strategic direction; > High risk – Monthly > Moderate Risk – Quarterly/Semi Annually > Low Risk - Annually	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3. Responsible for the appointment/ selection, remuneration, and dismissal of internal auditor;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Holds a sufficient number of meetings and such meetings are duly minuted and adequately documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Plans meetings of adequate length to allow the committee to accomplish its agenda, with time to discuss issues fully	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ensures that the scope of the internal audit covers the review of the effectiveness of the bank's internal controls, including financial, operational and compliance controls, and risk management system;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ensures that senior management is taking necessary corrective actions in a timely manner to address the weaknesses, noncompliance with policies, laws, and regulations and other issues identified by auditors and other control functions;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Investigates any matter within its terms of reference, has full access to and cooperation by management, and has full discretion to invite any director or executive officer to attend its meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Establishes and maintains mechanisms by which officers and staff shall, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting & internal control, auditing or other issues to persons or entities that have the power to take corrective action;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Has at least one member who possesses the requisite level of financial reporting knowledge or acquires such knowledge soon after joining the committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Has a sufficient independent voice, bringing requisite knowledge, abilities and skills to the table	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Maintains a productive relationship with the executive board, maintaining open lines of communication and an ongoing dialogue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Builds constructive professional relationship with both internal and external auditors, putting them at their ease when bringing up sensitive issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Discusses the performance of external auditors, encouraging candid discussions with them based on set criteria, including further improvements, in order to be in a position to recommend the external auditors for contract renewal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Reviews and approves the engagement contract with the external auditor and ensures that the scope of audit cover areas specifically prescribed by the Bangko Sentral and other regulators;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Discusses with the executive board and the external auditor any significant accounting and reporting issues during the period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Challenges areas involving management judgement, significant accounting accruals, provisions or other estimates that have a material impact on the financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Discusses the audit results with the external auditor, assesses how the executive board handles the weaknesses identified and the recommendations to be made by the external auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Annually evaluates the performance of the committee as a whole and its individual members, and takes decisive corrective action, if necessary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Considers whether there are emerging issues that will demand its attention going forward and is proactive in positioning itself to deal with them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Cooperative Bank of Bohol
Assessment of the Executive Committee
For the year

Name of Director Evaluated					
Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. Acts on urgent matters when the Board is not in session.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Prepares agenda for board meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Actively performs other functions as authorized by the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Helps provide organizational direction and acting on behalf of the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Helps establish and maintain good governance oversight.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Enhances communication between the Board, Committees and Management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Helps in the recruitment and hiring of employees, their promotion, transfer, and performance appraisal for recommendation to the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Helps in providing members with current updates in cooperative development and opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Provide activities/experiences that build positive relationship and develop both good learning skills and social skills.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Refrained from evaluating a particular transaction where I have a conflict of interest in a particular Related Party Transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Helped ensure that all related party transactions are continuously identified, RPTs are monitored on a on-going basis, and subsequent changes in relationships with counterparties (from related to non-related and vice versa) are captured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Evaluated all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Helped ensure that no corporate or business resources of the bank are misappropriated or misapplied in connections with RPT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Helped ensure that appropriate disclosure is made, and or information is provided to regulating and supervising authorities relating to the bank's RPT exposures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Helped ensure that a report to the BOD is made on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Helped ensure that all transactions with related parties, including write-off of exposures, are subject to periodic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

independent review or audit process					
17. Participated in the periodic review of RPT policies and procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Conducts gender analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Develops and recommends Gender and Development and Gender Equality policies and programs/activities/projects to the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Monitors and assesses progress in the implementation of GAD programs/activities/projects towards achieving GE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Cooperative Bank of Bohol
Assessment of the Election Committee
For the year

Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1) Annually propose an overall timetable for elections to the Board, to be approved by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Establish procedures for electing/appointing Directors, to be approved by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Post ballots to the member constituencies authorized to elect Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Monitor the counting of ballots and certify the results of the Member voting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Monitor any challenge period and manage any election challenge according to procedures established by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) Publicly announce the results of the Member election and appointment by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) Report the results of the election to the Board at the Annual General Assembly Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8) The reporting of the committee to the Board is sufficient.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9) Makes periodical reporting to the Board along with its suggestions and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10) Gives effective suggestions and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11) Regularly reviews its mandate and performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12) Meetings are conducted in a manner that ensures open communication and meaningful participation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Cooperative Bank of Bohol
Assessment of the Credit Committee
For the year

Name of Director Evaluated					
Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. Reviews and ensures completeness and accuracy of the loan documents submitted by the Loans Officer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ascertains the truth of the purpose of the loan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ensures/ascertains whether collaterals offered are clean and appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Reviews appraisal of collaterals made by the Appraiser.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Checks coverage, expiry and renewal dates of the loan applied for.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Checks existence of a right of way.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Determines comprehensiveness of insurance coverage, dates of renewal and expiry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Decides to grant the loan after at least 80% degree of certainty on the viability of the loan has been attained.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Keeps a complete file of the minutes of its meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Identifies other creditors of the client.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Helped promote good performance and conveys acceptable risk taking behavior defined under its Code of Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Helped ensured compliance with legal and regulatory requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Ensures the conduct of background check to determine whether the prospective borrower is a good payor.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Ascertains whether the prospective borrower is not heavily indebted to other banks or lending institutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Offers to prospective borrowers' affordable plan of loan payment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Approves loan applications with loanable amount above P850,000.00.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Recommends to the Board loan applications above P1,000,000.00.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Campaigns for more deposits and loan clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Approves and submits renewal of loans to the Board for confirmation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Monitors the accomplishment of the collectors and propose measures/activities to improve/increase collections by the Collectors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Cooperative Bank of Bohol
Assessment of the Ethics Committee
For the year**

Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1) Annually propose an overall timetable for elections to the Board, to be approved by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Establish procedures for electing/appointing Directors, to be approved by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Post ballots to the member constituencies authorized to elect Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Monitor the counting of ballots and certify the results of the Member voting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5) Monitor any challenge period and manage any election challenge according to procedures established by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) Publicly announce the results of the Member election and appointment by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) Report the results of the election to the Board at the Annual General Assembly Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8) The reporting of the committee to the Board is sufficient.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9) Makes periodical reporting to the Board along with its suggestions and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10) Gives effective suggestions and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11) Regularly reviews its mandate and performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12) Meetings are conducted in a manner that ensures open communication and meaningful participation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Cooperative Bank of Bohol
Assessment of the Mediation and Conciliation Committee
For the year**

Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1) Annually propose an overall timetable for elections to the Board, to be approved by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Establish procedures for electing/appointing Directors, to be approved by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Post ballots to the member constituencies authorized to elect Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Monitor the counting of ballots and certify the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

results of the Member voting.					
5) Monitor any challenge period and manage any election challenge according to procedures established by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) Publicly announce the results of the Member election and appointment by the Board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) Report the results of the election to the Board at the Annual General Assembly Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8) The reporting of the committee to the Board is sufficient.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9) Makes periodical reporting to the Board along with its suggestions and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10) Gives effective suggestions and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11) Regularly reviews its mandate and performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12) Meetings are conducted in a manner that ensures open communication and meaningful participation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Cooperative Bank of Bohol
Assessment of the President
For the year**

Name of President Evaluated					
Assessment Accomplished by					
Date Accomplished					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor
1. Promotes the desired conduct and behavior, implementing strategies and in promoting the long-term interest of the bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Sets the tone of governance from the top. Promotes the good governance practices within the bank by ensuring that policies on governance as approved by the board of directors are consistently adopted across the bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ensures that bank's activities and operations are consistent with the bank's strategic objectives, risk strategy, corporate values and policies as approved by the board of directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Effectively delegated duties to the staff and oversees the performance of these delegated duties and responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Established a management structure that promotes accountability and transparency.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Has established measurable standards, initiatives and specific responsibilities and accountabilities for each bank personnel.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Promotes and strengthens checks and balances systems in the bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Promotes sound internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Avoids activities that shall compromise the effective dispense of his/her functions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Has given due recognition to the importance of the internal audit, compliance and external audit functions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Communicating effectively, on behalf of the company, with shareholders, government entities, and the public.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Leads the development of the bank's short- and long-term strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Ensures staff and Board have sufficient and up-to-date information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Manages well the bank's financial and physical resources.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Recommends yearly budget for Board approval and prudently manages bank's resources within those budget guidelines according to current laws and regulations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Employee's Performance Appraisal

This Employee's Performance Appraisal is a process of evaluating employee's performance. The rating of an employee will serve as a basis for promotion and giving of rewards.

For rank and file employees, performance appraisal shall be conducted every six (6) months. There shall be three (3) raters: employee, immediate supervisor (work related)/Administrative Officer (bank activities related and punctuality) and Branch Manager. The average rating of the three raters will be the employee's rating for the semester.

For supervisory position, the performance appraisal shall be conducted annually. There shall be two (2) raters: employee and the Branch Manager. The average rating of the two raters shall be the employee's rating for the year.

For officers, branch managers and department heads, the performance appraisal shall be conducted annually. There shall be two (2) raters: employee and the President. The average rating of the two raters shall be the employee's rating for the year.

Employees who are rated NI shall be called by the Administrative Officer for an one on one dialogue.



COMPETENCY-BASED PERFORMANCE ASSESSMENT

Name of Employee: _____
 Position: _____
 Date of Regularization: _____
 Date of Current Position Assumption: _____

Branch /Dept.: _____
 Period Covered: _____
 Frequency: - Semi Annual
 - Annually

Guidelines:

1. The Performance Appraisal Form has been designed to allow the Evaluator to accurately assess the performance of his/her covered personnel. It is important that the Evaluator shall avoid subjectivity in the rating process. Your rating shall reflect your objective evaluation of the employee's performance during the covered period.
2. Ascertain the critical factor or factors in the performance appraisal relevant to the position being rated. As an employee's immediate head, you possess an in-depth knowledge of the job and therefore, would be in a better position to pinpoint such critical factors with utmost objectivity.
3. A Performance Guide Matrix as follows:

<u>Weighted Average Rating</u>	-	<u>Equivalent</u>
96% - 100%	-	Outstanding
91% - 95%	-	Very Satisfactory
86% - 90%	-	Satisfactory
75% -85%	-	Needs Improvement
74% and below	-	Poor

Rating Summary:

Competencies	Weight (%)	Sup.	BM	Dept. Head	Independent Officer	Total (Average)	President & CEO	Weighted Average Rating
I. Attitude and Behavior	25%							
II. Personality, Attendance and Punctuality	15%							
III. Effectiveness in the Exercise/Delivery of Duties and Responsibilities	45%							
IV. Audit and Compliance	15%							
TOTAL	100%							

I.	ATTITUDE/BEHAVIOR (25%)	DESIRED RATING	SELF RATING	SUPERVISOR	BM	DEPT. Head
A	Learning - Always open to learn and expand one's knowledge. Constant want to improve and get better at performing tasks so as to not get complacent and left behind.	2.5				
B	Excellence - Strives for quality output/results and does not settle for mediocrity.	2.5				
C	Accountability . Takes ownership of all responsibilities and honors commitments. Takes responsibility of one's actions or lack of action and that of his/her staff.	2.5				
D	Dynamism · energetic, full of energy and full of new ideas marked by usually continuous and productive activity or change.	2.5				
E	Efficiency Ensures optimal performance by using the best approach /method in completing tasks. Ensures best utilization of one's time and energy.	2.5				
F	Values and Ethics -. Fostering and supporting the principles and values of the management. Interacts with customers by treating them with utmost importance. Has no record of customer	2.5				
G	Respect - Respect for the members of the Board of Directors, officers, peers and clients. Shows consideration for one another, recognizes each other's differences and understands customer's needs and expectations	2.5				
H	Integrity & Honesty ·Adheres to the moral standards and acts with the company's mission, vision, core values, policies and procedures even during adverse situations to promote what is good and right. Is genuine and real with one's words and actions. Deals well with ethical and confidential issues;	2.5				
I	Professionalism · Maintains a positive outlook and shows courtesy and consideration to others. Can easily adjust to any circumstance without losing one's composure. Maintains professional appearance, personal care and hygiene.	2.5				
J	Initiative ·Does more than is required/expected in a job, identifies and acts upon new opportunities to enhance results, minimizes problems without needing to be asked.	2.5				
	TOTAL	25.00				

II.	PERSONALITY, ATTENDANCE & PUNCTUALITY (15%)	DESIRED RATING	SELF RATING	SUPERVISOR	BM	DEPT Head
A	The proper use of uniform during specific days.	2				
B	Good grooming at all times.	2				
C	Begins working on time	2				
D	Proper notification of superiors in case of absence and accomplish the leave of absence form	2				
E	Ensures work responsibilities are covered when absent	2				
F	Willingness to extend after office hours due to work demand	2				
G	Without any Disciplinary Action (due to tardiness /AWOL) for the period/ With Disciplinary Action {due TO tardiness / AWOL) for the period	3				
	TOTAL	15.00				

III.	EFFECTIVENESS IN THE EXERCISE/DELIVERY OF DUTIES AND RESPONSIBILITIES (45%)	DESIRED RATING	SELF RATING	SUPERVISOR	BM	DEPT. Head
A	Diligence in the exercise/delivery of duties and responsibilities	5				
B	Adapts to changes in the work environment	5				
C	Strong desire for self-improvements & self-development	5				
D	Self-reliance in performing one's duties	5				
E	Keeps abreast of current developments	5				
F	Openness to counsel from superiors and peers	5				
G	Effectively managing one's time and resources to ensure that work is completed efficiently.	5				
H	Maintaining stable performance under pressure or opposition (such as time pressure or job ambiguity); handling stress in a manner that is acceptable to others and to the organization.	5				
I	Has accomplished the required number of bank referrals, using appropriate interpersonal styles and communication methods to gain acceptance of a product, service, or idea from prospects and clients.	5				
	TOTAL	45.00				

1. Identify the Employee's Strengths : *(Use separate sheet if necessary)*

Supervisor -

BM -

Dept. Head -

2. Identify the Employee's Key Areas for Improvement. *(Use a separate sheet if necessary)*

Supervisor -

BM -

Dept. Head -

Supervisor _____ Branch Manager _____ Dept. Head _____

IV	AUDIT AND COMPLIANCE RATING – 15%	Desired Rating	Self Rating	RATING IA	RATING CO	Weighted Score
A.	REPORT ACCURACY	3.75				
B.	REPORT TIMELINESS	3.75				
C.	BEHAVIORAL COMPETENCE	3.75				
D.	COMPLIANCE /AUDIT RATING	3.75				
	TOTAL	15.00				

Rater’s Comment

<p>1. Identify the Employee’s Strengths: <i>(Use separate sheet if necessary)</i></p> <p>IA –</p> <p>CO -</p>
<p>2. Identify the Employee’s Key Areas For Improvement. <i>(Use a separate sheet if necessary)</i></p> <p>IA –</p> <p>CO -</p>

Compliance Officer _____ Internal Auditor _____

PERFORMANCE IMPROVEMENT PLAN
(For Human Resource Dept)

Please use this section to cite areas for improvement and action plans/support needed from immediate head with corresponding timetable in order to sustain or further improve the performance of the employee.

Areas for Improvement	Action Plan	Support Needed from Immediate Head/ Mgt.	Timetable
Knowledge			
Attitude			
Skills			
Others			

 Human Resource Officer

PRESIDENT'S REMARKS:

Approval / Dis-approval/ Other Actions to be taken

JUVIE D. CALACAT
 President & CEO

TRAINING METHOD

1. Internal Training

- a) In-House
- b) Informed Training (Orientation)
- c) On the Job Training –planned interaction with immersion in the actual work scenario
- d) Job Rotation/Cross Training- assignment of employees to other unit within the organization to gain knowledge on other work processes.

2. External Training

- a) Outsourcing –training from accredited training provider or regulatory agencies.

Based on the training needs of an employee, the HR will recommend to the Education/HR Committee that the employee shall undergo training and to be approved by the Board.

An employee who will be sent for training shall serve the bank within the prescribed period based on the amount of training expenses incurred. This schedule below is on per training basis. In case of a number of trainings attended, the amount spent for an employee sent for training will be summed up. Record shall be kept for this purpose.

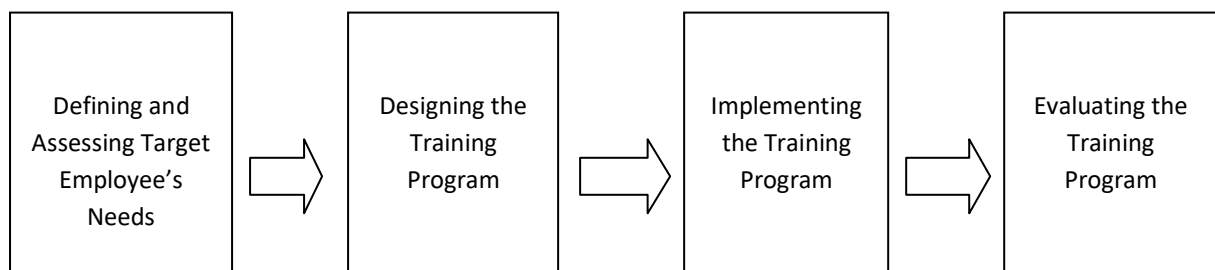
P10,000.00 – P20,000.00 – after 6 months
P20,001.00 – P50,000.00 – after 1 year
P50,001.00-P75,000.00 – after 2 years
P75,001.00 – P100,000.00 – after 2 ½ years
Over P100,000.00 – after 3 years

- ### 3. Educational Tour – another way to develop the members of the Board and employees' personality and enrich their knowledge relative to their work and the visited places, institutions and organizations.

A budget shall be appropriated for this educational tour every year to be approved by the Board.

- ### 4. Team Building – an activity designed to enhance social relations, increase motivation and promote cooperation among the employees and Board of Directors. This will be done every year and to be appropriated in the annual budget.

TRAINING PROGRAM CYCLE FOR IN-HOUSE TRAINING



Designing the Training Program for In-House Training

1. Titling the Program;
2. Selecting the Training Modality;
3. Formulating the Training Objectives;
4. Determining the programs Specific content;
5. Arranging the lessons and exercises in order they will be facilitated;
6. Selecting and preparing the instructional methods, materials and assigning resource speakers;
7. Planning the lessons;
8. Preparing the budget; and
9. Physical preparation.

Training Needs Assessment

A training need is a gap between present and desired performance of an employee which can be narrowed through training. It is a measure of the knowledge, attitudes, and skills that have to be developed to bring about the desired performance. Training needs are manifested by the following:

1. Work standards are not met;
2. Accident;
3. Excessive wastes;
4. High costs of repair;
5. High turnover rates;
6. Low performances;
7. Work methods are not standardized;
8. Production bottlenecks and delays; and
9. Excessive fatigue and worker stresses.

Identifying training needs will minimize training expenses and evaluation will be easier. Trainees will be motivated and the return on investments will be maximized.

Techniques in Training Needs Assessment:

1. Interviews;
2. Study of employee's performance records; and
3. Observations.

RETIREMENT AND SUCCESSION PLANNING

The Bank has an approved Retirement Plan of the employees. The mandatory retirement age is 60 years of age. Retirement fund is appropriated annually to answer the retirement pay of the employees.

For assurance of full and quality continuity of operations and services in case of the absence of any of the Bank's key officers, the following succession plan shall automatically be operational and implemented until the return to duty of the employee on leave of absence. In case of a permanent vacancy, the Education and Human Resources Committee conducts the screening of applicants after

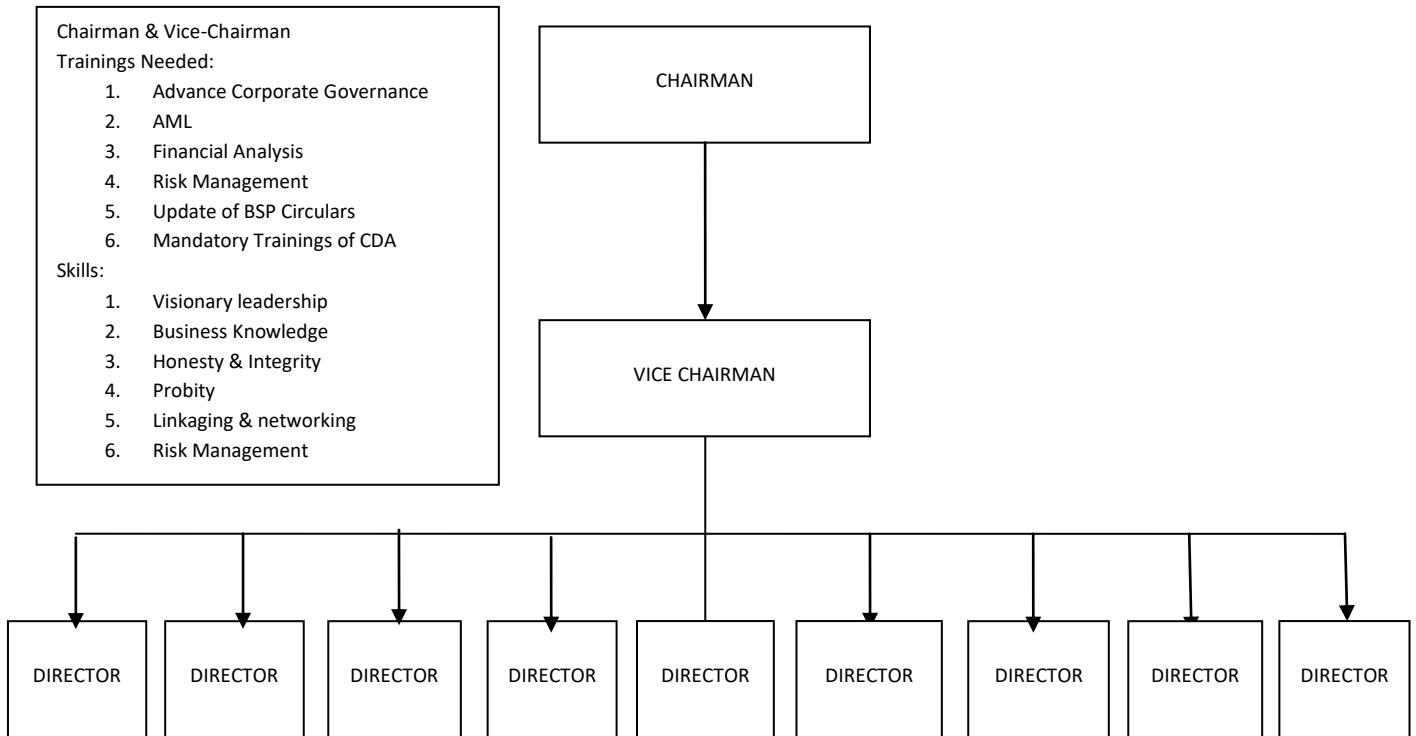
which, it recommends for approval to the Board of Directors, the appointment of the best qualified applicant.

Succession Plan for Temporary Vacancy

For assurance of full and quality continuity of operations and services in case of the absence of any of the Bank’s key officers, the following succession plan shall automatically be operational and implemented until the return to duty of the employee on leave of absence. In case of a permanent vacancy, the Education and Human Resources Committee conducts the screening of applicants after which, it recommends for approval to the Board of Directors, the appointment of the best qualified applicant.

Position	Alternate
Corporate Office	
President	Vice Chairman, Board of Directors
Compliance Officer	Internal Auditor
Internal Auditor	Accountant
Corporate Secretary	Administrative Officer
Accountant	Bookkeeper II
Operation	
President	Branch Manager II
Tagbilaran Branch	
Branch Manager II	Cashier
Cashier	Branch Manager II
Loan Officer II	Loan Officer I
Bookkeeper II	Accounting Clerk
Teller II	Cashier
Other Branches	
Branch Manager I	Teller I
Teller I	Branch Manager I
Bookkeeper I	Branch Manager I
Loan Officer I	Bookkeeper I
Officer – at –Large	will assume the work in any of the position in the branches in excess of three (3) days.
Board of Directors	
Chairman	Vice Chairman

SUCCESSION PLAN for BOARD OF DIRECTORS



Director: Qualifications

- 1) At least 25 years of age;
- 2) Filipino citizen;
- 3) A college graduate, or with at least 5 years of business experience;
- 4) A stockholder;
- 5) The cooperative-stockholder has attended the past two consecutive General Assembly meetings;
- 6) Chairman, Vice-Chairman or Manager of the cooperative-stockholder;
- 7) If representative of a cooperative-stockholder, should submit a board resolution authorizing him to file a candidacy;
- 8) The cooperative-stockholder has a Certificate of Compliance with CDA of the preceding year;
- 9) The cooperative-stockholder is not delinquent in the payment of their obligations/loans with the bank;

- 10) The cooperative-stockholder has at least 200 shares of stock;
- 11) Attended the Fundamentals of Cooperative

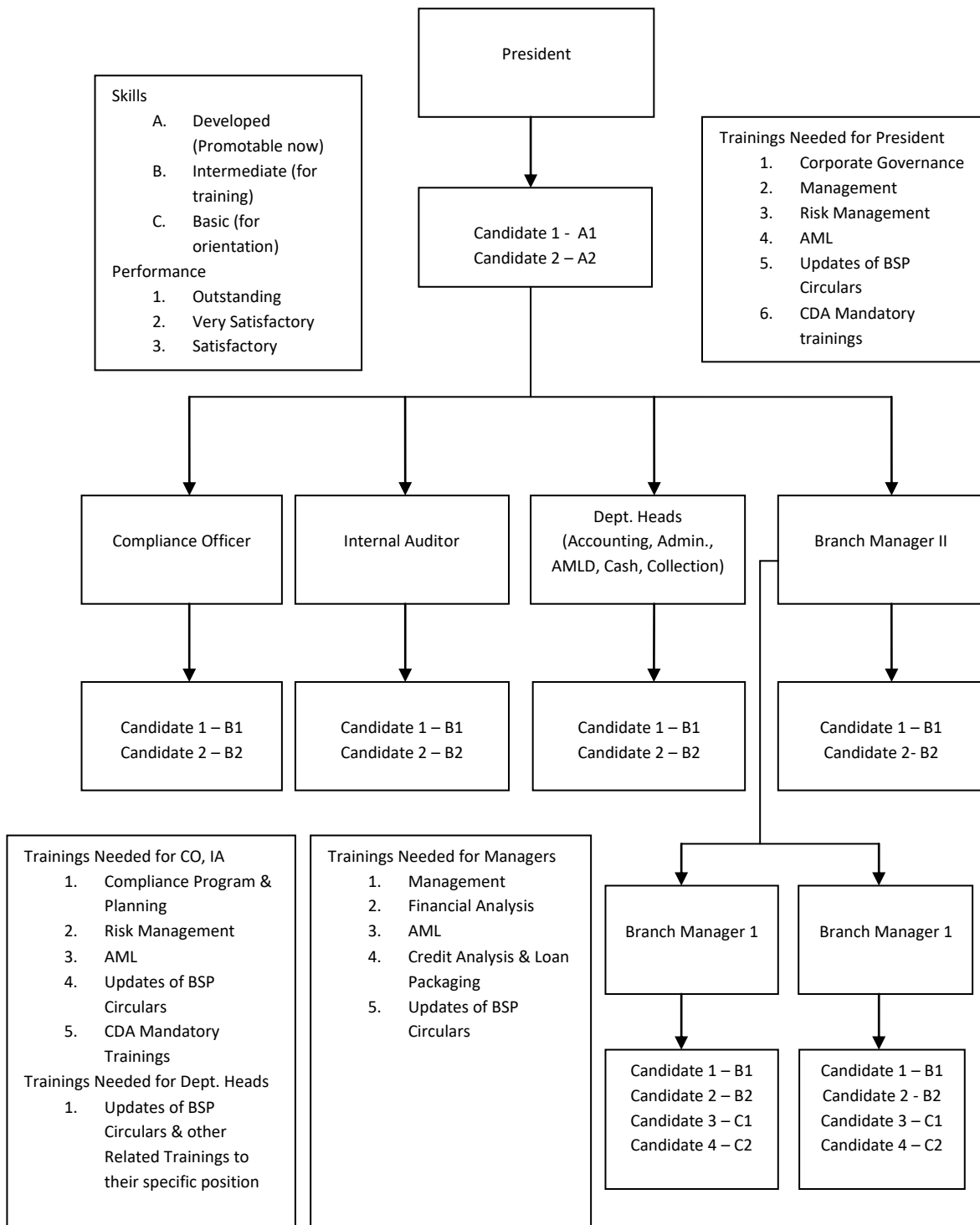
Trainings Needed:

- 1) Corporate Governance (w/in 6 months from the date he/she is elected);
- 2) Advance Corporate Governance
- 3) AML
- 4) Financial Analysis
- 5) Risk Management
- 6) Update of BSP Circulars
- 7) Mandatory Trainings of CDA

Skills:

- 1) Action-oriented
- 2) Business Knowledge
- 3) Honesty & Integrity
- 4) Probity
- 5) Linkaging & networking
- 6) Risk Management

SUCCESSION PLAN OF OPERATION



Remuneration Policy

Honorarium and other benefits of the Board of Directors shall be included in the annual budget of the bank to be approved by the General Assembly. There shall be special approval on this account.

For senior management, their remuneration is also included in the budget to be approved by the Board of Directors.

Performance bonus, merit increase and other benefits shall be extended to bank's directors, officers and employees, to boost their morale and to recognize good performances.

The 1–21 Salary Grades Schedule is hereby created to be made as basis for entrance salary or hiring rate of newly appointed employees. In this schedule the employee with lowest rank shall be assigned a salary grade of 1 and the highest officer a grade of 21.

SALARY GRADE STANDARD

		Sal Gr #	Basic	Step 1	Step 2	Step 3	Step 4	Step 5	Step 10
A. SENIOR MANAGEMENT									
	President	21							
B. INDEPENDENT OFFICE									
	Compliance Officer	19							
	Internal Auditor	18							
C. DEPARTMENT HEADS									
	AMLD Head	19							
	Admin. Officer	17							
	Accountant	16							
	Cashier	17							
	Collection Dept. Head	17							
D. BRANCH MANAGER									
	Branch Manager II	14							
	Branch Manager I	12							
E. SUPERVISOR									
	Loan Officer II, Bookkeeper II	11							
E. MANAGEMENT SUPPORT TEAM									
	Loan Officer I	9							
	Remedial In-Charge	8							
	IT In-charge	8							
	Teller II	8							
	Business Development	7							
	Teller I	6							
	Bookkeeper I	6							

	Clerk III, Collector III	6							
	Collector II, Clerk II	5							
	Appraiser	4							
	Collector I, Clerk I	3							
F.									
ADMINISTRATIVE									
AIDE									
	Driver/Messenger/UW	2							
	Branch UW/Messenger	1							

- There shall be 5 step increments of the Personnel Salary Grade.
- There shall be an increase in the amount of P500.00 in every step increment.
- An employee can be adjusted to a next step of his present position after two years of service and with very satisfactory performance.
- Clerk 1 shall be promoted to Clerk II after 2 years if he/she has a very satisfactory performance.
- Clerk II shall be promoted to Clerk III after 2 years if he/she has a very satisfactory performance.
- Good performance shall be determined by the Education/HR Committee based on the Annual Performance Report.

A. BENEFITS

Performance bonus, merit increase and other benefits shall be extended to bank's directors, officers and employees, to boost their morale and to recognize good performances. Recognition shall be in non-monetary and monetary forms. Non-monetary shall be in the forms of Plaque of Appreciation, Letters of Commendation and others.

1. Monetary and Non-Monetary Benefits:

A. Granted to Directors

- 1) Medical Allowance – annually
- 2) Rice Allowance – every month
- 3) Uniform Allowance - annually

B. Granted to Employees

- 1) 13th Month Pay
- 2) 14th Month Pay
- 3) Christmas Cash Gift
- 4) Anniversary Incentive
- 5) Grocery Incentive - Christmas, New Year
- 6) Cost of Living allowance (COLA) - monthly
- 7) Medical Allowance – annually
- 8) Travelling Allowance – monthly
- 9) Rice Allowance – every month
- 10) Uniform Allowance - annually
- 11) Leave Privileges

Vacation Leave – 15 days for every year of service (An employee should enjoy his/her 5 days mandatory vacation leave while the remaining vacation leave will be monetized at the end of the year)

Sick Leave – 15 days for every year of service. Cumulative and shall be monetized upon retirement from service. If an employee has more than 80 days accumulated sick leave, the excess number of days shall be monetized at the end of the year but to a maximum of 10 days only.

Special Leave – not more than 3 days in a year to be availed of or enjoyed under the following occasions; (Wedding Anniversary, Birthday, Enrollment/Graduation Day, Death Anniversary of immediate member of the family)

Maternity Leave – 105 days (regular delivery and for Caesarean delivery)

Paternity Leave – 7 days leave to be enjoyed by married male employee during the first 4 deliveries of his legitimate spouse.

Special Leave for Pregnant Women – Within 9 months pregnancy period, a pregnant employee is entitled of ½ day special leave every month intended for pre-natal purposes.

Parental Leave – for solo parent 7 days annually

Other leave credits required by law.

- 12) Retirement Plan - Compulsory Retirement Age – 60 years old
- 13) Collection incentives for bank collectors who meet their collection targets
- 14) Employees Financing Program (EFP)

- Real Estate
- Vehicle Loan
- Appliance Loan
- Personal Loan

The monthly amortization of the loan secured under the Employees Financing Program (EFP) shall not exceed 50 % of the employees' monthly salary and other allowances

C. Granted to President, Independent Officers, Department Heads and Managers

- Representation Allowance
 - President - monthly
 - Department Heads and Managers – monthly

D. Granted to Managers

- Mobilization Pay
 - President – monthly
 - Branch Manager – monthly

E. Granted to Cashier and Teller

Shortage Allowance

Cashier and Teller – annually

Cashier/Teller – annually

F. Granted to Collectors

Repair and Maintenance Allowance – monthly

Hazard Pay - monthly

REWARDS MANAGEMENT

Rewards are monetary and non-monetary forms that the bank offers to its employees in exchange for their work contribution, accomplishments and as recognition of his/her/their extraordinary achievements.

Objectives of Rewards and Recognition

1. To attract the right people (competent workforce) and encourage them to be a part of the organization.
2. To retain potential performers by satisfying their work related needs and rewarding their efforts and contributions.
3. To develop workforce capabilities by rewarding employees for knowledge/skill and ability enhancement.
4. To motivate employees to contribute to the best of their abilities thereby encouraging productivity in order to meet strategic goals and objectives.

Types of Rewards

1. Monetary- these are awards in the form of "cash" or money.
2. Non-Monetary – are perceived as separate and independent from compensation or salary/benefits. Has long term effects and brings greater recognition and increases engagement.

Incentive Pay

Incentive Pay Programs are designed to relate pay directly to performance to encourage specific actions or behaviour by employees or branch during a specific performance period. This will motivate and encourage employee's productivity.

Types of Incentive Schemes/Programs

1. Employee Recognition – generates increased morale and positive workplace attitudes. Offers feedback and encouragement to employees. Includes verbal praise, award ceremonies, public announcements.
2. Knowledge Contingent Pay – rewards employees who seek self-development and career development.
3. Individual Performance Programs – Employees are given specific types of awards for meeting or exceeding planned targets. Annually the bank shall award an “Employee of the Year”.
4. Group Based Performance Incentive – rewards are paid based on group achievement or exceeding of targets and encourage teamwork.

This Group Based Performance Incentive in a form of cash will be given to a branch at the close of the year if they exceeded the year’s target on loan releases. Aside from loan releases, other indicators to be considered are favourable loan collection (at least the target past due ratio will be attained), expenses not to exceed the year’s target and the target net income will be attained. It shall be 1/10 of 1% of the total loan releases for the year.

Schedule to follow, in case of the following:

No Net income
 Loan Releases – exceeded the target
 Collection – has not met the required PDR
 Expenses – exceeded the target
 No GBPI

With Net income but below the target
 Loan Releases – exceeded the target
 Collection – has not met the required PDR
 Expenses – exceeded the target
 No GBPI

Net income exceeding at least 25% of the target
 Loan Releases – exceeded the target
 Collection – has not met the required PDR
 Expenses – exceeded the target
 GBPI – 60 % of the 1/10 of 1% of the total loan releases

Net income exceeding at least 25% of the target
 Loan Releases – exceeded the target
 Collection – has not met the required PDR
 Expenses – has not exceeded the target
 GBPI – 80 % of the 1/10 of 1% of the total loan releases

Net income exceeding at least 25% of the target
 Loan Releases – exceeded the target
 Collection – has met the required PDR

Expenses – has not exceeded the target
GBPI – 100 % of the 1/10 of 1% of the total loan releases

5. Profit Related Incentive – given to employees based on overall revenue/profit earned by a branch for a given period.

Profit Related or Productivity Incentive amount shall be determined if the bank will exceed its target income. The amount of PRI shall be 1/10 of 1% of the excess amount of the target amount.

The Corporate Office is responsible for implementing the strategic direction and policies set by the Board; providing necessary support to the operating branches; maintaining a strong system of internal control; and ensuring the bank's compliance with legal and regulatory requirements. Hence, the President and personnel in the corporate office shall have a share in the Group Based Performance Incentive and Profit Related Incentive. Percentage shall be as follows:

Group Based Performance Incentive (GBPI)

President	- 20% of the amount of GBPI
Independent Officers and Dept. Heads	- 30% of the amount of GBPI
Branch	- 50% of the amount GBPI
Branch Manager	- 25% of the branch amount of GBPI
Rank & File	- 75% of the branch amount of GBPI

Independent Officers and Department Heads (7)

(CO, IA, Accountant, Admin. Officer, AMLD Head, Cashier, Collection Head)

Branch Rank & File (4) & the SO, IT in-charge, Business Development., IA Clerk, AMLD Clerk, & Driver (6)

Policies and Procedures on related party transactions

The Board of Directors, as an oversight body, of the Cooperative Bank of Bohol has the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations.

Related Parties shall cover the following:

- Bank's subsidiaries as well as affiliates and any party that the bank exerts direct/ indirect control over or the bank;
- The bank's directors, officers, stockholders, and their related interests (DOSRI);
- And their close family members;
- Corresponding persons in affiliated companies;
- Person/ juridical entity whose interests may pose potential conflict with the interest of the financial institution (FI);
- Direct or indirect linkages to a bank identified as follows:

Ownership, control or power to vote, of ten percent (10%) to less than twenty percent (20%) of the outstanding stock of the borrowing entity, or vice versa

Interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations or directors holding nominal share in the borrowing corporation;

Common stockholders owning at least ten (10%) percent of the outstanding voting stock of the bank and ten (10%) percent to less than twenty (20%) percent of the outstanding voting stock of the borrowing entity; or

Permanent proxy or voting trusts in favor of the bank constituting ten (10%) percent to less than twenty (20%) of the outstanding voting stock of the borrowing entity, or vice versa

Close Family Members shall refer to persons related to the bank's directors, officers and stockholders (DOS) within the second degree of consanguinity or affinity, legitimate or common-law. These shall include the following:

- Spouse
- Parent
- Child
- Brother
- Sister
- Grandparent
- Grandchild
- Parent-in-law
- Son/daughter-in-law
- Brother/sister-in-law
- Grandparent-in-law
- Grandchild-in-law

Related Party Transactions (RPTs) shall refer to transactions or dealings with related parties of the bank regardless of whether or not a price is charged. The following criteria shall constitute the definition of RPTs which shall include, but not limited to the following:

MATERIALITY THRESHHOLDS

Covered RPTs shall be subjected to the corresponding materiality thresholds, as determined based on existing credit authority structure for credit exposures, and approval matrix specified in Part VI.

Furthermore, the following conditions shall hold:

1. Thresholds are applicable to new transactions.
2. Material RPTs that are non-standard or with deviations shall require prior approval of the Board.
3. Where there is doubt or lack of clarity in determining whether a covered RPT is with deviation or not, the responsible person shall elevate the transaction to the RPT In-charge Member of the Board with the Executive Committee.

Thresholds shall not apply to transactions that were entered into with a formerly unrelated party which subsequently became a related party granted that no alteration to the Terms & Conditions and increase in exposure level was made after the said company became a Related Party.

Prospective treatment, however, should be without prejudice to supervisory actions that may be enforced for those noted to be not conducted on arm's length terms.

The following general guidelines shall apply:

1. Renewal or material changes in the terms and conditions of the transaction shall require approval of the original body that authorized the transaction.
2. In case a member of the reviewing committee has conflict of interest in a particular RPT, he/she shall refrain from evaluating the fairness thereof.
3. All violations including those done inadvertently or without bad faith shall be subject to appropriate action by the RPT In-charge Member of the Board with the Executive Committee.

Any financial transaction, arrangement or relationship where a related party has or will have direct or indirect material interest shall be guided by the following internal materiality thresholds:

Transactions	Materiality Thresholds per Transactions
Credit Accommodations	
Agri-Agra Loans	P50,000.00
Commercial Loans	P300,000.00
Other Loans-REM	P200,000.00
Overseas Assistance/ Back to Back Loan	P500,000.00
Auto Loan	P500,000.00
Salary Loan	P50,000.00
Deposit Accommodations	
Placements	P50,000.00
ROPA Accommodations	
Sale –REM	P300,000.00
Sale – Auto	P400,000.00
Other Accommodations	
Insurance Services	P50,000.00
Outsourcing Agreements	P50,000.00
Supplier of Materials and Supplies	P50,000.00
Lease Contracts	P50,000.00
Other Transactions	P50,000.00

COVERED AND NON-COVERED TRANSACTIONS

This section provides the list of Covered and Not Covered Transactions. Those falling under the latter category need not be presented to the Committees but shall remain subject to internal monitoring.

COVERED

- On and off balance sheet credit exposures and claims and write-offs

- Investments and/or subscriptions for debt/equity issuances
- Consulting, professional, agency and other service arrangements/ contracts
- Purchases and sales of assets, including transfer of technology and intangible items
- Construction arrangements/ contracts
- Lease arrangements / contracts
- Borrowings, commitments, fund transfers and guarantees
- Sale, purchase or supply of any goods or materials, and

NOT COVERED

- Immaterial transactions. *These shall not require review and approval of the Board of Directors but shall be subject to vetting.*
- Transactions concerning deposit operations (CASA /Time Deposits) and other bank services where standard fees or published market rates apply.
- A transaction where the rates or charges involved in the transaction are determined by competitive bids or fixed by the bank or law or regulated by a government authority.
- Executive Officer/Director compensation arrangements and Employee Benefits
- Other transactions of similar nature

TRANSACTIONS NOT COVERED BUT SUBJECT TO VETTING PROCESS

- DOSRI loans, regardless of the amount, as these are already reported to the BSP within 15 banking days from end of reference quarter
- Single deposit accommodation of at least P50,000.00 at any time or aggregate amount of at least P100,000.00 in any year
- Single non-loan accommodation of at least P50,000.00 at any time or aggregate amount of at least P100,000.00 in any year
- Non-Collateral Loan - Single loan accommodation of at least P50,000.00 at any time or aggregate amount of <P15M to P100,000.00 in any year
- Collateral Loan - Single loan accommodation of at least P100,000.00 at any time or aggregate amount of <P15M to P200,000.00 in any year

NATURE

- On and off balance sheet credit exposures and claims and write-offs
- Investments and/or subscriptions for debt/equity issuances
- Consulting, professional, agency and other service arrangements/ contracts
- Purchases and sales of assets, including transfer of technology and intangible items
- Construction arrangements/ contracts
- Lease arrangements / contracts
- Trading and derivative transactions
- Borrowings, commitments, fund transfers and guarantees
- Sale, purchase or supply of any goods or materials, and
- Establishment of joint venture entities

Arm's Length is a term referring to transactions in an open and unrestricted market and between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.

THE VETTING PROCESS

The RPT Committee, shall take into account, among other factors deemed appropriate, whether the terms of the RPT are no less favorable than terms generally available to an unrelated/unaffiliated third party under the same or similar circumstances, for example the RPT is at an arm's length basis.

It shall consider all relevant facts and surrounding circumstances available, and shall take into account the following:

- a) The date the transaction is being subjected to the vetting process.
- b) The nature of transactions and identity of the parties involved in the transactions or relationship for purposes of ascertaining if such is indeed an RPT or not.
- c) The Related Party's relationship to the Bank, the extent of its interest in the transaction and the nature of the Bank's participation.
- d) The basic terms of the transaction (price, commissions, interest rates, fees, terms, collateral requirements), material facts of the proposed RPT, including total placement/exposure of such RPT.
- e) The purpose or business reasons for the bank to enter into the proposed RPT.
- f) The availability of other unrelated party accounts with comparable terms and conditions, if available. Any compelling business reasons for the bank to enter into the RPT should be determined.
- g) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances and would apply on the basis if the RPT did not involve a related party.
- h) Remarks on the impact to Director's independence or whether the RPT would present a conflict of interest, actual or apparent, taking into account the size of the transaction, their overall financial transaction, and any other factor the RPT approving authority deemed relevant.
- i) Other material terms and conditions, including policy deviations, if any, as a result of entering into the transaction, as well as any potential risk issue that may arise as a result of or in connection with the transaction.
- j) Any other relevant or material information regarding the transaction.

Additional factors to consider but not limited in determining whether a transaction has been conducted on an arm's length basis:

- 1) Validate the terms of the transaction to those two (2) comparable transactions on an arm's length basis.
- 2) Validate the terms of the proposed transaction, if it's fair to the bank and on the same basis that would apply to the transaction on non-related party.
- 3) Verify the business reasons for the bank to enter into the proposed transaction.

- 4) Ensure that the proposed transaction does not prejudice the independence of the relevant director.
- 5) Ensure that the transaction has no implications to the bank's financial position and performance.
- 6) Validate the nature and content of the bargaining process; look for any unique or unusual terms/content.

In evaluating RPTs, the committee shall take into account, among others, the following:

- The related party's relationship to the bank and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the bank of the proposed RPT;
- The availability of other sources of comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The bank shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs. All RPTs that are considered material based on the bank's internal policies shall be endorsed by the RPT committee to the Board of Directors for approval.
- Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the bank's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are consistent with such policies; and conflicts that could arise as a result of the bank's affiliation or transactions with other related parties.
- Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
- Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

Senior management shall implement appropriate controls to effectively manage and monitor RPTs on a per transaction and aggregate basis. Exposures to related parties shall also be monitored on an ongoing basis to ensure compliance with the bank's policy and BSP regulations.

The Internal Audit function shall conduct a periodic formal review of the effectiveness of the bank's system and internal controls governing RPTs to assess consistency with the board-approved policies and procedures. The resulting audit reports, including exceptions or breaches limits, shall be communicated directly to the Audit committee.

The compliance function shall ensure that the bank complies with relevant rules and regulations and is formed of regulatory developments in areas affecting related parties. It shall aid in the review of the bank's transactions and identify any potential RPT that would require review by the

Board or RPT committee. It shall ensure that the RPT policy is kept updated and is properly implemented throughout the bank.

Each Director, Stockholder or Senior Officer is responsible to declare a transaction to be called a Related Party Transaction and the material interest that they or an immediate family member may have on such transaction.

A Disclaimer Statement is required from all approving officer/s signing contracts, agreements, work orders and purchase orders that they are not related to the counterparties of the proposed transaction.

All credit and non-credit Related Party Transactions go through the normal approval processes of the Company given the delegated discretion after due consideration to existing DOSRI regulations and Single Borrowers limits.

Upon approval, all financial transaction, arrangement or relationship in which the aggregate amount involved will or may exceed P15, 000,000.00 in any year or any single financial transaction amounting to P1, 000,000.00 at any time related Party Transactions including transactions falling under the Ordinary Course of Business but with policy deviations are referred to the Related Party Transactions Committee/Audit Committee. The Committee shall review and approve these Related Party Transactions and endorses to the Board for approval.

The Board of Directors shall approve and confirm all Related Party Transactions endorsed by the Related Party Transactions Committee. Any member of the Board or Related Party Transactions Committee who has interest in the transaction must abstain from participation in the review and approval of any Related Party Transaction.

STRUCTURE OF INTERNAL AUDIT AND COMPLIANCE FUNCTIONS

The Bangko Sentral ng Pilipinas in Section 161 of the latest MORB and BSP Circular 972 as the guides to the Enhanced Compliance Framework has instituted revision to the compliance framework which all banks are required to maintain and operate. The new compliance program defines compliance as the overall handling by the bank's business risks that could negatively affect the franchise value of the bank. In this circular business risks is defined as the conditions which may be detrimental to the bank's model and its ability to generate returns from operations. Business risks shall include, but not limited to the following:

- a. Risks to reputation that arise from internal decision that may damage a banks market standing;
- b. Risks to reputation that arise from internal decision and practices that ultimately impinge on the public trust of the bank;
- c. Risks from activities of the bank that are contrary to existing regulations and identified practices and reflect weaknesses in the implementation of codes of conduct and standards of good practices;
- d. Legal risks to the extent that changes in the interpretation or provisions of regulations directly affect a bank's business model.

The Cooperative Bank of Bohol carry and engage in the business of extending credit and accepting deposits to all types of cooperatives their member, small farmers and tenants and to deserving rural industries. In the conduct of the bank's normal business operations various risks

can be encountered and it is therefore the responsibility of the Board of Directors to identify, establish and create measures to mitigate the same.

Among the risks a bank faces in its normal operations are:

1. Risks of poor collections or non-collection of loans

Measures to be taken:

- a. ensure that the borrower has the capacity to pay as shown by the
 - financial statement
 - income tax return
 - statement of assets and liabilities
 - credit investigation
- b. approved and released loans should be complete in needed information and free from any or all of the following deficiencies
 - incomplete signatures on loan documents
 - loan amount beyond the lending authority of loan officer/credit committee
 - loan amount in excess of the borrowers credit limit or at the loan value of the submitted collateral
 - incomplete documentation of collaterals
- c. borrowers, co-makers, endorsers, sureties and guarantors in case of unsecured loans shall possess good credit standing and are financially capable of fulfilling commitments in the event the borrower is unable to settle his obligation to the bank.
- d. borrower's repayment schedule shall be aligned with his cash flows
- e. reduction of 20% percent of the principal obligation and submission of updated income tax return or financial statements shall be one of the requirements for renewal of loans

2. Risk of unwarranted concentration of credits

Measure to be taken:

- granting of loan other than agricultural, ie. Salary loan, appliance loan, car loan should be within the established benchmark

3. Risk to over exposure to DOSRI

Measures to be taken:

- granting of loan shall be within the aggregate and individual ceiling prescribe by the BSP

4. Risk arising from adverse business decision or improper implementation of decision.

Measures to be taken:

- The banks board resolution, policies, procedures and other issuances shall conformed with the sound banking practices, laws, rules and regulation and it must be religiously implemented and followed.

5. Risk arising from negative public opinion which will affect the bank's ability to establish new relationship or services or continue servicing existing relationship.

Measures to be taken:

- The bank must be transparent in all dealings and transaction to the clients in general.
6. Risk to earnings or capital arising from violation of, or non-conformance with laws, rules, regulations and prescribed practices issued by the supervisory and or regulatory. This risks exposes the bank and officers to fines, monetary penalties and administrative sanctions. The non-monetary penalty of warning, reprimand or preventive suspension can be imposed to a Director or officer determined to be involved in the commission of a violation. It can also lead to diminished reputation, limited business opportunities, lessened expansion potential and lack of contract enforceability.
 7. Losses which are commonly exposed due to violations and/or non compliance of laws, rules and regulatory issuance are as follows:
 - a. Monetary penalties on a bank and/or its officers due to failure to submit periodic report in the prescribed form on time, legal reserve deficiencies, failure to observe single borrower's limit and credit accommodations to director, officers, stockholders and related interest (DOSRI)
 - b. Administrative sanctions against a bank such as the suspension of lending operations, disqualification from branching and borrowing from the lending window of the Bangko Sentral ng Pilipinas (BSP) as a result of legal reserve deficiencies, deficiencies in prescribed minimum capital may result to a very substantial losses.
 - c. Tax assessment deficiency due to failure to pay correct tax

The ultimate penalty for gross violation of laws, rules and regulation as well as the Monetary Board and the Bangko Sentral ng Pilipinas (BSP) directions or instructions having material effect on bank's solvency, liquidity and profitability is the closure of a bank.

The bank has adopted this program to see to it that its directors, officers and staff are regularly informed of laws and regulations relevant to banking and that these are observed to avoid monetary and administrative sanctions.

COMPLIANCE OFFICER AND FUNCTIONS

The compliance officer shall be appointed/designated by the Board of Directors whose principal function is to oversee the administration of the compliance program and promote its effective implementation and address breaches that may arise. He/She is also responsible for ensuring the integrity and accuracy of all documentary submission to Bangko Sentral ng Pilipinas (BSP). The appointment of the Compliance Officer shall require prior approval of the Financial Supervision Sector (FSS) Committee of the BSP subject to existing fit and proper rules of the Bangko Sentral ng Pilipinas (BSP) and other regulatory agencies.

COMPLIANCE FUNCTIONS:

The compliance function is an independent activity operating within the bank with no line function under the direction and reporting to the Board, to assist management and the Board of

Directors in discharging their duties and responsibilities. In line to the function he/she is authorized to the following:

1. To communicate with any staff members and obtain access to any records or files necessary to enable it to carry out its responsibilities.
2. To carry out its responsibilities on its own initiative in all department of the bank in which compliance risks exists.
3. To conduct investigation of possible breaches of the compliance policy and to request assistance from the legal or internal audit to perform this task if appropriate.
4. To report to Senior Management on any irregularities or possible breaches disclosed by its investigation without fear of retaliation from management or other staff members. Although the reporting line should be to senior management, the compliance function has the right to direct access to the Board of Directors or to a board level-committee by passing normal reporting lines when appears to be necessary.

The specific responsibilities of the compliance function are the following:

5. To furnish copy to Board of Directors and senior management of the latest Bangko Sentral ng Pilipinas circular, memorandum, circular letter and keeping them informed on the respective development.
6. To assist senior management:
 - a. Educating the staff on compliance issues and act as contact persons with in the bank on compliance queries from the staff.
 - b. Establishing guidance to staff in the appropriate implementation of compliance laws, rules and regulations through policies and procedures.
7. To coordinate with the directors, senior management and employees in the implementation of the BSP programs and requirements.
8. To consult the BSP and other regulatory agencies for additional clarification on specific provisions of laws and or discuss compliance findings with the regulatory authorities. A dialogue may also be initiated with respect to borderline issues.
9. To adopt ways to measure compliance risks and use such measurement to enhance compliance risks assessment.
10. To monitor and test compliance by performing sufficient compliance testing.
11. To monitor the submission of periodic reports to various government agencies.

COMPLIANCE SYSTEM

To ensure compliance with laws, rules and regulations in the daily operations of the bank the following policy and procedures shall be observed:

1. Copy of all laws, rules, regulations and Board resolutions relevant to the duties and functions of the individual officers and staff of the bank shall be properly disseminated. List of all relevant laws, rules and regulations are shown in the Annexes.
2. A complete list of all required reports for submission to the Bangko Sentral ng Pilipinas (BSP) and other regulatory agencies shall be properly furnished to the concerned department/staff with corresponding information as to the frequency and date for submission. The department/branch concern shall be responsible for the preparation and submission of their assigned reports. Log book containing information as to what report being made and submitted to the regulatory body. Evidence of receipt of said report shall be kept on file at all times. List of all reports required to be submitted to the Bangko Sentral ng Pilipinas and other regulatory agencies is shown in the Annexes.
3. The compliance rating on each department/branch shall be based on the frequency and nature of violations found during the audit/inspections, the amount involved and the persistence in committing same violation.

The levels of risks are as follows:

- a) Low – possibility of loss is minimal
 - b) Medium – risks of loss is manageable
 - c) High – exposure to loss is imminent
4. The compliance audit/investigation shall be carried out quarterly. After the conduct of the audit/investigation of different department/branches is rated "LOW" the audit/investigation may be reduced to once a year, those rated "MEDIUM" the audit/investigation shall be continued quarterly, while those rated as "HIGH" audit/investigation shall be conducted monthly. In cases where the rating of a department/branches continue to be "HIGH" for three consecutive audit/investigation, the President shall conduct conference with the principal officers of the department/branch concern to determine the reasons thereof and to require said officers to submit specific measure to be taken to avoid further violation.

The compliance rating of the department/branch is important in determining the frequency and scope of succeeding compliance review to performed. It is likewise considered as basis for promotion, giving of awards and incentives as well as disciplinary actions.

5. The report of the Compliance Officer on the outcome of the compliance testing should be submitted to the President together with her/his recommendation.
6. The President then, shall inform in writing the head of the department/ branch subject of the report, the details of the violations noted during the conduct of the compliance testing and requiring to correct their violations and to submit written report on action taken.
7. The President shall submit periodic report to the Board of Directors as to the violations noted by the Compliance Officer together with the action taken to correct the same and with his recommendation to prevent repetition thereof.

REVIEW OF THE COMPLIANCE PROGRAM

The compliance program shall be reviewed by the President regularly at least annually; the review shall include the assessment of the performance of Compliance Officer and the efficiency of the monitoring, testing and reporting system. The program shall be updated at least annually to incorporate changing responses to evolving internal and external conditions.

INTERNAL CONTROL SYSTEM

Internal Control

Is a plan of organization adopted within a business to safeguard its assets, check the accuracy of reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies.

Section 3166, Manual of Regulations

All rural banks shall review existing internal controls and adopt and implement such improvements as are essential in accordance with the minimum internal control standards.

A. Proper Accounting Records

1. All business organization should maintain proper and adequate accounting records.
2. These records should be kept currently posted and should contain sufficient details so that an audit trail is established.
3. All vouchers/tickets should bear official approval and should be initialed by the person originating and another person checking them.

B. Independent Balancing

1. Independent balancing shall mean that records posted by a person or cash held by a teller or cashier shall be balanced or counter by another person.
2. The minimum independent balancing procedures which should be adopted are the following:
 - a. Monthly reconciliation of general ledger balances against their respective subsidiary and supporting records and documentations by someone other than the bookkeeper or the person handling the records.
 - b. irregular and unannounced count of teller's cash and checks and other cash items (COCI) at least twice a month and vault cash at least once a month by auditor/control officer or by an officer not connected with the cash department.
 - c. Monthly reconciliation of due from banks/cash in bank and due to/from head office account by someone other than the person handling the records or posting the general entries
 - d. Periodic verification of the accuracy of the interest credits to deposit liability accounts.

C. Division of Duties and Responsibilities

1. The duties of all the officers and employees should be segregated, clearly defined, understood, documented and manualized if possible. No individual shall have complete authority and responsibility for handling all phases of any transaction from beginning to end without some check or balance from some other part of the organization.
2. The physical handling of a transaction should be separated from its recording and supervision as follows:
 - a. A person handling cash should not be permitted to post the ledger records nor should posting of the general ledger be performed by an employee who posts the depositors' subsidiary ledgers.
 - b. A loaning officer should never be allowed to disburse proceeds of notes, accept not payment nor process loan ledgers.
 - c. The function of issuing, recording and signing of checks should be separated.

- d. The receipt of statements from depository bank should be assigned to any employee other than the one connected with the preparation, recording and signing of the institutions' own check.
 - e. Collateral appraisals should be done by an employee/officer other than the ones approving the loan.
 - f. Credit reports should be obtained by someone other than the lending officers.
 - g. Mailing of customers' statements and delinquent notices should be done by an employee other than the one who granted the loan or the one handling the records.
3. Extensive background checking of person intended to be assigned to handle cash/securities should be conducted. Frequent follow-up checking after their employment should also be made.

Joint Custody

1. Joint custody shall mean the processing of transactions in the presence of and under the direct observation of a second person. Both persons shall be equally accountable for the physical protection of the items records involved.
2. Physical protection should be deemed established through the use of two locks or combination on a file chest or vault compartment.
3. Two or more persons should be assigned to each half of the control so that operating efficiency is not impaired if one person is not immediately available.
4. The following should be under joint custody:
 - a. Cash in vault/safe
 - b. All accountable forms
 - c. Collaterals
 - d. Documents of title and/or ownership of properties or fixed assets
 - e. Dormant or inactive deposit ledgers and corresponding signature cards
 - f. cards
 - g. Trust receipts
 - h. Duplicate keys, spare locks and keys
 - i. Safe combinations
 - j. Safekeeping items

D. Signing Authorities

1. Signing authorities for the different levels of officers to sign for and in behalf of the institutions should be approved by the board of directors and the extent of each level of authority should be clearly defined. This signing authorities should include but not be limited to the following:
 - a. Lending operations
 - b. Investment
 - c. Approval of expenses
 - d. Reports
 - e. Institution's check and certificates of time deposits

E. Dual Control

1. Dual control shall mean the work of one person is to be verified by a second person to determine that:
 - a. Proper authority has been given to handle the transaction.
 - b. The transaction is properly recorded.
 - c. Proper settlement of the transactions is made.
2. The routine of each transaction should be designed so that at least two or more individuals are involved in the completion of every transaction.
3. The following accounts/transactions should be under dual control:
 - a. Institution's own check – The signature of at least two officers should be required in the issuance of the checks. The Board of Directors may, however, prescribe a certain predetermined amount by which one senior officer could sign, subject to appropriate control measures.
 - b. Certificate of Time Deposits – All certificates of time deposits issued should be signed jointly by two authorized officers.
 - c. Borrowings – The signature of at least two authorized officers should be required.
 - d. All transactions giving rise to "due to/from head office" account all instruments of remittances evidencing these transactions particularly those involving substantial amounts should be approved by two authorized officers.

F. Number Control

1. Sequence number controls should be incorporated in the accounting system and should be used in registering notes, in issuing official checks and in other similar situations. Number control should be policed by a person designated by senior management who should be detached from the particular operations involved.
2. The following are the forms, instruments and accounts that should be number-controlled:
 - a. Institution's own check(Cashiers check)
 - b. Promissory notes
 - c. Savings deposit accounts/savings passbook
 - d. Time deposits
 - e. Official and provisional receipts
 - f. Certificate of stocks
 - g. Loan accounts
 - h. Expense vouchers (e.g. petty cash vouchers)

G. Rotation of Duties

1. The duties of personnel handling cash, securities and bookkeeping records should be rotated.
2. Rotation of assignment should be irregular, unannounced and long enough to permit disclosure of any irregularities or manipulations.

3. Teller should be relieved of their duties during actual count of their cash accountabilities during audit.

H. Independence of the Internal auditor

1. The position of internal auditor should be provided for in the by-laws together with the duties and responsibilities, scope and objectives of internal auditing.
2. The internal auditor should report directly to the Board of Directors or to an Audit/Supervisory Committee who are not connected with the management.
3. The internal auditor should not install or develop procedures, prepare records or engage in other activities which he/she normally reviews or appraise.

I. Direct Verification

1. Direct verification shall mean the confirmation of accounts or records by direct correspondence with the institution's customers/debtors/creditors.
2. The following accounts among others, should be subject to direct verification by the internal auditing staff at least once a year:
 - a. Balance of loans and credit accommodations of borrowers.
 - b. Deposit account balances particularly new deposit accounts, inactive or dormant accounts and closed accounts
 - c. Outstanding balances of borrowings and other liabilities.
 - d. Outstanding balances of receivables and payables.

J. Other Internal Control Standards

1. Deposit Accounts
 - a. Entries to dormant account ledgers should be verified and approved by a designated officer. His initial should be placed next to the entry on the ledger sheet.
 - b. Dormant account should be segregated from active account ledgers with a separate subsidiary control
 - c. Signature cards for dormant accounts should be removed from active files.
 - d. Signature cards and deposit ledger sheets should be authenticated by some form of validation. Subsequent changes should also be validated.
 - e. Signature cards and deposit ledger sheets should be accessible only to authorized persons
 - f. f Dates appearing on deposit tickets/slips should be occasionally examined at irregular intervals after they have been posted to determine that posting was made on the actual date deposits are received to avoid "lapping".
 - g. Printing of subsidiary ledger on deposits dormant and current accounts quarterly.
 - h. h. Printing subsidiary ledger on loans current and past due accounts quarterly.

APPROPRIATE INTERNAL CONTROL PROCEDURE

1. Cash

- a. Unannounced cash count.
- b. Initial required to check posting in the subsidiary ledger. Bookkeeper should initial
- c. Late deposit should be handled by another person other than the cashier/teller
- d. Verify long-outstanding/undeposited COCIs
- e. Physical controls (teller's cage, cash box, locked drawers, day gate, dual locking mechanism)
- f. Keys to validating machine/computer under the custody of the internal auditor
- g. Rotation of personnel/mandatory leave

2. Checks and Other Cash Items (COCI)

- a. Examine long-outstanding COCIs
- b. Use COCI register to monitor items on hand as against general ledger balance.
- c. COCI should be under the custodianship of someone not handling cash. COCI will be given to the accountant then sealed ready for deposit next day
- d. Returned items should be checked and a record should be maintained
- e. Negotiated checks should be stamped "Non-Negotiable" or be validated by a machine

3. Due from Other Banks

- a. Regular reconciliation of account by the internal auditor.
- b. Arrangement with depository to send bank statement directly to the auditor.
- c. All unissued drafts should be under dual control.
- d. Withdrawals from "Due from Other Banks" account should be approved by at least two authorized officers.
- e. All exceptions/floating items should be investigated and followed-up promptly to a satisfactory conclusion.
- f. Use of bank draft register to monitor the cancelled/validated checks from the outstanding ones.

4. Investment

Purchase/sale of securities should be approved by the Board of Directors.

- a. Two official signatures should be required on letters confirming the purchase, sale or pledge.
- b. Securities held should be under joint custody for proper safekeeping.
- c. Use of security register to record the "in" and "out" of securities.
- d. Use of subsidiary ledgers to record the movement of the securities.

5. Loans & Other Receivables

- a. Fixing of definite loan authority
- b. Written lending policies
- c. Loans granted, renewals, extension and charge-off should be properly authorized
- d. Definite policies and procedures should be established for the appraisal of collaterals and for credit evaluation
- e. A number control should be maintained, a number assigned to every new promissory or renewed note
- f. Monthly run-up of loan ledgers and reconciliation with controlling accounts.
- g. "Paid" or Renewed" notes should be stamped as such
- h. Release of loans should be in check, never in cash
- i. Proper safekeeping of loans ledgers, credit files and collaterals

- j. Direct confirmation of accounts by internal auditor
- k. Released collaterals of paid loans be acknowledge by the borrowers and the receipt properly filed
- l. Credit reports should be obtained by someone other than the lending officer
- m. A designated employee to oversee/inspect the collaterals and related documents
- n. Segregation of past due accounts from current files
- o. Recoveries from charged-off loans should be properly accounted
- p. Charged-off loans be assigned P1 peso each for inventory purposes
- q. Printing of subsidiary ledger of loans current and past due accounts quarterly
- r. Monthly releases proof list

6. Fixed Assets/ROPA

- a. Maintenance of a detailed subsidiary ledger for each account
- b. Regular reconciliation of the account
- c. Physical inventory of fixed assets should be taken at least annually
- d. Individual fixed assets should be tagged for inventory purposes
- e. Policy on differentiation between capital and revenue expense
- f. Fixing a P1.00 nominal value for fully depreciated assets for inventory purposes
- g. Policy on disposal of fixed assets/ROPA
- h. Maintenance of adequate insurance coverage for fixed assets and buildings and improvements for ROPA
- i. Proper setting up of depreciation records

7. Other Assets

- a. Maintenance of subsidiary records
- b. No advances should be granted without prior approval from authorized officer
- c. Conversion of long-outstanding advances to other loans
- d. Proving of subsidiary ledgers against controlling accounts
- e. Use of petty cash vouchers
- f. Designation of a responsible custodian for other assets and petty cash fund

8. Deposit Liabilities

- a. New current accounts should be approved by authorized officer
- b. Articles of Incorporation, Board resolutions, Special Power of Attorney, special agreement, list of authorized signatories and other requirements should be required for all corporate and partnership accounts.
- c. Number control should be adopted and a number assigned to passbooks and to each of the account
- d. Proper maintenance of signature cards
- e. Signature cards of dormant accounts should be segregated
- f. Customers should prepare and sign their own deposit slips/withdrawal slips
- g. Proper validation of withdrawal and deposit slips
- h. Checks received for deposits should be stamped "Non-Negotiable"
- i. Dates on deposit slips should be occasionally examined to detect "lapping"
- j. Segregation/rotation of duties
- k. Control keys to posting machine/computer should be kept by the internal auditor
- l. Regular balancing/run-up of subsidiary ledgers
- m. Segregation of dormant accounts from active accounts
- n. Proper authority required in reactivating dormant accounts
- o. Prohibition on Bookkeeper/Cashier to maintain deposit accounts
- p. Proper accounting of paid Time Certificate of Deposits

- q. Denomination of the amount paid to payee should be indicated in paid checks/withdrawal slips

9. Borrowings

- a. Authority of the officer to enter into a borrowing agreement
- b. Regular reconciliation of accounts/subsidiary ledgers
- c. Proper maintenance of subsidiary records

10. Unamortized Discounts/Deferred Credits

- a. Examine unusual debits
- b. Test-check transfer from unamortized discounts to interest income

11 . Cashiers/Managers/Treasurers check

- a. Number control of Cashier's/Manager's checks
- b. Checks issued should not be payable to cash or bearer
- c. Dual control-(Signature of 2 officers on the checks)
- d. Outstanding checks should be proved monthly
- e. Maintenance of check register
- f. Require cashier/teller to indicate the denomination of the amount paid to payee

12. Capital Stock

- a. Proper maintenance of subsidiary ledgers and proper filling-up of stubs of stock certificates
- b. Use of number control for stock certificates
- c. At least two employees should participate in the issuance of stock certificates
- d. Surrendered stock certificates should be duly accounted and cancelled

CONFIRMATION OF DEPOSITS/LOANS

A confirmation of deposit shall be done annually. Confirmation letters shall be sent to bank depositors stating their deposit balances while loan confirmation shall be made every semester.

CENTRAL LIABILITY REGISTER

A central collateral register should be maintained. This should include complete and accurate descriptions of all collateral pledged/deposited with the bank.

INTERNAL AUDITOR

The Internal Auditor shall be responsible for developing and implementing comprehensive programs of internal audit in the bank – head office and branches. He shall have full and unrestricted access to all records of bank transaction including properties and personnel matters.

The Internal Auditor shall be independent from the bank's management and shall be directly under the supervision and control of the Board of Directors. He shall see to it that management activities are in accordance with existing laws, Bangko Sentral ng Pilipinas rules and regulations, and policies promulgated by the Board of Directors.

Specifically, the Internal Auditor shall have the following responsibilities:

- i. See to it that all rules and regulations, policies and guidelines issued by the Board of Directors governing the operation is properly and religiously followed/complied with;
- ii. Plan out the audit program and schedule its implementation with respect to the bank and each of its branches;
- iii. Execute the developed audit program and recommend improvements whenever necessary;
- iv. Apprise the branch managers, thru the Chairman, deficiencies in their respective work and require corrective measures to rectify them;
- v. Check and verify correctness of loan releases to, and payments thereof by the borrowers including collaterals and documentations thereof;
- vi. Conduct special audits as may be requested by management and regularly review complaints made by clients of the bank and its branches;
- vii. Regularly visit the branches to determine effectiveness of branches in the management of the bank resources and its compliance with established policies and procedures;
- viii. Check and verify correctness of the bank's records and see to it that all transactions are correctly entered in the books of accounts and thereby minimum independent balancing procedures are to be adopted to wit:
 1. Monthly reconciliation of general ledger balances against their respective subsidiary ledger and supporting records/documents;
 2. Irregular and unannounced count of cash and checks and other cash items at least twice a month;
 3. Monthly reconciliation of due from banks/cash in bank accounts and due from/to head office/branches;
 4. Periodic verification of securities and collaterals/properties of the bank;
 5. Periodic verification of the accuracy of the interest credits to deposit liabilities accounts;
- ix. He shall attend to such other duties as the Board of Directors may from time to time assign to him.

INTERNAL AUDIT CHARTER

Purpose and Objectives:

The Internal Audit Department is an independent activity operating within the bank at the direction of, and reporting to, the Chairman to assist management and the Board of directors in discharging their duties and responsibilities.

The principal areas of concern are the following:

1. Reviewing and appraising the soundness, adequacy, and application of accounting, financial and operating controls, and promoting effective control at reasonable cost;
2. Ascertaining the extent of compliance with established policies, plans and procedures;
3. Ascertaining the extent to which bank assets are accounted for and safeguarded from losses of all kinds;
4. Ascertaining the reliability of management data developed within the organization;
5. Appraising the quality of performance in carrying out assigned responsibilities; and

6. Recommending operating improvements

The foregoing activities stress the fact that the Internal Auditor's objective is to assist all members of management, from the top man to the lowest level of authority including the rank and file. He is expected to be concerned with any business activity where he can be of service to any member of the organization. In this connection, he is given a free hand in the discharge of his responsibilities so long as he keeps in mind his overall objective.

In the attainment of this overall objective, the Internal Auditor is tasked to conduct appropriate examinations, appraisal and review of business policies, plans and activities to satisfy himself that:

1. The internal control system is sound and strong,
2. Policies, regulations, plans and procedures are adequate;
3. Accounting data and operating statistics are reliable;
4. There is compliance with established policies, plans and procedures;
5. There is adequate protection for all property of the business;
6. Individual performance is efficient and effective;
7. Activities are carried on economically, efficiently and effectively.

Authority and Responsibility

The internal Audit Department has the full authority vested with the Chairman to perform examinations, audits, and investigations of all financial records, operations, activities, and affairs of the bank. It shall have full access to all the bank's records, properties, and personnel relevant to the subject under review. It is free to review and appraise policies, plans, procedures and records.

The Internal Audit Department's responsibilities shall be:

1. To inform and advise management and to discharge this responsibility in a manner that is consistent with the Code of Ethics of the Institute of Internal Auditors.
2. To coordinate internal audit activities with others so as to best achieve the audit objectives of the bank.

In performing its functions, the Internal Audit Department has no direct responsibility for, or authority over, any of the activities reviewed. Therefore, the internal audit review and appraisal does not in any way relieve the persons in the bank of the responsibilities assigned to them.

The Internal Audit Department shall submit its reports to the Chairman in such manner as the Board of Directors may prescribe.

Scope and Functions:

The scope of Internal Auditing covers practically all phases of activities in the bank. The Internal Audit Department is supposed to attend to all matters where it will be of service to management. The scope of internal auditing work encompasses what audit work should be performed. It is recognized, however, that management and the Board of Directors provide general direction as to the scope of work and the activities to be audited.

Scope:

- 1) financial
- 2) accounting
- 3) operating activities

Function:

1. Examination of control procedure to determine their adequacy and propriety.
2. Verification of the reliability and integrity of information
3. Review of compliance with existing policies, regulations, plans and procedures.
4. Review of means of safeguarding assets.
5. Appraisal of performance and economical and efficient use of resources.
6. Review of established objectives and goals of operations or programs.
7. Special assignments which may include: special studies on any phase of management activity, character examination, investigation work, management representation in negotiations, participation in bank training programs, and many others.

Review of Compliance Officer and Internal Auditor

To ensure effectiveness and adequacy of internal control, the Board assess the Compliance Officer and the Internal Auditor once a year together with the Board and Committees assessment.

In addition, they report to the Audit Committee monthly and may also report directly to the Board. The Compliance Officer reports to the Board the accomplishment of the Compliance Program on a monthly basis.

Evaluation of Chief Compliance Officer Performance

This form should be completed for to assess the performance of the Chief Compliance Officer by the Risk Oversight Committee, the Corporate Governance, the Related Party Transaction Committee members and the Management during the year _____. The form should be completed to the best of your ability, based on the respective committee's interaction with the CCO. The evaluation is designed to obtain feedback on the CCO's performance and will form part of the annual performance review.

Please return the completed evaluation form to Chief Compliance Officer.

THANK YOU FOR TAKING TIME TO COMPLETE THE EVALUATION!

Name of Bank	Cooperative Bank of Bohol				
Name of Related Party Transaction Committee Member Completing Evaluation	_____ Signature				
Date Evaluation Completed					
Chief Compliance Officer's Name					
	5 Very Good	4 Good	3 Average	2 Fair	1 Poor

1.	The Chief Compliance Officer is courteous and professional.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Any written communication received from the Chief Compliance Officer is easily understood, organized and well written.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	The Chief Compliance Officer arrives at the committee meetings well prepared.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	The Chief Compliance Officer demonstrates effective presentation skills at committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	The Chief Compliance Officer responds adequately and confidently to committee questions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	The Chief Compliance Officer is willing to deal with difficult or contentious issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Overall, the Chief Compliance Officer meets committee expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Advised the board of directors and senior management on relevant laws, rules and standards, including keeping them informed on developments in the area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Apprised Bank personnel on compliance issues, and acting as a contact point within the bank for compliance queries from bank personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Established written guidance to staff on the appropriate implementation of laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Identified, documented and assessed the compliance risks associated with the Bank's business activities, including new products and business units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Assessed the appropriateness of the Bank's compliance procedures and guidelines, promptly following up any identified deficiencies, and where necessary, formulating proposals for amendments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Quarterly monitored and tested compliance by performing sufficient and representative compliance testing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Maintained a constructive working relationship with the Bangko Sentral and other regulators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Based on your experience with this Chief Compliance Officer, please comment on any strengths or development areas you have noted:						
Have you received any specific feedback on this Chief Compliance Officer from management? If so, please provide details:						

Please provide any additional comments on your experience with this Chief Compliance Officer:

Audit Committee – Evaluation of Internal Auditor Performance

One form should be completed for each Auditor with whom the audit committee has had interaction during the year____. The form should be completed to the best of your ability, based on the audit committee’s interaction with the individual. If you are unable to respond to a particular question, please select “N/A”. The evaluation is designed to obtain feedback on the auditor’s performance and will form part of the annual performance review.

Please return the completed evaluation form to Internal Auditor.

THANK YOU FOR TAKING TIME TO COMPLETE THE EVALUATION!

Name of Bank	Cooperative Bank of Bohol				
Name of Audit Committee Member Completing Evaluation	_____ Signature				
Date Evaluation Completed					
Auditor Name					
	5 Very Good	4 Good	3 Average	4 Fair	5 Poor
1. The auditor is courteous and professional.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Any written communication received from the auditor is easily understood, organized and well written.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The auditor arrives at audit committee meetings well prepared.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The auditor demonstrates effective presentation skills at audit committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The auditor responds adequately and confidently to audit committee questions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The auditor is willing to deal with difficult or contentious issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The auditor demonstrates appropriate leadership and has the necessary skills to fulfil his responsibilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. The auditor submits reports to the committee on the status of accomplishments of the internal audit unit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Overall, the auditor meets audit committee expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. All approved revisions are included in the Manual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Audit plans are carried out accordingly within the set timelines and resources.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. The Audit Manual has been updated with all the approved guidelines pertaining to risk assessment process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. The audit scope for the year included all auditable units and processes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Based on your experience with this auditor, please comment on any strengths or development areas you have noted:					
Have you received any specific feedback on this auditor from management? If so, please provide details:					
Please provide any additional comments on your experience with this auditor:					

Dividend Policy

Declaration of dividend shall be done after the close of the calendar year. Appropriation of the net income shall follow the mandatory reserves per By-laws and the Cooperative Code of the Philippines. After the mandatory reserves, amount for dividend and patronage refund will now be determined.

Corporate Social Responsibility Initiatives

Cooperative Bank of Bohol upholds its vision in providing reliability in financial services to cooperatives and individuals by promoting economic opportunities for financial stability among Boholanos, extending continuing education to member-cooperatives and crafting policies and procedures to support its social responsibility to the community.

CORPORATE SOCIAL RESPONSIBILITY FRAMEWORK

OPERATING IN A SOUND & ACCOUNTABLE MANNER

The bank will operate in a sound, ethical and accountable manner by ensuring comprehensive compliance and financial reporting; implementing a comprehensive risk management framework; implementing sustainable procurement practices; ensuring a code of conduct in good governance and related party policy is in place; and holding employees accountable for adhering to ethical business practices as they carry out their responsibilities.

NURTURING OUR MOST IMPORTANT RESOURCE

The bank provides for the professional development and care of our human capital. We encourage growth by providing capability-building programs and granting every employee access to

fair and equal opportunities for training and development. We safeguard occupational health and safety through full compliance with relevant standards.

PROTECTING THE ENVIRONMENT

Cooperative Bank of Bohol recognizes the need to protect the natural environment. Keeping our environment clean and unpolluted is a benefit to all. We advocate in promoting and protecting Mother Nature by participating in coastal clean-up, tree or mangrove planting, and allied activities. We'll always follow best practices when segregating and disposing garbage. Stewardship will also play an important role.

DONATIONS AND AID

The bank may preserve a budget to make monetary donations. These donations will aim to advance the arts, health & sanitation, education, sports, religious activity, cultural and community events and alleviate those with medical needs.

SUPPORTING THE MEMBERS AND THE COMMUNITY

The bank may initiate and support its members and the community through consultation and collaboration with member-cooperatives and the local government agency; providing necessary trainings and support to our member-cooperatives; supporting charitable giving and involvement in community causes; engaging an active participation on community-based activities like promoting women empowerment and disaster risk reduction; and encouraging individual personal responsibility for charitable giving and community outreach.

SERVING CUSTOMERS WITH EXCELLENCE AND INTEGRITY

Cooperative Bank of Bohol ensures excellence in customer service through full disclosure of the features, terms and conditions of our products and services that complies with all laws and rules of government regulatory bodies. We provide timely financial and technical support for our mandated clients and make pertinent product and service information easily available to them. As a financial institution, we make sure that compliance testing is an established procedure that ensures the management of pertinent risks and compliance with applicable laws, rules, and regulations. We enhance customer service and reinforce the culture of quality, excellence and continued improvement in our banking processes.

Consumer Protection Practices

The Board of Directors is ultimately responsible in ensuring that consumer protection practices are embedded in the bank business operations. The Cooperative Bank of Bohol must adhere to the highest service standards and embrace a culture of fair and responsible dealings in the conduct of our business through the adaption of the Financial Consumer Protection Framework that is appropriate to the bank corporate structure, operations, and risk profile.

The Board and Senior Management are responsible for developing the bank's consumer protection strategy and establishing an effective oversight over the bank consumer protection programs. The Board shall be primarily responsible for approving and overseeing the implementation of the consumer protection policies as well as the mechanism to ensure compliance with the policies. The Board may also delegate other duties and responsibilities to Senior Management but not the overseeing compliance with the BSP-prescribed Consumer Protection Framework and the CBB Consumer Protection Framework.

The management of Cooperative Bank of Bohol ensures that customers have a reasonable holistic understanding of the products and services offered, which they may be acquiring or availing. Full disclosure and utmost transparency will empower the customer to make informed financial decisions. Provide the customer with ready access information that accurately represents the nature and structure of our product and services, the terms and conditions, as well as its fundamental benefits and risks.

Ensure that customers have a reasonable holistic understanding of the products and services offered, which they may be acquiring or availing. Full disclosure and utmost transparency will empower the customer to make informed financial decisions. Provide the customer with ready access information that accurately represents the nature and structure of our product and services, the terms and conditions, as well as its fundamental benefits and risks.

The CBB may demonstrate competencies required in the principle of proper disclosure and transparency if we complies with the following:

1. Key Information

- a. To ensures that offering documents of products and services contain all information necessary for customers to be able to make an informed judgment of our product and service and, in particular, meet the full disclosure requirements specified under existing laws and regulations. All key features and risks of our products should be highlighted prominently in a succinct manner. If product is being offered on a continuous basis, its offering documents should be updated in accordance with the requirements set out in the regulations.
- b. Have a ready and consistent written copy of the Terms and Conditions (T&C) of our products and services available to the customers. The T&C must be fully disclosed and explained to financial customers before initiating a transaction. Where and when warranted, reference to the T&C should be made while transacting with the customer and before consummating the transaction, if such reference is material to the understanding of the consumer of the nature of the product and services we offer , as well as its benefits and risks. As a written document, the T&C must be complete but concise, easily understandable, accurate, and presented in a manner that facilitates the consumer’s comprehension. The latter is taken to mean that the text of the document should be according to Section 3 of Circular 702 dated 15 December 2010.

The T&C should include at least of the following:

- i. The full price or cost to the customer including all interest, fees, charges, and penalties. The T&C must clearly state whether interest, fees and charges, and penalties can change over time. The method for computing said interest, fees, charges, and penalties shall be presented in accordance with circular 730 dated 20 July 2011;

- ii. General information about the operation of the products or services including the customer's obligations and liabilities;
 - iii. Cooling-off period, if applicable;
 - iv. Cancellation, return and exchange policies, any related cost;
 - v. The actions and remedies which the bank may take in the event of a default by the customer;
 - vi. Procedures to report unauthorized transactions and other contingencies, as well as the liabilities of parties in such case; and
 - vii. A summary of the bank's complaints handling procedure.
- c. Advises customers to read and understand the applicable T&C, when considering a product or service.
 - d. To ensure that our staff communicates in such a manner that clients can understand the terms of the contract, their rights and obligations. Our staff should communicate with techniques that can address literacy limitations of the customer.
 - e. To provide the customer adequate time to review the T&C of our products and services, giving an opportunity to ask questions and receive additional information prior to signing contracts or executing transaction. Our staff should be available and capable to answer questions and clarifications from the financial customer.
 - f. To ensure that the staff/personnel assigned to deal directly with customer, or who prepare advertisement materials or markets our products and services must be fully knowledgeable and competent about the products and services, including statutory and regulatory requirements, and are able to explain the nuances to the customer.
 - g. We encourage the use of variety of communication channels to disclose clear and accurate information. Such communication channels should be available to the public without need for special access requirements, which may entail additional expense. Communication channels should be sufficiently responsive to address the literacy limitations of the financial consumer and it may be written or verbal as may be warranted.
 - h. Discloses pricing information in public domains.
 - i. Updates customers with relevant information, free of charge in a clear and understandable, comprehensive, and transparent manner, for the duration of the contract. Such information covers the characteristics and the risks of the product sold by the bank and our authorized agents.
 - j. Imparts targeted information to the specific groups of clients to whom specific products are being marketed, with a particular consideration for vulnerable customers. Communication channels employed for the targeted marketing initiatives should be accordingly calibrated.
 - k. Enhanced disclosure for more complex products, highlighting the costs and risks involved for the customer. For structured investment products if there is any, a Product Highlighted Sheet (PHS) is required. It should be clear, concise, and easily understandable by individual customers based on their literacy limitation. Disclosure must contain information that empowers the customer to appreciate the key features of the product and its risks. It should be prepared in the format that facilitates comparison with other

products. The PHS should be available at no cost to the public and made available to the customer upon request. Before signing any contract, the bank ensures that the customer has freely signed a statement to the effect that the customer has duly received, read and understood the PHS.

- I. Notifies the customer in writing of any change in:
 - i. Interest rate to be paid or charged on any account of the customer as soon as possible; and
 - ii. A non-interest charge on any account of the customer within the number of days as provided under existing regulations prior to the effective date of the change.

If the revised terms are not acceptable to the customer, he or she should have the right to exit the contract without penalty, provided such right is exercised within the reasonable period. The customer should be informed of this right whenever a notice of change is made.

- m. Provides customers with a proof of the transaction immediately after the transaction has been completed. The customer should be given a hard copy of each document signed by the clients with all terms and conditions. We should ensure that documents signed by the customer are completely filled and that there are no blank terms.
- n. Regularly provides customers with clear and accurate information regarding their accounts (e.g. statement of accounts that includes, among others, covering period, opening balance/value of transactions, all kinds of interest, fees and charges, closing balance, inquiries for outstanding balances, proof of payments for loans like OR).
- o. Informs customer of their rights and responsibilities including their right to complain and the manner of its submission.

2. Advertising and Promotional Materials

- i. Ensures that advertising and marketing materials do not make false, misleading, or deceptive statements that may materially and/or adversely affect the decision of the customer to avail of a service or acquire a product.
- ii. Ensure that advertising and promotional materials are easily readable and understandable by the general public. It should disclose clear, accurate, updated, and relevant information about the product or service. It should be balanced and proportional (reflecting both advantages and risks of the product or service); visible/audible; key information is prominent and not obscured; print is of sufficient size and clearly legible.
- iii. Ensures that promotional materials are targeted according to the specific groups of consumers to whom products are marketed and the communication channels employed for marketing financial services.
- iv. Ensures that all advertising and promotional materials disclose the fact that it is a regulated entity and that the name and contact details of the regulator are indicated.

3. Conflict of Interest

- i. Discloses properly to the consumer prior to the execution of the transaction that the bank or any of its staff has an interest in a direct or cross transaction with a consumer.
- ii. Discloses the limited availability of products to consumers when the bank only recommends products which issued by their related companies, particularly when commissions or rebates are the primary basis for recommending the particular product to consumers.
- iii. Discloses the basis on which the bank is remunerated at the pre-contractual stage.
- iv. Ensures that adequate system and controls are in place to promptly identify issues and matters that may be detrimental to a customer's interest (e.g., cases in which advice may have been given merely to meet sales targets, or may be driven by financial or other incentives).

Financial consumers have the right to expect that their financial transactions, as well as relevant personal information disclosed in the course of a transaction, are kept confidential. Toward this end the bank ensures that we have well-articulated information security guidelines, well-defined protocols, a secure database, and periodically re-validated procedures in handling the personal information of our financial customers. This should be an end-to-end process that can cover among others, the array of information that will be pre-identified and collected, the purpose of gathering information, how these will be sourced from the client, the IT-security infrastructure of the bank and the protocols for disclosure, both within the bank and third parties, if there is any.

Fair treatment ensures that the financial consumers are treated fairly, honestly, professionally and are not sold inappropriate and harmful financial products and services. CBB ensures that we have the necessary resources and procedures in place, internal monitoring, and control mechanisms, for safeguarding the best interest of our customers. These include general rules, such as those addressing ethical staff behavior, acceptable selling practices as well as regulating products and practices where customers are more likely to be offered services that are inappropriate for their circumstances.

The Consumer Protection Risk Management System (CPRMS) is a means by which the bank identifies measure, monitor and control CP risks inherent in its operations. The risks belong to the financial consumer or the bank. The CPRMS is proportionate to the size, structure and complexity of the bank's operations. It provides the foundation for ensuring the bank's adherence to CP standards of conduct and compliance with CP laws, rules and regulations in order to prevent risk to the bank and any harm or financial loss to the consumer.

The Consumer Assistance Management System (CAMS) is composed of the Consumer Assistance Group (CAG) and the Consumer Assistance Officer who plays a vital role in the implementation of the CPRMS, as follows:

Roles of Consumer Assistance Officer

- 1) Receive and acknowledge consumer concerns;
- 2) Records concerns in a Register or Database;
- 3) Make an initial review and investigation of concerns;
- 4) Process concerns;
- 5) Provide official reply to the customer;
- 6) Request client feedback;
- 7) Prepare and submit report to Head Consumer Assistance Officer or Consumer Assistance Group

Roles of Consumer Assistance Group (CAG)/Head Consumer Assistance Officer (HCAO)

- 1) Monitor consumer assistance process;
- 2) Keep track, identify and analyze nature of complaints and recommend solutions to avoid recurrence;
- 3) Report to Senior Management the complaints received on a monthly basis including reasons for such complaints, the recommended solutions to avoid recurrence and the suggestions for process or personnel competency needing improvement;
- 4) Ensure immediate escalation of any significant complaint to concerned unit of the Bank.

Manual of Policies and Procedures in Handling Consumer Assistance

I. Introduction

The BSP acknowledges the indispensable role of financial consumers in bringing about a strong and stable financial system, their right to be protected in all stages of their transactions with the Bank, and be given an avenue to air out their grievances in the products and services of the Bank.

II. Applicability and Scope

These minimum guidelines on receiving, recording, evaluating, resolving, monitoring, reporting, and giving feedback to consumers shall apply to CBB and its branches and other offices. These guidelines shall, as far as practicable, also apply to inquiries and requests received from clients and potential clients.

III. Definition of Terms

1. Complaint – is an expression of dissatisfaction relative to a financial product or service in which a response or resolution is expected.
2. Simple complaint/request – complaint/request where frontline staff solution or immediate explanation or action can be rendered. A resolution is immediate if it can be resolved without the need of third-party intervention, such as outsource service providers, external auditors, or other Banks. Resolution thereof must be achieved within a 7-day period.
3. Complex complaint/request - complaint/request which needs assessment, verification, or investigation with third-party intervention. Resolution thereof may ideally be achieved within a 45-day period.

4. Consumer – refers to natural or juridical person who has complaint, inquiry or request relative to the Bank’s products and services.

IV. Role of the Board and Senior Management

The Board of Directors shall be responsible for the delivery of effective recourse to its consumers. Pursuant thereto, the Board shall:

- a. Approve the Consumer Assistance policies and procedures;
- b. Approve Risk Assessment Strategies relating to Effective Recourse by the Consumer;
- c. Ensure compliance with Consumer Assistance policies and procedures;
- d. Provide adequate resources devoted to Consumer Assistance; and
- e. Review the Consumer Assistance policies at least annually.

The Bank’s Senior Management shall be responsible for the implementation of the Consumer Assistance policies and procedures.

E. Consumer Assistance Channel

1. Consumers may lodge their concerns through any reasonable means, such as, a centralized web-portal, walk-in or personal visit, letter, e-mail, telephone, and facsimile.
2. The Bank must maintain a Consumer Assistance Helpdesk or hotline dedicated for customer concerns and service and manned by a Consumer Assistance Group.

Tagbilaran Branch	Branch Manager	Contact No. 501-9904; 411-3483
Candijay Branch	Branch Manager	510-6237
Inabanga Branch	Branch Manager	512-9712
Corporate Office	President (Head CAO)	501-9904; 427-2116

3. The Bank shall ensure that customers know how and where to lodge their concerns.
4. The Bank provides alternative modes of resolution, thru the conciliation, mediation and arbitration committee, in order to achieve settlement of the issues at the Bank level.

F. Consumer Assistance Process and Timeliness

1. Complaint/Request

	SIMPLE*	COMPLEX*
Acknowledgment	Within 2 days	Within 2 days
Processing and Resolution (assess, investigate, and resolve)	Within 7 days	Within 45 days
Communication and Resolution	Within 9 days	Within 47 days

**all periods are reckoned from receipt of complaint.*

a. Receiving and acknowledging complaints/requests

- i. A Bank shall obtain and record the following data from the consumer (*Annex A*):
 - (1) full name and contact details;

- (2) nature of complaint or request and its details;
 - (3) resolution requested;
 - (4) signature of the complainant/requester; and
 - (5) name of Bank personnel directly handling/in-charge of the complaint.
- ii. The Consumer Assistance Officer must be able to explain the Consumer Assistance process and timeliness.
 - iii. The acknowledgment shall provide an assurance that the Bank is dealing with the complaint, request additional documents, if necessary, and that the complainant shall be kept informed of the progress of the measures being taken for the complaint's resolution.

b. Investigating and Resolving Complaints

- i. The Bank must establish an institutional approach in assessing and investigating complaints/requests and options in resolving them, considering the peculiarities of the complaints/requests and the desired remedies of the parties.
- ii. If assessment and investigation on complex complaints/requests cannot be completed within the time frame stated above, complainants shall be informed of the: i) reason thereof; ii) need for extended timeframe; and iii) date on which the complainant may expect the outcome of the BANKs assessment and/or investigation; Provided, however, that the additional period shall not exceed forty-five (45) days. This will afford the complainants opportunity to seek other means to resolve their complaints.
- iii. Result of assessment, investigation, and the Bank's final response shall be communicated to the complainant in writing in simple and clear language. The Bank shall likewise inform the complainant of the possible remedies available to the party, including resort to BSP Consumer Assistance Mechanism and the courts.

Inquiries

The Bank must respond to the inquiries received, at the latest, by the next business day.

G. Confidentiality

The Bank shall not disclose to a third party the information acquired from the consumer in all stages of the complaint, except as may be required by the conduct of the Bank's investigation.

H. Conflict of Interest

A Bank shall ensure that complaints are investigated by a Consumer Assistance Officer who is neither directly nor indirectly involved in the matter which is the subject of the complaint.

I. Consumer Feedback

- 1. Subject to the willingness of the customer, the Bank shall ask for feedback on the following matters (*Annex B*):
 - a. Overall satisfaction (whether satisfied, somewhat satisfied, or dissatisfied);
 - b. Processes needing improvement;
 - c. Personnel needing improvement;
 - d. Any suggestions for improvement.

2. Consumer feedback may be obtained through a feedback form/customer satisfaction survey available for walk-in complaints, in the website, or through a voice logger system.
3. Customer feedbacks shall be recorded and analyzed to improve the system and to enhance personnel capabilities in handling complaints.

Cooperative Bank of Bohol can grow by acting on individual customer feedback. This success depends upon a fundamental principle - it has to engage and encourage customers to provide feedback. Top performing companies are not only good at accepting feedback, they deliberately ask for feedback. Feedback is helpful only when it highlights weaknesses as well as strengths. Continued feedback is important across the entire organization in order to remain aligned to goals, create strategies, develop products and services improvements, improve relationships, and much more. Continued learning is the key to improving.

While, Cooperative bank of Bohol welcomes internal and external feedbacks which includes but not limited to:

1. Internal Feedback from the Management and Employees

The bank aims to provide every employee with a safe working environment, realistic job preview, adequate compensation and benefits, and respect in their individual differences. However, an employee may still have complaint or dissatisfaction when there is a gap between what he/she expects and what he/she receives from the employer or from his/her co-workers.

Cooperative Bank of Bohol aims an appropriate elevation of concerns from the bank personnel so that these should be handled, addressed or resolved in a proper and well-defined manner.

Thus, the hierarchy below must be observed when an employee has any complaint, request or suggestion that would involve his/her co-workers, top management or the Board of Directors.



If an employee voice is raised or a person reports a matter related to a policy or something he or she is not happy about or wants to complain against, the framework defined in this policy shall be used.

The Feedback Process (please see form marked as Annex E):

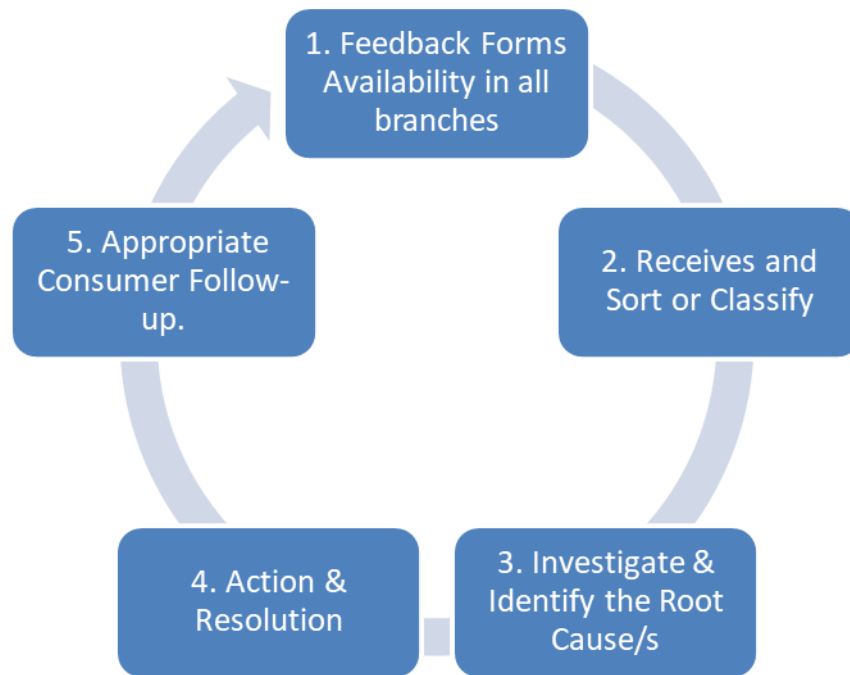
1. Employee complaint should be submitted in a proper channel (see hierarchy above) in a formal letter or writing.
2. The direct supervisor of the employee should be informed and spoken to and should be furnished a copy of the letter complaint which will then be submitted to the Dept. Head or Branch Manager for that matter.
3. The Dept. Head or the Branch Manager shall examine the validity of the concern and will try to address in her level of capacity.
4. Should the complaint be not settled in the branch or departmental level, the Branch Manager or Department Head shall submit an incident report relating to the employee's complaint and will be submitted to the HR Officer, copy furnished to the bank President.
5. A review from the HR Dept. shall be properly handled and the same should raise the concern to the Office of the President for its validity and resolution.
6. If the employee concern is not resolved, the same should be elevated to the Ethics Committee or further to the Board of Directors where it can be appealed.
7. Respective Branch Manager's shall maintain a proper logbook at all times for every concern raised by a certain employee.

Timeline	Turn-around time
Simple Complaint	3-5 days
Complex	1 to 2 weeks

2. External Feedback from the General Serving Public

The BSP acknowledges the indispensable role of financial consumers in bringing out a strong and stable financial system, their right to be protected in all stages of their transactions with the Bank, and be given an avenue to air out their grievances in the products and services offered.

These minimum guidelines on receiving, recording, evaluating, resolving, monitoring, reporting and giving feedback to consumers shall apply to CBB and its three (3) branches, as shown by the simple illustration below:



The Feedback Process:

1. Customer writes feedback (please see format marked as Annex A);

Feedback Forms are distributed over the counter or are permanently available in special stands located in the lobbies of all our branches. This enables us to actively seek out the opinions of customers who visit our branches. Also, setup customer feedback kiosks at key areas such as near ATM machines, bank counters, or exits to allow more customers to share their views and experience about the bank. The feedback forms shall be retained in a drop box located near the bank's entrance/exit points. The drop box must be under lock and key, its custody vested upon the branch manager.

Cooperative Bank should also aim to make it as easy as possible for customers to provide feedback remotely, offering several methods for customers to contact us, including through phone dedicated to handling complaints, comments, or suggestions as well as a feedback form on the CBB website. Customers should be able to respond to survey invitations wherever, whenever, and however they want. The survey should feature a mobile-first design, meaning it displays correctly on any mobile device. Additionally, we should regularly conduct surveys and other customer experience research to gain insight into perceptions of our customer service, branches, products/services, policies, and our public image.

The optimum length for a post-transaction survey is two or three minutes.

The core questions should include (please see form marked as Annex B):

1. An outcome question to assess how the customer is feeling about their most recent interaction.
2. Questions to gauge whether the customer has an issue in need of follow-up, or something positive to share about their experience or any employees they interacted with.
3. An opportunity to provide suggestions for improvement, offer insight into their future banking needs, and provide a testimonial for marketing efforts.

2. Feedbacks are collected and sorted whether complaints/comments/suggestions (please see form marked as Annex C);

Every Friday morning, branch managers shall gather all feedback and forward the same to the Human Resource Officer (HRO). The HRO shall segregate the same. Problems that can be handled at each branch will be dealt with swiftly, with the results then communicated to the customers through phone, email or in person.

3. Root causes of customer complaints are identified (pls. see attached form marked as Annex D);

HRO shall forward the segregated feedback to the President. The president shall identify root causes and key personnel to address issues. Complaints, suggestions, comments received at branches or from surveys/online forms shall be communicated to concerned branch. By tracking root causes, bank will be able to identify areas to improve operations and eliminate the issues moving forward.

4. Bank makes changes to fix the root causes of complaint;

Concerned bank personnel, department, or branch shall endeavor to provide solution, correction, or action. One should gain a strong sense of what customers like and dislike about customer experience. This information will help to improve customer experience within the bank.

5. Managers take appropriate follow-up action;

Key branch officers and managers shall take appropriate measures to examine if the issues were adequately solved through customer follow-up. Customers who complete a survey are opening the door to continued conversation and dialogue. Make sure to follow up. Make sure the most appropriate bank employees—such as Branch Managers, Loan Officers, or Department Heads—are prompted to take a specific and meaningful action the soonest possible time. Customers expect that if they take the time to provide personal feedback, then someone should take the time to provide follow-up.

6. Managerial-level discussions on how to respond to customer feedback are held every month and every quarter at Head Office meetings. Any improvements are subsequently communicated to customers in a timely manner through phone, email or in person.

7. Bank continues to utilize the complaints, suggestions, or comments received to increase customer satisfaction and enhance the quality of bank products and services.

8. Manage customer complaints, suggestions, or comments and the actions taken thereon. Managers shall log this in and forward weekly summaries to the HRO. Effective feedback, both positive and negative, is very helpful. Feedback is valuable information that will be used to make important decisions.

J. Complaints Recording/Data Management

1. The Bank and its branches/other offices shall maintain copies of the complaints/requests received, including supporting and other relevant documents thereto, within a period of 2 years from the date of resolution.

Microfilms/digital copies of original documents may be maintained by the Bank in accordance with its Management Information Systems for record keeping.

2. The Bank and its branches/other offices shall maintain complaints/requests register which contains the following information (*Annex C*):

- a. Name of the complainant;
- b. Subject and nature of the complaint;

The **subject and nature** of complain may be indicated by classification, such as those related to credit cards, deposits, administrative, foreign exchange, remittances, investments, others;

- c. Name of the personnel directly handling/in-charge of the complaint and officer supervising the resolution of the complaint.
 - d. Date of receipt of complaint by the Bank;
 - e. Actions taken on the complaint or request;
 - f. Resolution provided;
 - g. Date of resolution; and
(The complaint register must reveal the reason in case the date of resolution falls outside the regulatory deadline.)
 - h. Other information such as, log and details of phone calls made or received.
3. The Consumer Assistance Group/Head Consumer Association Officer shall maintain (*Annex D*):
- a. A master register of all complaints received by the Bank and its branches/other offices; and
 - b. A complaint database to identify the trend of complaints received potential problems, and risks.

K. Risk Assessment Strategies

Pursuant to the Bank's Consumer Protection Risk Management System, the Bank shall put in place appropriate management controls and take reasonable steps to ensure that in handling complaints/requests, it: i) identifies and remedies any recurring or systematic problems; and ii) identifies weaknesses in the Bank's internal control procedure and processes. This may be done by:

1. Analyzing complaints/requests data;
2. Analyzing causes for complaints/requests;
3. Considering whether such identified weaknesses may also affect other processes or products, including those not directly complained of/requested; and
4. Correcting, whether reasonable to do so, such causes taking into consideration the concomitant costs and other resources.

L. Complaint Reporting

1. Internal Reporting (*Annex E*)
 - a. The Consumer Assistance Officers in the branches, extensions office and other offices of the Bank shall submit a complaints report to the Consumer Assistance Group/Head Consumer Assistance Officer on a monthly basis.
 - b. Complaints report shall be submitted on a monthly basis by the Consumer Assistance Officer to the Board and Senior Management.
 - c. The report shall include, as minimum:
 - i. General category of complaints received;
 - ii. Statistics/frequency of said complaints;
 - iii. Aging of complaints/requests;
 - iv. Explanations on deviations, if any, from required resolution period; and
 - v. General description of resolutions and actions taken to resolve complaints/requests.

- d. The report shall include recommendation on how to avoid recurring complaints and suggestions for process/personnel competency improvement, as needed.
 - e. The report of the Bank's Compliance and Internal Audit Departments concerning the independent review conducted on the complaints report, policy recommendations, and consumer protection compliance, shall be elevated to Board every quarter.
 - f. The Bank shall include complaints/requests statistics in its Annual Report.
2. Reporting to the BSP

The Bank shall submit a consolidated Complaints Report to the Supervisory Data Center (SDC) of the Supervision and Examination Sector on a quarterly basis. Such report shall be submitted in the format required by BSP. Submission of the report to the SDC shall not be later than one (1) month after the end of every quarter. A complaints report is category B Report for purposes of applying the appropriate monetary penalty.

M. Interface with BSP

1. Pursuant to BSP's Consumer Protection Framework, the Bank shall exhaust all internal remedies available to address the issues raised by the consumers in their complaints/requests.
2. Consumers dissatisfied with the Bank's response or action may seek assistance with BSP-FCAG in accordance with BSP Consumer Assistance Mechanism.
3. Allegations of consumers that the Bank has not properly and efficiently handled, processed, and responded to their concerns shall be validated, and where appropriate, considered in FCAG's assessment of the Bank's compliance with BSP Consumer Protection regulations. This is without prejudice to the imposition of appropriate enforcement actions. It is presumed that the higher number of complaints received by the BSP reflects the non-effectiveness of the Bank's CAMS.

N. Outsourcing of Handling Consumer Concerns

In outsourcing of handling consumer concerns, the Bank shall:

1. Conduct due diligence in the selection of the outsourced entity/person;
2. Be responsible for the performance thereof in the same manner and to the same extent as if performed by itself;
3. Comply with all laws and regulations governing the consumer assistance activities/services performed by the outsource entity/person in its behalf; and
4. Manage, monitor, and review on an ongoing basis the performance by the outsource entity/person of the outsourced consumer assistance activities/services.

O. Accountability and Rewards

In order to ensure fair treatment and responsible business conduct of personnel engaged in consumer relations, a performance appraisal system which considers the performance of the personnel assigned to manage/handle complaints shall be put in place. The performance appraisal of the personnel shall be linked to their efficiency in handling consumer complaints. This could be done through rewards/remuneration for excellent behavior.

P. Consumer Assistance to Persons with Disabilities (PWDs) and Non-English Speakers

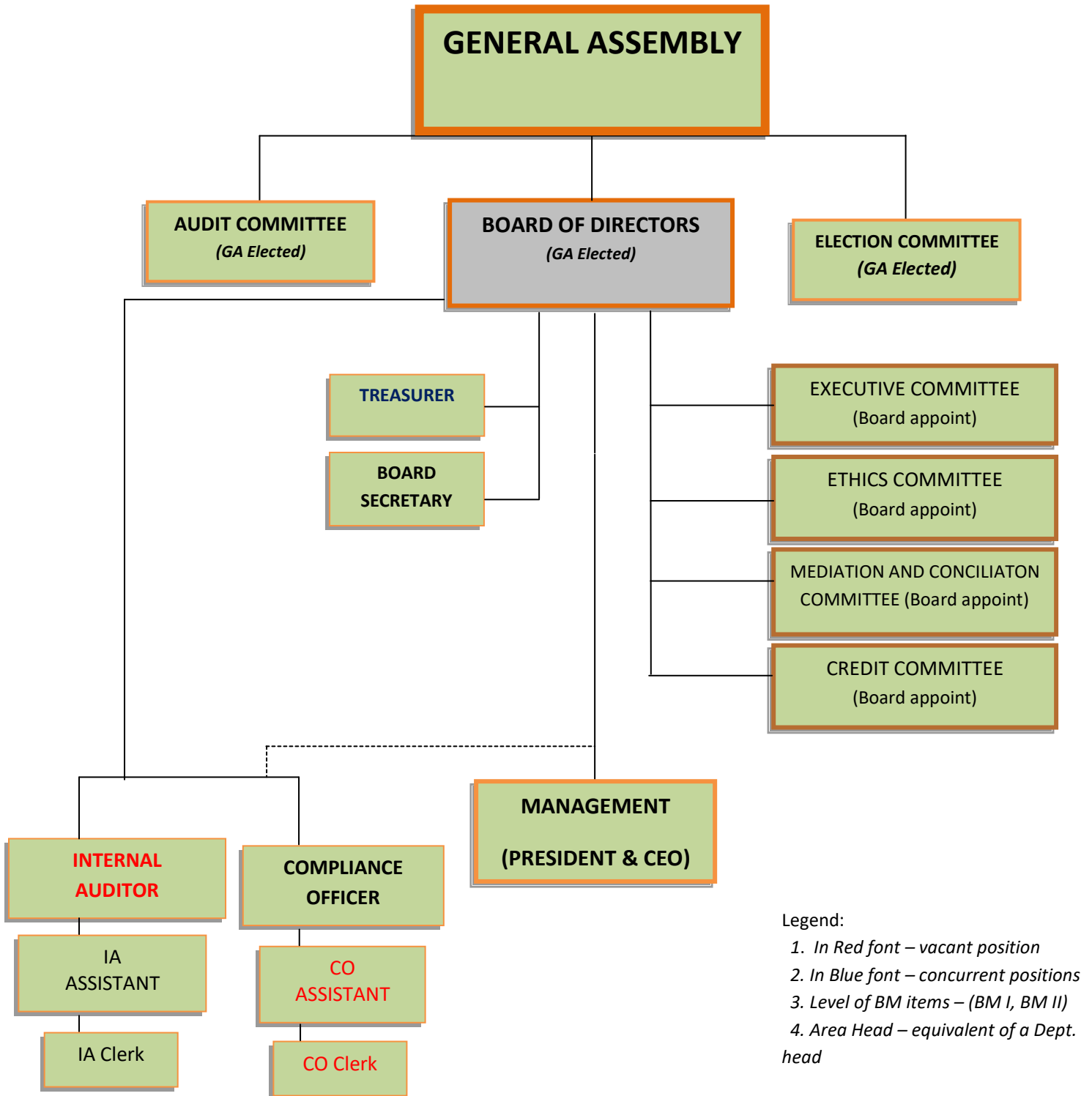
As far as practicable, the Bank shall take into account the needs of PWDs, such as, but not limited to those with learning difficulties, people who are deaf or hard of hearing, the visually impaired, and the non-English speakers, in ensuring that they understand the CAMS.

Q. Repealing Clause

These guidelines supersede/amend/modify other existing regulations on timelines for the Bank's complaints handling, except for those provided under Section X320.13 of the MORB on complaints concerning credit card billing errors and discrepancy.

CORPORATE INFORMATION

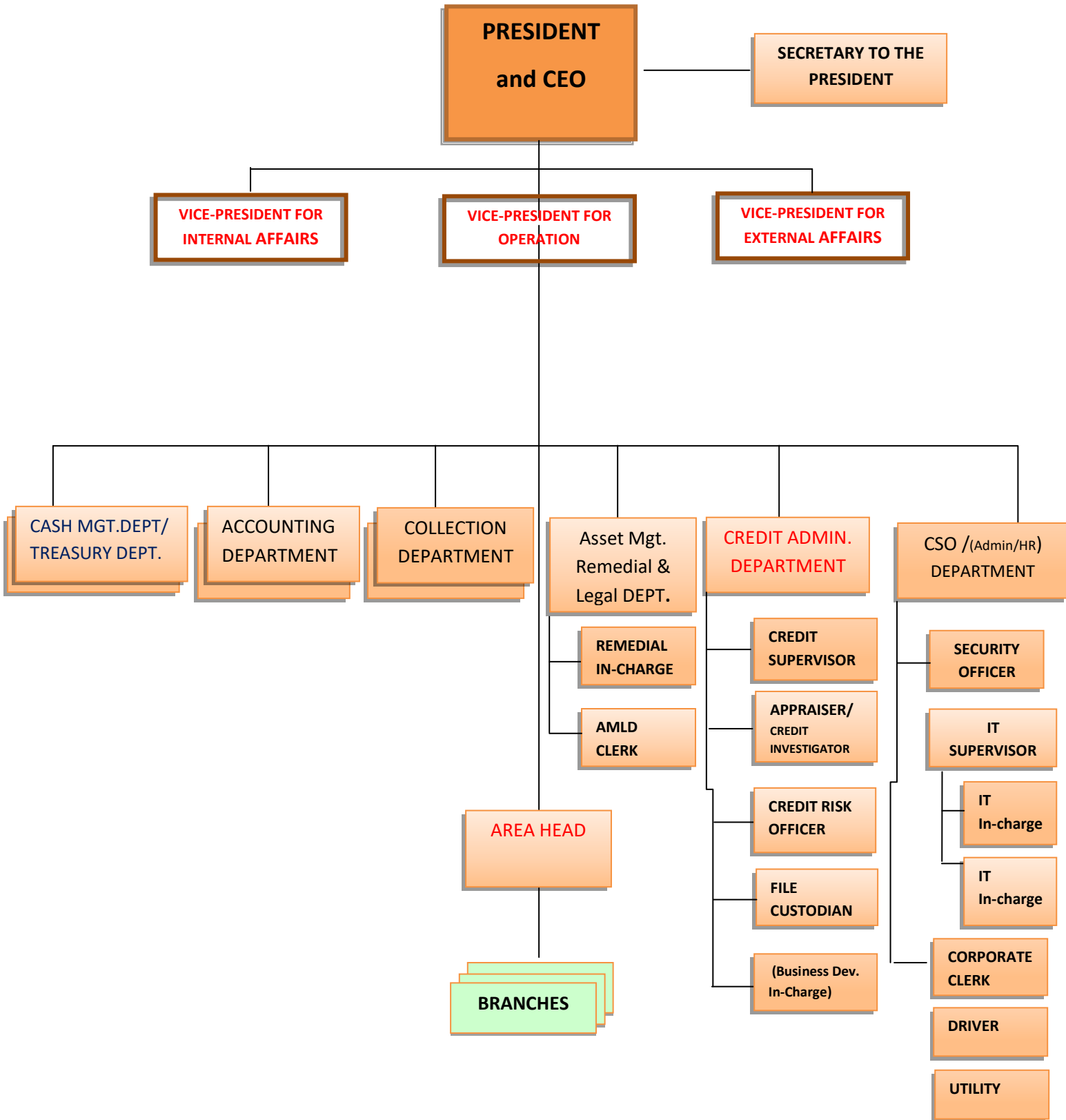
I. ORGANIZATIONAL STRUCTURE



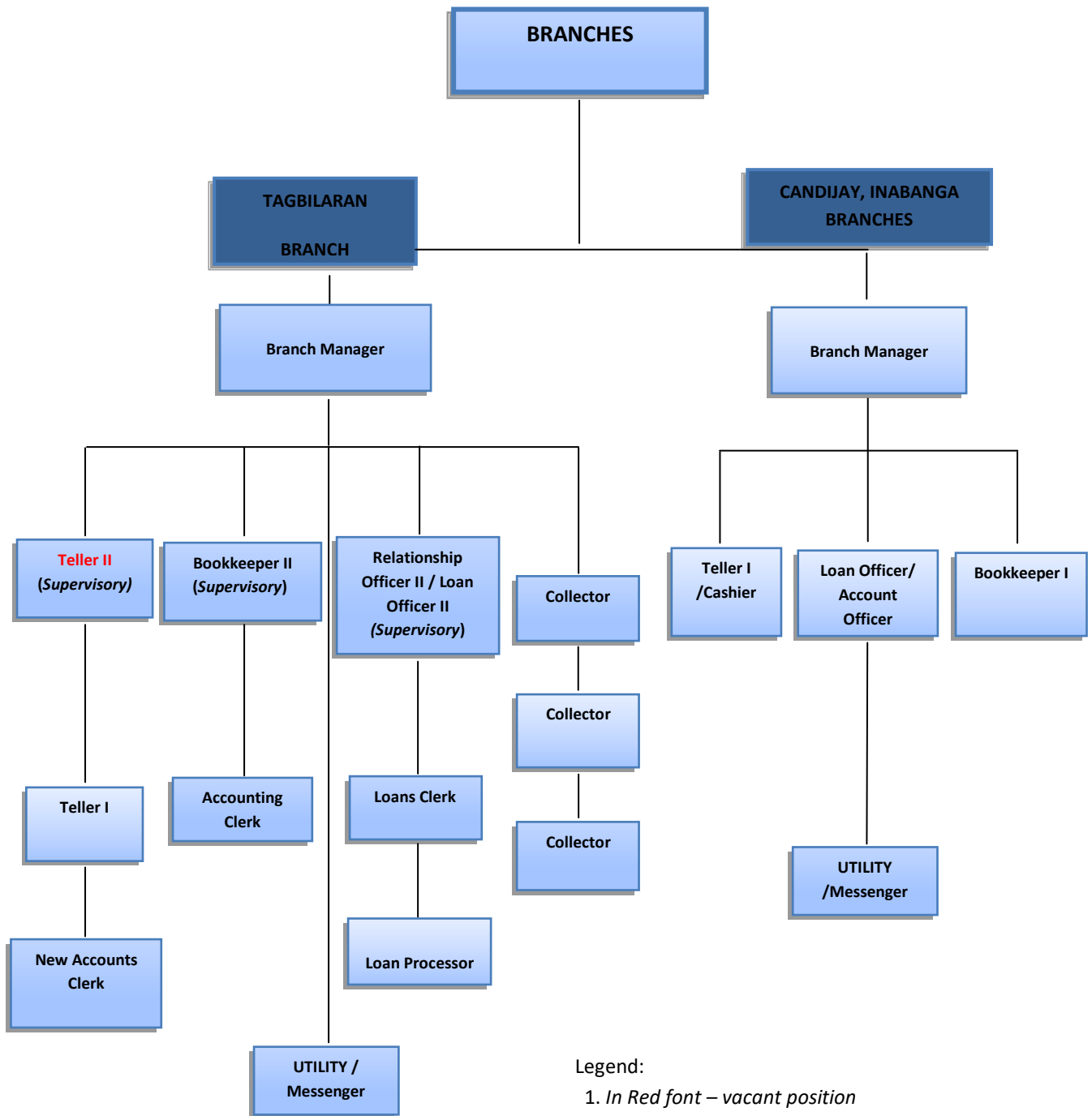
Legend:

1. In Red font – vacant position
2. In Blue font – concurrent positions
3. Level of BM items – (BM I, BM II)
4. Area Head – equivalent of a Dept. head

CORPORATE OFFICE



BRANCH



Legend:

1. In Red font – vacant position
2. In Blue font – concurrent positions
3. Level of BM items – (BM I, BM II)
4. Area Head – equivalent of a Dept. head

LIST OF MAJOR STOCKHOLDER (No major stockholder)

BANK'S SERVICES

The primary services rendered by the Cooperative Bank of Bohol are to accept deposits and to grant loans.

DEPOSIT

1) Savings (Regular)

Savings (Regular) is a kind of savings deposit describes as follows:

- a) The depositor will be issued a passbook after complying all the required documents in opening an account.
- b) Interest shall be computed quarterly based on average daily balance (ADB).
- c) Maintaining balance per month to earn interest shall be P2, 000.00.
- d) Interest rate is 1.5% per annum.
- e) The interest earned shall be charged with a withholding tax of 20%.
- f) The maximum deposit insurance with PDIC is P500,000.00 per depositor
- g) Charges:

Below maintaining balance	– P200.00
Closed account	– P250.00
Lost passbook	– P250.00

- h) Qualified to open an account:
 - i) Individual
 - At least 7 years old
 - Filipino citizen
 - If, foreigner with passport and one of the following:
 - Alien Certificate of Registration (ACR)
 - Special Investor's Resident Visa (SIRV)
 - Special Resident Retiree's Visa (SRRV)
 - ii) Corporation/Partnership
 - iii) Cooperative
 - iv) Association/Organization

2) Savings (Basic)

A basic deposit account refers to interest or non-interest-bearing account designed to promote financial inclusion. This account will enable Filipinos, especially the unserved and underserved, to receive and make payments, as well as have a facility for store of value. It will have the basic functionalities that will characterize ease, accessibility, convenience, and reasonable cost for both banks and customers. (Sec.1 section X222 of the MORB)

A basic deposit account designed to promote financial inclusion primarily aimed towards the unserved low income markets.

Features of basic deposit account are more described as follows:

- 1. Opening amount of P100.00 only
- 2. No minimum maintaining balance
- 3. No dormancy charges
- 4. Aggregate deposits should not exceed P50, 000.00 or the bank shall convert the account to regular savings deposit account should the depositor exceeded the maximum balance.

5. Interest rate is 0.50% per annum based on the ADB and is creditable every quarter end.
6. The depositor will be issued a passbook after complying the necessary requirement/s.

Documentary Requirements

The depositor shall submit any one (1) of the following documents:

- a. Any valid ID
- b. Barangay Certification
- c. Cedula
- d. Voter Certification
- e. Any other documents as proof of identity

3) Savings (ATM)

Savings (ATM) is another type of savings deposit wherein a depositor will be issued an ATM card after complying all the required documents in opening an account. This ATM card shall be used whenever a depositor will withdraw at any automatic teller machines. A depositor may opt to withdraw over the counter for some emergency cases. This account will not earn interest. Other features for this Savings (ATM) are as follows:

- a) Minimum amount in opening shall be P500.00.
- b) Maintaining balance per month to earn interest shall be P1, 000.00.
- c) Maximum deposit insurance with PDIC is P500, 000.00 per depositor.
- d) Charges:
 - Lost card – P200.00
 - Account verifying in other banks without receipt - P1.00
 - With receipt - P2.00
 - Withdrawal of account in other banks is chargeable.
- e) Qualified to open an account:
 - i) Individual
 - At least 7 years old
 - Filipino citizen
 - If, foreigner with passport and one of the following:
 - Alien Certificate of Registration (ACR)
 - Special Investor’s Resident Visa (SIRV)
 - Special Resident Retiree’s Visa (SRRV)

4) Premium Savings (Passbook with higher rates)

Another type of savings deposit with higher interest rates compared to Savings (Regular) and Time Deposit is the Premium Savings. The depositor will be issued a passbook after complying all the required documents in opening an account. Interest shall be computed quarterly based on average daily balance (ADB). An additional amount shall be allowed only upon maturity. Other features to describe this type of account are as follows:

- a) Minimum amount in opening shall be P50, 000.00.
- b) Maintaining balance per month shall be P50, 000.00.
- c) Interest rate shall be based on market rate

	90days	180days	360days
50,000.00 – 349,999.99	2.25%	2.50%	2.50%
350,000.00 – 699,999.99	2.50%	3.00%	3.00%
700,000.00 – 999,999.99	3.00%	3.25%	3.25%
P1M and above	4.50%	4.50%	4.50%

- d) Interest earned shall be charged with a withholding tax of 20%.
- e) Maximum deposit insurance with PDIC is P500, 000.00 per depositor.

f) Charges:

- Below maintaining balance – P200.00 per month
- Closed account within 30 days– P250.00
- Withdrawal in excess of 3 times a month – P75.00 per transaction
- Lost passbook – P300.00

g) Qualified to open an account:

- i) Individual
 - At least 18 years old
 - Filipino citizen
 - If, foreigner with passport and one of the following:
 - Alien Certificate of Registration (ACR)
 - Special Investor’s Resident Visa (SIRV)
 - Special Resident Retiree’s Visa (SRRV)
- ii) Corporation/Partnership
- iii) Cooperative
- iv) Association/Organization

5) Time

Time deposit is a type of deposit describe as follows:

- a) The depositor will be issued a certificate after complying all the required documents in opening an account.
- b) Interest shall be computed based on term.
- c) Minimum amount in opening shall be P5, 000.00.
- d) Interest rate shall be based on market rate

	30days	90days	180days	360days
50,000.00 – 349,999.99	1.75%	1.75%	1.95%	1.95%
350,000.00 – 699,999.99	1.95%	1.95%	2.20%	2.20%
700,000.00 – 999,999.99	2.20%	2.20%	2.45%	2.70%
P1M and above	2.70%	2.95%	3.20%	3.20% or 3.45%**

**3.20% interest pa is applicable to those who withdraw their interest monthly

**3.45% interest pa is applicable to those who withdraw their interest upon maturity

- e) Excess number of days after maturity of the account’s term, interest rate shall be equal to the prevailing interest rate on savings regular deposit.
- f) For P1M and above amount of time deposit with a term of 360 days, the depositor may opt to get his interest monthly.
- g) Time deposit that will be pre-terminated on or before half of the required term, the interest would only be 25% of the specified rate. If made after half of the required term, the interest would be 50%.
- h) Maximum deposit insurance with PDIC is P500, 000.00 per depositor.

i) Charges:
Documentary stamps - P1.50 for every P200.00, to be shouldered by the bank. If pre-terminated, documentary stamps shall be charged to the depositor.

Withholding tax – 20%

j) Qualified to open an account:

i) Individual

At least 7 years old

Filipino citizen

If, foreigner with passport and one of the following:

Alien Certificate of Registration (ACR)

Special Investor's Resident Visa (SIRV)

Special Resident Retiree's Visa (SRRV)

ii) Corporation/Partnership

iii) Cooperative

iv) Association/Organization

A. TIME AND SAVINGS DEPOSIT (SPECIAL RATE)

Savings: (Board Rate – 1.5%)

No Premium Rate -

Prospective application. All existing Savings Deposit with premium rates shall be treated as is.

Time

BM I & II

President (inclusive of BM's premium rate)-

- up to 0.15%

up to 1.00%

Prospective application. All existing CTDs with premium rates higher than 1% shall be treated as is until its maturity.

All succeeding Savings Deposit and/or Certificate of Time Deposits with premium rates higher than the above approved rates shall be confirmed by the Board.

OTHER SERVICES

1. POINT OF SALE
2. PERA PADALA THROUGH CEBUANA LHUILLIER

BANK'S WEBSITE

The Bank has launched its official website <http://www.cooperativebankofbohol.com> in February, 2020 where the banking public can access and view the many products and services offered, properties for sale, notices to shareholders and clients, bank activities, job opportunities and the latest updates about the bank.

LIST OF BANKING UNITS

Corporate Office	CPG East Avenue, Tagbilaran City Telefax Nos. (038) 427-2116, 501-9904 Juvie D. Calacat – President
Tagbilaran Branch	CPG East Avenue, Tagbilaran City Telefax Nos. (038) 411-3483, 501-9904 Analia C. Buates – Branch Manager
Candijay Branch	Poblacion, Candijay, Bohol Tel. No. (038) 510-6237 Angie D. Rule – Branch Manager
Inabanga Branch	Poblacion, Inabanga, Bohol Tel. No. (038) 512-9712 Arjo L. Aya-ay – Branch Manager

II. AUDITED FINANCIAL STATEMENTS (AFS) WITH AUDITOR’S OPINION

III. CAPITAL STRUCTURE AND CAPITAL ADEQUACY

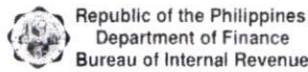
COOPERATIVE BANK OF BOHOL
FINANCIAL STATEMENTS
As at and for the Years ended December 31, 2021 and 2020

and

REPORT OF INDEPENDENT AUDITORS



For BIR BCS/ Use Only Item:



Annual Income Tax Return
 Corporation, Partnership and Other Non-Individual
 with MIXED Income Subject to Multiple Income Tax Rates or
 with Income Subject to SPECIAL/PREFERENTIAL RATE

Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X".
 Two copies MUST be filed with the BIR and one held by the taxpayer.

BIR Form No. **1702-MX**
 January 2018 (ENCS)
 Page 1

1702-MX 01/18ENCS P1

1 For Calendar Fiscal
 2 Year Ended (MM/20YY) 12/20
 3 Amended Return? Yes No
 4 Short Period Return? Yes No
 5 Alphanumeric Tax Code (ATC)
 IC 055 - Minimum Corporate Income Tax (MCIT)
 IC 010 - In General

Part I - Background Information

6 Taxpayer Identification Number (TIN) 000 - 535 - 427 - 0000 7 RDO Code 1084

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)
COOPERATIVE BANK OF BOHOL

9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)
0126 CPG EAST AVENUE, POBLACION 1, TAGBILARAN CITY, BOHOL 9A ZIP Code 6300

10 Date of Incorporation/Organization (MM/DD/YYYY) 04/24/1980 11 Contact Number 9113483

12 Email Address COOPERATIVEBANK_BOHOL@YAHOO.COM

13 Method of Deductions Itemized Deductions [Section 34 (A-J), NIRC] Optional Standard Deduction (OSD)-40% of Gross Income [Section 34(L) NIRC, as amended]

Part II - Total Tax Payable

14 Total Tax Due/(Overpayment) (From Part IV-Schedule 2 Item 19D) 795,803

15 Less: Total Tax Credits/Payments (From Part IV-Schedule 3 Item 32D) 812,958

16 Net Tax Payable / (Overpayment) (Item 14 Less Item 15) (From Part IV Item 33D) (17,156)

Add: Penalties

17 Surcharge 0

18 Interest 0

19 Compromise 0

20 Total Penalties (Sum of Items 17 to 19) 0

21 TOTAL AMOUNT PAYABLE / (Overpayment) (Sum of Items 16 to 20) (17,156)

If overpayment, mark one (1) box only. (Once the choice is made, the same is irrevocable)
 To be refunded To be issued a Tax Credit Certificate (TCC) To be carried over as a tax credit for next year/quarter

We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

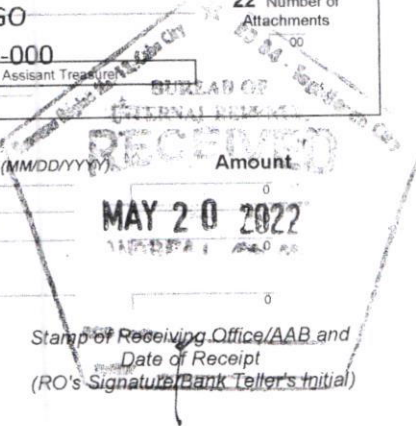
JUVIE D. CALACAT EMMANUEL D. DURANGO 22 Number of Attachments 00
 PRESIDENT & CEO / 939-830-521-000 CASHIER / 185-382-193-000
 Signature over Printed Name of Treasurer/ Assistant Treasurer
 Title of Signatory Title of Signatory TIN

Part III - Details of Payment

Part	Number	Date (MM/DD/YYYY)	Amount
23 Cash/Bank			
24 Check			
25 Tax Debit			
26 Others (Specify Below)			



BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 13
RDO NO. 84 TAGBILARAN CITY




Machine Validation / Revenue Official Receipt Details (If not filed with an Authorized Agent Bank)

TO WHOM IT MAY CONCERN:
THIS IS TO CERTIFY THAT
THIS IS A TRUE COPY OF THE
RECORDS ON FILE IN THIS OFFICE

Stamp of Receiving Office (AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

Teodula M. Albeza
OIC Chief, Collection Section

BIR Form No. 1702-MX January 2018 (ENCS) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	 1702-MX 01/18ENCS P2
Taxpayer Identification Number (TIN) Registered Name		
000 535 427 0000		COOPERATIVE BANK OF BOHOL

Part IV - Schedules

Instructions: (mark appropriate box)

A. Only one activity/project under EXEMPT and/or SPECIAL Tax Regimes, fill-out the applicable columns below.

B. Two or more activities/projects under EXEMPT and/or SPECIAL Tax Regimes, accomplish Part V-Mandatory Attachments per activity and reflect consolidated amounts from Part V on the corresponding columns below.

Schedule 1 - Basis of Tax Relief

Particulars	A. Exempt	B. Special	C. Special Tax Relief (Under Regular/Normal Rate)
1 Investment Promotion Agency (IPA)/ Implementing Government Agency	CDA		
2 Legal Basis	CDA		
3 Registered Activity/Program (Reg. No.)	CDA		
4 Special Tax Rate		0.0%	
5 Effectivity Date of Tax Relief/Exemption From (MM/DD/YYYY)	04/24/1980		
6 Expiration Date of Tax Relief/Exemption To (MM/DD/YYYY)	12/31/2025		


Schedule 2 - Computation of Income Tax per Tax Regime (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1 Sales/Receipts/Revenues/Fees <i>(From all of Part V-Sched B Item 1, if letter B of instructions above is marked)</i>	5,457,238	0	59,707,888	65,165,126
2 Less: Sales Returns, Allowances and Discounts <i>(From all of Part V-Sched B Item 2, if letter B of instructions above is marked)</i>	0	0	0	0
3 Net Sales/Receipts/Revenues/Fees <i>(Item 1 Less Item 2)</i>	5,457,238	0	59,707,888	65,165,126
4 Less: Cost of Sales/Services <i>(From all of Part V-Sched B Item 4, if letter B of instructions above is marked)</i>	2,733,119	0	33,452,748	36,185,867
5 Gross Income from Operation <i>(Item 3 Less Item 4)</i>	2,724,119	0	26,255,140	28,979,259
6 Add: Other Taxable Income not subjected to Final Tax <i>(From all of Part V-Sched B Item 6, if letter B of instructions above is marked)</i>	0	0	6,858,617	6,858,617
7 Total Taxable Income <i>(Sum of Items 5 and 6)</i>	2,724,119	0	33,113,757	35,837,876
Less: Deductions Allowable under Existing Law				
8 Ordinary Allowable Itemized Deductions <i>(From Sched 5 Item 18) &/or (From all of Part V-Sched B Item 8, if letter B of instructions above is marked)</i>	2,108,093	0	29,930,545	32,038,638
9 Special Allowable Itemized Deductions <i>(From Sched 6 Item 5) &/or (From all of Part V-Sched B Item 9, if letter B of instructions above is marked)</i>	0	0	0	0
10 NOLCO [Only for those taxable under Sec. 27 (A to C)]; Section 28(A)(1)(A)(6)(b) of the Tax Code, as amended <i>(For Special Rate: If w/ only 1 activity, From Schedule 8.1 Item 8 ; if with 2 or more activities, From all of Part V-Sched B Item 10; For Reg. Rate: From Sched 7.1 Item 8)</i>	0	0	0	0
11 Total Itemized Deductions <i>(Sum of Items 8 to 10)</i> OR [in case taxable under Sec 27(A) & 28(A)(1)]	2,108,093	0	29,930,545	32,038,638
12 Optional Standard Deduction (OSD) <i>(40% of Item 7)</i>			0	0
13 Net Taxable Income/(Loss) <i>(If Itemized: Item 7 Less Item 11; If OSD: Item 7 Less Item 12)</i>	616,026	0	3,183,212	3,799,238
14 Applicable Income Tax Rate <i>(i.e. Special or Regular/Normal Rate)</i>	0%	0.00%	25.00%	
15 Income Tax Due other than MCIT <i>[For Special Rate: If with only 1 activity, (Item 3 OR Item 7) X Item 14; if with 2 or more activities, from all of Part V-Sched B Item 14; For Regular Rate (Item 13 X Item 14)]</i>	0	0	795,803	795,803
16 Less: Share of Other Government Agency, if remitted directly		0	0	0
17 Net Income Tax Due to National Government <i>(Item 15 Less Item 16)</i>		0	795,803	795,803
18 MCIT <i>(2% of Gross Income in Item 7)</i>			662,275	662,275
19 Total Income Tax Due / (Overpayment) <i>(Item 19B = Item 17B) (Item 19C = Normal Income Tax in Item 15C OR MCIT in Item 18C, whichever is higher) (Item 18D = Sum of Items 19B and 19C) (Item 19D to Part II Item 14)</i>		0	795,803	795,803

Schedule 3 - Tax Credits/Payments (attach proof)

20 Prior Year's Excess Credits Other Than MCIT	0	0	104,160	104,160
21 Income Tax Payments under MCIT from Previous Quarter/s			0	0
22 Income Tax Payments under Regular Rate from Previous Quarter/s	0	0	679,849	679,849
23 Excess MCIT Applied this Current Taxable Year <i>(From Schedule 9 Item 4)</i>			0	0
24 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0	0	28,950	28,950
25 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Qtr	0	0	0	0

26 Foreign Tax Credits, if applicable		0	0	0	0
27 Tax Paid in Return Previously Filed, if this is an Amended Return		0	0	0	0
28 Income Tax Payments under Special Rate from Previous Qtr/s		0	0	0	0
29 Special Tax Credits <i>(To Part IV-Schedule 4 Item 6)</i>		0	0	0	0
Other Tax Credits/Payments(<i>specify</i>)					
30		0	0	0	0
31	<i>(Add more...)</i>	0	0	0	0
32 Total Tax Credits/Payments <i>(Sum of Items 20 to 31) (Item 32D to Part II Item 15)</i>		0	0	812,959	812,959
33 Net Tax Payable / (Overpayment) <i>(Item 19 Less Item 32) (Item 33D to Part II Item 16)</i>		0	0	(17,156)	(17,156)

BIR Form No. 1702-MX January 2018 (ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	 1702-MX 01/18ENCS P3
Taxpayer Identification Number (TIN) Registered Name		
000 535 427 0000		COOPERATIVE BANK OF BOHOL

Schedule 4 – Tax Relief Availment (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1 Regular Income Tax Otherwise Due (Item 13A/B of Part IV-Schedule 2 X applicable regular income tax rate)	154,007	0		154,007
2 Tax Relief on Special Allowable Itemized Deductions (Item 9A/B/C of Part IV-Sched 2 X applicable regular income tax rate)	0	0	0	0
3 Sub-Total – Tax Relief (Sum of Items 1 and 2)	154,007	0	0	154,007
4 Less: Income Tax Due (From Part IV-Schedule 2 Item 15B)	0	0		0
5 Tax Relief Availment before Special Tax Credit (Item 3 Less Item 4)	154,007	0	0	154,007
6 Add: Special Tax Credit, if any (From Part IV-Schedule 3 Item 29)	0	0	0	0
7 Total Tax Relief Availment (Sum of Items 5 & 6)	154,007	0	0	154,007

Schedule 5 - Ordinary Allowable Itemized Deductions (attach additional sheet/s, if necessary)
 (If with only one activity, fill-out the applicable columns below: if with two or more activities, amount for each expense shall come from all of Part V-Schedule D)


Description	A	B	C	D
1 Amortizations	0	0	0	0
2 Bad Debts	0	0	400,405	400,405
3 Charitable and Other Contributions	0	0	0	0
4 Depletion	0	0	0	0
5 Depreciation	264,914	0	3,253,562	3,518,476
6 Entertainment, Amusement and Recreation	42,578	0	522,922	565,500
7 Fringe Benefits	0	0	0	0
8 Interest	0	0	0	0
9 Losses	0	0	0	0
10 Pension Trusts	0	0	0	0
11 Rental	5,970	0	73,318	79,288
12 Research and Development	0	0	0	0
13 Salaries, Wages and Allowances	0	0	0	0
14 SSS, GSIS, Philhealth, HDMF and Other Contributions	0	0	0	0
15 Taxes and Licenses	0	0	353,107	353,107
16 Transportation and Travel	116,832	0	1,434,878	1,551,710
17 Others (Deductions Subject to Withholding Tax and Other Expenses) (Specify below; Add additional sheet(s), if necessary)				
a. Janitorial and Messengerial Services	173,728	0	2,133,646	2,307,374
b. Professional Fees	19,041	0	233,847	252,888
c. Security Services	0	0	0	0
d. PERCENTAGE TAX EXPENSE	0	0	3,286,344	3,286,344
e. COMMUNICATION, LIGHT AND WATER	126,344	0	1,551,704	1,678,048
f. ADVERTISING AND PUBLICITY	111,580	0	1,370,383	1,481,963
g. TRAINING EXPENSES	150,487	0	1,848,218	1,998,705
h. INSURANCE	45,182	0	554,912	600,094
i. OTHERS	1,051,437	0	12,913,299	13,964,736
(Add more ...)				
18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV-Schedule 2 Item 8)	2,108,093	0	29,930,545	32,038,638

Schedule 6 – Special Allowable Itemized Deductions (attach additional sheet/s, if necessary)
 (If with only one activity, fill-out the applicable columns below: if with two or more activities, amount for each expense shall come from all of Part V-Schedule E)

Description	Legal Basis	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1		0	0	0	0
2		0	0	0	0
3		0	0	0	0
4		0	0	0	0
(Add more ...)					
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV-Schedule 2 Item 9)		0	0	0	0

Schedule 7 - Computation of Net Operating Loss Carry Over (NOLCO) for Regular Rate (Attach Additional Sheet/s, if necessary)

1 Gross Income (From Part IV-Schedule 2 Item 7C)	0
2 Less: Total Deductions Exclusive of NOLCO & Deduction Under Special Law (From Part IV-Schedule 2 Item 8C)	0
3 Net Operating Loss (Item 1 Less Item 2) (To Part IV-Schedule 7.1, Item 2A)	0

BIR Form No. 1702-MX January 2018 (ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	 1702-MX 01/18ENCS P4
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Taxpayer Identification Number (TIN) 000 535 427 0000	Registered Name COOPERATIVE BANK OF BOHOL
--	--

Schedule 7.1 - Computation of Available Net Operating Loss Carry Over (NOLCO) for Regular Rate
 (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Net Operating Loss Year Incurred	A. Amount	B. NOLCO Applied Previous Year/s	C. NOLCO Expired	D. NOLCO Applied Current Year	E. Net Operating Loss (Unapplied) [(E)=A-(B+C+D)]
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
7	0	0	0	0	0

8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV-Schedule 2 Item 10C)

Schedule 8 - Computation of Net Operating Loss Carry Over (NOLCO) for Special Rate (except those availing fiscal incentives)
 (Attach Additional Sheet/s, if necessary)

1 Gross Income (From Part IV-Schedule 2 Item 7B)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part IV-Schedule 2 Item 8B)	0
3 Net Operating Loss (Item 1 Less Item 2) (To Part IV-Schedule 8.1 Item 7A)	0

Schedule 8.1 - Computation of Available Net Operating Loss Carry Over (NOLCO) for Special Rate
 (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Net Operating Loss Year Incurred	A. Amount	B. NOLCO Applied Previous Year/s	C. NOLCO Expired	D. NOLCO Applied Current Year	E. Net Operating Loss (Unapplied) [(E)=A-(B+C+D)]
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
7	0	0	0	0	0

8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV-Schedule 2 Item 10B)

Schedule 9 - Computation of Minimum Corporate Income Tax (MCIT)

Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2020	0	56,517	56,517
2	0	0	0
3	0	0	0

Continuation of Schedule 9 (Item numbers continue from table above)

	D) Excess MCIT Applied/Used for Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	0	56,517
2	0	0	0	0
3	0	0	0	0

4 Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV-Schedule 3 Item 23)

Schedule 10 - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)

Particulars	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1 Net Income/(Loss) per Books	616,026	0	1,879,810	2,495,836
Add: Non-Deductible Expenses/Taxable Other Income (specify below)				
2 TAX ARBITRAGE	0	0	114,229	114,229
3 PROVISION FOR CREDIT LOSSES	0	0	2,046,493	2,046,493
4 Total (Sum of Items 1 to 3)	616,026	0	4,040,532	4,666,558
Less: A) Non-Taxable Income and Income Subjected to Final Tax (specify below)				
5 INTEREST INCOME	0	0	456,915	456,915
6	0	0	0	0
B) Special Deductions (specify below)				
7 WRITE OFF	0	0	400,405	400,405
8	0	0	0	0
9 Total (Sum of Items 5 to 8)	0	0	857,320	857,320
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	616,026	0	3,183,212	3,799,238

Tax Return Receipt Confirmation

From: ebirforms-noreply@bir.gov.ph (ebirforms-noreply@bir.gov.ph)

To: cooperativebank_bohol@yahoo.com

Date: Tuesday, 17 May 2022, 02:10 pm GMT+8

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 000535427000-1702MXv2018-1221V2.xml

Date received by BIR: 17 May 2022

Time received by BIR: 01:55 PM

Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

FOR RETURNS WITH PAYMENT

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This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

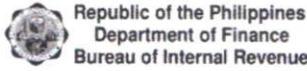
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For BIR Use Only BCS/Item:



Annual Income Tax Return
 Corporation, Partnership and Other Non-Individual
 with MIXED Income Subject to Multiple Income Tax Rates or
 with Income Subject to SPECIAL/PREFERENTIAL RATE

Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable boxes with an "X"

Two copies MUST be filed with the BIR and one held by the taxpayer

1702-MX 01/18ENCS P1

1 For Calendar Fiscal
 2 Year Ended (MM/20YY) 12/2021
 3 Amended Return? Yes No
 4 Short Period Return? Yes No
 5 Alphanumeric Tax Code (ATC)
 IC 055 - Minimum Corporate Income Tax (MCIT)
 IC 010 - In General

Part I - Background Information

6 Taxpayer Identification Number (TIN) 000-535-427-0000 7 RDO Code 084

8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS)
COOPERATIVE BANK OF BOHOL

9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905)
0126 CPG EAST AVENUE, POBLACION 1, TAGBILARAN CITY, BOHOL

10 Date of Incorporation/Organization (MM/DD/YYYY) 04/24/1980 11 Contact Number 4113483

12 Email Address COOPERATIVEBANK_BOHOL@YAHOO.COM

13 Method of Deductions Itemized Deductions [Section 34 (A-J), NIRC] Optional Standard Deduction (OSD)-40% of Gross Income [Section 34(L) NIRC, as amended]

Part II - Total Tax Payable

(Do NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

14 Total Tax Due/(Overpayment) (From Part IV-Schedule 2 Item 19D) 857,396

15 Less: Total Tax Credits/Payments (From Part IV-Schedule 3 Item 32D) 894,040

16 Net Tax Payable / (Overpayment) (Item 14 Less Item 15) (From Part IV Item 33D) (36,644)

Add: Penalties

17 Surcharge 0

18 Interest 0

19 Compromise 0

20 Total Penalties (Sum of Items 17 to 19) 0

21 TOTAL AMOUNT PAYABLE / (Overpayment) (Sum of Items 16 to 20) (36,644)

If overpayment, mark one (1) box only. (Once the choice is made, the same is irrevocable)
 To be refunded To be issued a Tax Credit Certificate (TCC) To be carried over as a tax credit for next year/quarter


We declare under the penalties of perjury that this return, and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)

JUVIE D. CALACAT EMMANUEL D. DURANGO 22 Number of Attachments 00
 PRESIDENT & CEO / 939-830-521-000 CASHIER / 185-382-193-000
 Signature over Printed Name of President/Principal Officer/Authorized Representative Signature over Printed Name of Treasurer/ Assistant Treasurer
 Title of Signatory TIN Title of Signatory TIN

Part III - Details of Payment

Particulars	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount
23 Cash/Bank Debit Memo				0
24 Check				0
25 Tax Debit Memo				0
26 Others (Specify Below)				0

Machine Validation / Revenue Official Receipt Details (if not filed with an Authorized Agent Bank) Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

BIR Form No. 1702-MX January 2018 (ENCs) Page 2	Annual Income Tax Return Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	 1702-MX 01/18ENCs P2
Taxpayer Identification Number (TIN) Registered Name		
000 535 427 0000		COOPERATIVE BANK OF BOHOL

Part IV - Schedules

Instructions: (mark appropriate box)

A. Only one activity/project under EXEMPT and/or SPECIAL Tax Regimes, fill-out the applicable columns below.

B. Two or more activities/projects under EXEMPT and/or SPECIAL Tax Regimes, accomplish Part V-Mandatory Attachments per activity and reflect consolidated amounts from Part V on the corresponding columns below.

Schedule 1 - Basis of Tax Relief

Particulars	A. Exempt	B. Special	C. Special Tax Relief (Under Regular/Normal Rate)
1 Investment Promotion Agency (IPA)/ Implementing Government Agency	CDA		
2 Legal Basis	CDA		
3 Registered Activity/Program (Reg. No.)	CDA		
4 Special Tax Rate		0.0%	
5 Effectivity Date of Tax Relief/Exemption From (MM/DD/YYYY)	04/24/1980		
6 Expiration Date of Tax Relief/Exemption To (MM/DD/YYYY)	12/31/2025		


Schedule 2 - Computation of Income Tax per Tax Regime (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1 Sales/Receipts/Revenues/Fees <i>(From all of Part V-Sched B Item 1, if letter B of instructions above is marked)</i>	5,457,238	0	59,790,965	65,248,203
2 Less: Sales Returns, Allowances and Discounts <i>(From all of Part V-Sched B Item 2, if letter B of instructions above is marked)</i>	0	0	0	0
3 Net Sales/Receipts/Revenues/Fees <i>(Item 1 Less Item 2)</i>	5,457,238	0	59,790,965	65,248,203
4 Less: Cost of Sales/Services <i>(From all of Part V-Sched B Item 4, if letter B of instructions above is marked)</i>	5,161,486	0	29,769,002	34,930,488
5 Gross Income from Operation <i>(Item 3 Less Item 4)</i>	295,752	0	30,021,963	30,317,715
6 Add: Other Taxable Income not subjected to Final Tax <i>(From all of Part V-Sched B Item 6, if letter B of instructions above is marked)</i>	77,813	0	6,845,157	6,922,970
7 Total Taxable Income <i>(Sum of Items 5 and 6)</i>	373,565	0	36,867,120	37,240,685
Less: Deductions Allowable under Existing Law				
8 Ordinary Allowable Itemized Deductions <i>(From Sched 5 Item 18) &/or (From all of Part V-Sched B Item 8, if letter B of instructions above is marked)</i>	0	0	33,437,535	33,437,535
9 Special Allowable Itemized Deductions <i>(From Sched 6 Item 5) &/or (From all of Part V-Sched B Item 9, if letter B of instructions above is marked)</i>	0	0	0	0
10 NOLCO [Only for those taxable under Sec. 27 (A to C)]; Section 28(A)(1)(A)(6)(b) of the Tax Code, as amended <i>(For Special Rate: If w/only 1 activity, From Schedule 8.1 Item 8; if with 2 or more activities, From all of Part V-Sched B Item 10, For Reg. Rate: From Sched 7.1 Item 8)</i>	0	0	0	0
11 Total Itemized Deductions <i>(Sum of Items 8 to 10)</i>	0	0	33,437,535	33,437,535
OR [in case taxable under Sec 27(A) & 28(A)(1)]				
12 Optional Standard Deduction (OSD) (40% of Item 7)			0	0
13 Net Taxable Income/(Loss) <i>(If Itemized: Item 7 Less Item 11; If OSD: Item 7 Less Item 12)</i>	373,565	0	3,429,585	3,803,150
14 Applicable Income Tax Rate <i>(i.e. Special or Regular/Normal Rate)</i>	0%	0.00%	25.00%	
15 Income Tax Due other than MCIT <i>[For Special Rate: If with only 1 activity, (Item 3 OR Item 7) X Item 14; if with 2 or more activities, from all of Part V-Sched B Item 14; For Regular Rate Item 13 X Item 14]</i>	0	0	857,396	857,396
16 Less: Share of Other Government Agency, if remitted directly		0	0	0
17 Net Income Tax Due to National Government <i>(Item 15 Less Item 16)</i>		0	857,396	857,396
18 MCIT (2% of Gross Income in Item 7)			737,342	737,342
19 Total Income Tax Due / (Overpayment) <i>(Item 19B = Item 17B) (Item 19C = Normal Income Tax in Item 15C OR MCIT in Item 18C, whichever is higher) (Item 18D = Sum of Items 19B and 19C) (Item 19D to Part II Item 14)</i>		0	857,396	857,396

Schedule 3 - Tax Credits/Payments (attach proof)

20 Prior Year's Excess Credits Other Than MCIT	0	0	12,524	12,524
21 Income Tax Payments under MCIT from Previous Quarter/s			0	0
22 Income Tax Payments under Regular Rate from Previous Quarter/s	0	0	799,849	799,849
23 Excess MCIT Applied this Current Taxable Year <i>(From Schedule 9 Item 4)</i>			52,717	52,717
24 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0	0	28,950	28,950
25 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Qtr	0	0	0	0

26 Foreign Tax Credits, if applicable		0	0	0	0
27 Tax Paid in Return Previously Filed, if this is an Amended Return		0	0	0	0
28 Income Tax Payments under Special Rate from Previous Qtr/s		0	0	0	0
29 Special Tax Credits <i>(To Part IV-Schedule 4 Item 6)</i>		0	0	0	0
Other Tax Credits/Payments <i>(specify)</i>					
30		0	0	0	0
31	<i>(Add more...)</i>	0	0	0	0
32 Total Tax Credits/Payments <i>(Sum of Items 20 to 31) (Item 32D to Part II Item 15)</i>		0	0	894,040	894,040
33 Net Tax Payable / (Overpayment) <i>(Item 19 Less Item 32) (Item 33D to Part II Item 16)</i>		0	0	(36,644)	(36,644)

BIR Form No. 1702-MX January 2018 (ENCS) Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	 1702-MX 01/18ENCS P3
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Taxpayer Identification Number (TIN) 000 535 427 0000	Registered Name COOPERATIVE BANK OF BOHOL
--	--

Schedule 4 – Tax Relief Availment <small>(DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)</small>				
Description	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1 Regular Income Tax Otherwise Due (Item 13A/B of Part IV-Schedule 2 X applicable regular income tax rate)	93,391	0		93,391
2 Tax Relief on Special Allowable Itemized Deductions (Item 9A/B/C of Part IV-Sched 2 X applicable regular income tax rate)	0	0	0	0
3 Sub-Total – Tax Relief (Sum of Items 1 and 2)	93,391	0	0	93,391
4 Less: Income Tax Due (From Part IV-Schedule 2 Item 15B)	0	0		0
5 Tax Relief Availment before Special Tax Credit (Item 3 Less Item 4)	93,391	0	0	93,391
6 Add: Special Tax Credit, if any (From Part IV-Schedule 3 Item 29)	0	0	0	0
7 Total Tax Relief Availment (Sum of Items 5 & 6)	93,391	0	0	93,391

Schedule 5 - Ordinary Allowable Itemized Deductions <small>(attach additional sheet/s, if necessary)</small>				
<small>(If with only one activity, fill-out the applicable columns below: if with two or more activities, amount for each expense shall come from all of Part V-Schedule D)</small>				
Description	A	B	C	D
1 Amortizations				
2 Bad Debts				
3 Charitable and Other Contributions				
4 Depletion				
5 Depreciation			3,448,476	3,448,476
6 Entertainment, Amusement and Recreation			565,500	565,500
7 Fringe Benefits				
8 Interest				
9 Losses				
10 Pension Trusts				
11 Rental			79,288	79,288
12 Research and Development				
13 Salaries, Wages and Allowances				
14 SSS, GSIS, Philhealth, HDMF and Other Contributions				
15 Taxes and Licenses			352,607	352,607
16 Transportation and Travel			1,551,710	1,551,710
17 Others (Deductions Subject to Withholding Tax and Other Expenses) <small>[Specify below; Add additional sheet(s), if necessary]</small>				
a. Janitorial and Messengerial Services			2,307,374	2,307,374
b. Professional Fees			252,888	252,888
c. Security Services				
d. PERCENTAGE TAX EXPENSE			3,286,344	3,286,344
e. LIGHT, WATER, COMMUNICATION			1,678,049	1,678,049
f. ADVERTISING			1,481,963	1,481,963
g. INSURANCE			600,094	600,094
h. TRAININGS			1,998,705	1,998,705
i. OTHERS (Add more...)			15,834,537	15,834,537
18 Total Ordinary Allowable Itemized Deductions <small>(Sum of Items 1 to 17) (To Part IV-Schedule 2 Item 8)</small>			33,437,535	33,437,535

Schedule 6 – Special Allowable Itemized Deductions <small>(attach additional sheet/s, if necessary)</small>				
<small>(If with only one activity, fill-out the applicable columns below: if with two or more activities, amount for each expense shall come from all of Part V-Schedule E)</small>				
Description	Legal Basis	A. Total Exempt	B. Total Special	D. Total All Columns
1		0	0	0
2		0	0	0
3		0	0	0
4		0	0	0
<small>(Add more...)</small>				
5 Total Special Allowable Itemized Deductions <small>(Sum of Items 1 to 4) (To Part IV-Schedule 2 Item 9)</small>		0	0	0

Schedule 7 - Computation of Net Operating Loss Carry Over (NOLCO) for Regular Rate <small>(Attach Additional Sheet/s, if necessary)</small>		
1 Gross Income <small>(From Part IV-Schedule 2 Item 7C)</small>		0
2 Less: Total Deductions Exclusive of NOLCO & Deduction Under Special Law <small>(From Part IV-Schedule 2 Item 8C)</small>		0
3 Net Operating Loss <small>(Item 1 Less Item 2) (To Part IV-Schedule 7.1, Item 7A)</small>		0

BIR Form No. 1702-MX January 2018 (ENCS) Page 4	Annual Income Tax Return Corporation, Partnership and Other Non-Individual with MIXED Income Subject to Multiple Income Tax Rates or with Income Subject to SPECIAL/PREFERENTIAL RATE	1702-MX 01/18ENCS P4
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Taxpayer Identification Number (TIN) 0000 535 427 0000C	Registered Name COOPERATIVE BANK OF BOHOL
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Schedule 7.1 - Computation of Available Net Operating Loss Carry Over (NOLCO) for Regular Rate
 (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Net Operating Loss Year Incurred	A. Amount	B. NOLCO Applied Previous Year/s	C. NOLCO Expired	D. NOLCO Applied Current Year	E. Net Operating Loss (Unapplied) [(E)=A-(B+C+D)]
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
7	0	0	0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV-Schedule 2 Item 10C)					0

Schedule 8 - Computation of Net Operating Loss Carry Over (NOLCO) for Special Rate (except those availing fiscal incentives)
 (Attach Additional Sheet/s, if necessary)

1 Gross Income (From Part IV-Schedule 2 Item 7B)	0
2 Less: Ordinary Allowable Itemized Deductions (From Part IV-Schedule 2 Item 8B)	0
3 Net Operating Loss (Item 1 Less Item 2) (To Part IV-Schedule 8.1 Item 7A)	0

Schedule 8.1 - Computation of Available Net Operating Loss Carry Over (NOLCO) for Special Rate
 (DO NOT enter Centavos; 49 Centavos or Less drop down; 50 or more round up)

Net Operating Loss Year Incurred	A. Amount	B. NOLCO Applied Previous Year/s	C. NOLCO Expired	D. NOLCO Applied Current Year	E. Net Operating Loss (Unapplied) [(E)=A-(B+C+D)]
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
7	0	0	0	0	0
8 Total NOLCO (Sum of Items 4D to 7D) (To Part IV-Schedule 2 Item 10B)					0

Schedule 9 - Computation of Minimum Corporate Income Tax (MCIT)

Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1 2020	0	52,717	52,717
2	0	0	0
3	0	0	0

Continuation of Schedule 9 (Item numbers continue from table above)

	D) Excess MCIT Applied/Used for Previous Years	E) Expired Portion of Excess MCIT	F) Excess MCIT Applied this Current Taxable Year	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s [G = C Less (D + E + F)]
1	0	0	52,717	0
2	0	0	0	0
3	0	0	0	0
4 Total Excess MCIT Applied (Sum of Items 1F to 3F) (To Part IV-Schedule 3 Item 23)			52,717	

Schedule 10 - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)

Particulars	Total			
	A. Total Exempt	B. Total Special	C. Total Regular	D. Total All Columns
1 Net Income/(Loss) per Books	734,993	0	1,363,092	2,118,085
Add: Non-Deductible Expenses/Taxable Other Income (specify below)				
2 PROVISION FOR LOSSES	0	0	2,046,493	2,046,493
3	0	0	0	0
(Add more)				
4 Total (Sum of Items 1 to 3)	734,993	0	3,429,585	4,164,578
Less: A) Non-Taxable Income and Income Subjected to Final Tax (specify below)				
5 INTEREST INCOME	361,428	0	0	361,428
6	0	0	0	0
(Add more)				
B) Special Deductions (specify below)				
7	0	0	0	0
8	0	0	0	0
(Add more)				
9 Total (Sum of Items 5 to 8)	361,428	0	0	361,428
10 Net Taxable Income/(Loss) (Item 4 Less Item 9)	373,565	0	3,429,585	3,803,150

Tax Return Receipt Confirmation

From: ebirforms-noreply@bir.gov.ph
To: COOPERATIVEBANK_BOHOL@YAHOO.COM
Date: Monday, 18 April 2022, 03:06 pm GMT+8

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 000535427000-1702MXv2018-1221.xml

Date received by BIR: 18 April 2022

Time received by BIR: 02:25 PM

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Bureau of Internal Revenue

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COOPERATIVE BANK OF BOHOL

CPG East Avenue, Tagbilaran City 6300

Email Add: cooperativebank_bohol@yahoo.com

Telefax Nos. (038) 427-2116

Guiding you through

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **COOPERATIVE BANK OF BOHOL** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 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 misstatement, whether due to fraud or error.

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


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

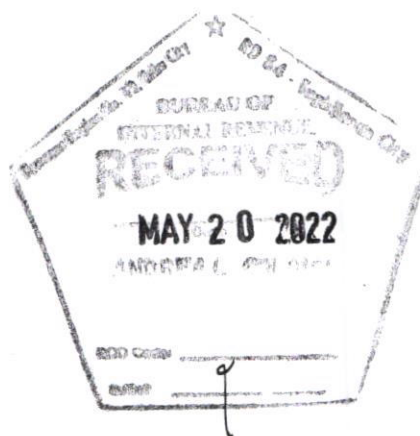
The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

Minerva & Company, Certified Public Accountants, the independent auditors appointed by the members, has audited the financial statements of the Bank in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.


MAXIMILIANO A. CEMPRON
Chairman of the Board


JUVIE D. CALACAT
President/CEO


EMMANUEL D. DURANGO
Treasurer/Chief Finance Officer



Signed this 21st day of MARCH, 2022

COOPERATIVE BANK OF BOHOL

CPC East Avenue, Tagbilaran City 6300

11th Floor, Cagayan de Oro, Bohol

Telephone No. (034) 332-2175

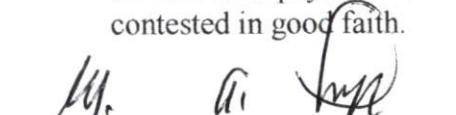
Goodness comes through

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **COOPERATIVE BANK OF BOHOL** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2021**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the **Annual Income Tax Return** covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2021** and the accompanying Annual Income Tax Return are in accordance with the books and records of **COOPERATIVE BANK OF BOHOL** complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Bank's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the **COOPERATIVE BANK OF BOHOL** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


MAXIMILIANO A. CEMPRON

Chairman of the Board


JUVIE D. CALACAT

President/CEO


EMMANUEL D. DURANGO

Treasurer/Chief Finance Officer



Signed this 21st day of MARCH, 2022



CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that the Cooperative Bank of Bohol (the "Bank") has:

1. No material findings involving fraud, dishonesty, (including cases that were resolved during the period of audit).
2. No findings to the effect that the consolidated assets of the company, on a going concern basis are no longer adequate to cover the total claims of the creditor.
3. No material internal control weaknesses which may lead to financial reporting problems.
4. No material breach of laws or BSP rules and regulations such as, but not limited to:
 - a. Capital adequacy ratio; and
 - b. Loans and other risk assets review and classification
5. No matters of corporate governance that may require urgent action by the BSP.

This certification is issued in compliance with the BSP reportorial requirements.

MINERVA & COMPANY, CPAs

PRC/BOA Reg. Cert. No. 4870 – Valid until 10.08.2022
SEC Accred. No. 396-F – Valid until 10.13.2023
BSP Accred. No. 4870 – BSP – Valid until 01.21.2025
BIR Accred. No. 13-011018-002-2019 Valid until 11.18.2022
NEA Accred No. 2019-07-00062 – Valid until 07.21.2022
CDA CEA No. 0068-AF – Valid until 01.04.2024


ELMER P. MINERVA

CPA Board Cert. No. 82086
T.I.N. 130-291-145
PTR No. 3600013 dated 01.27.2022
SEC Accred. No. 1816-A – Valid until 10.13.2023
BSP Accredited No. 82086 – BSP – Valid until 01.21.2025
BIR Accred. No. 13-021018-002-2019 – Valid until 11.07.2022

March 21, 2022
Cebu City, Philippines



CERTIFICATION

In accordance with the requirements of the Bangko Sentral ng Pilipinas (BSP) under the Circular Letter No. 1074 series of 2020, we hereby certify that the disclosure requirements of Section 174 of the Manual of Regulations for Banks (MORB) presented as a supplementary information in the Notes to the Financial Statements of Cooperative Bank of Bohol (the "Bank") as at and for the years ended December 31, 2021 and 2020 have been subjected to the auditing procedures applied in our audit of the basic financial statements. Such supplementary information is the responsibility of management. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This certification is issued in compliance with the BSP reportorial requirements.

MINERVA & COMPANY, CPAs

PRC/BOA Reg. Cert. No. 4870 – Valid until 10.08.2022
SEC Accred. No. 396-F – Valid until 10.13.2023
BSP Accred. No. 4870 – BSP – Valid until 01.21.2025
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March 21, 2022
Cebu City, Philippines



CERTIFICATION

In accordance with the requirements of the Bangko Sentral ng Pilipinas (BSP) under the Circular Letter No. 1074 series of 2020, we hereby certify that as part of our examination of the financial statements of Cooperative Bank of Bohol (the "Bank") as at and for the years ended December 31, 2021 and 2020, we requested for a "read-only access" of the Bank's Report on Examination. We have complied with the confidentiality clause in accordance with the BSP requirement.

This certification is issued in compliance with the BSP reportorial requirements.

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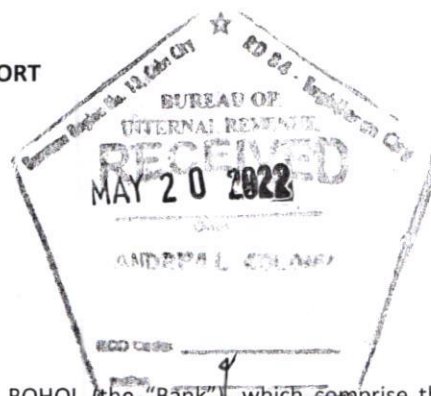
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March 21, 2022
Cebu City, Philippines



INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS
COOPERATIVE BANK OF BOHOL
Carlos P. Garcia, East Avenue, Tagbilaran City



Opinion

We have audited the financial statements of COOPERATIVE BANK OF BOHOL (the "Bank"), which comprise the statement of financial position as at December 31, 2021 and 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2021 and 2020, and of its financial performance and its cash flows for the years then ended in accordance with the Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit in accordance with the Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of 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

Without modifying our opinion, we draw attention to Note 10 to the financial statements wherein the Bank recorded accrued interest receivable as at December 31, 2021 and 2020. As per the respective provisions of Cooperative Development Authority (CDA), Cooperatives which are into lending activities should account for its interest income for loans receivable once it has been collected only. On the other hand, respective provisions of Bangko Sentral ng Pilipinas (BSP) accounts the interest income on accrual basis except for interest from past due loans and loans under litigation which are accounted for only as interest income once it has been collected. The recorded accrued interest receivable could result to an overstatement of the Bank's revenue for the same amount.

Further, Note 17 to the financial statements indicates that the Bank has recognized liability for the deposit for future stocks subscription (DFSS) following the disapproval of the Bank's application to BSP for the increase in its authorized common shares in 2018. On March 2, 2020, the Bank has re-applied to BSP for the said increase in its authorized common shares. However, this was subsequently returned for requirement deficiencies. On December 12, 2021, the Bank re-submitted its application for the increase in authorized capital stock with BSP. In March 2022, the said application is with the Office of the General Counsel and Legal Services of BSP for review. Our opinion is not modified in respect of this matter.

Further, the Bank declared 25% stock dividends on common and preferred stockholders on a pro-rated basis. Included in the stock dividends calculation are those shares which are still under subscription classified under DFSS. Our opinion is not modified in respect of this matter.

Further, we draw attention to Note 2 to the financial statements which states the basis of accounting that has been used in the preparation of the financial statements. The financial statements of the Bank have been prepared in accordance with the PFRSs, as modified by the application of the financial reporting reliefs issued by the BSP and approved by the Securities and Exchange Commission (SEC) in response to the COVID-19 pandemic.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the PFRSs, and for such internal control as the 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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


We communicated 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.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 27 and the Bangko Sentral ng Pilipinas Circular No. 1074 in Note 28 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and Bangko Sentral ng Pilipinas, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statement. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MINERVA & COMPANY, CPAs

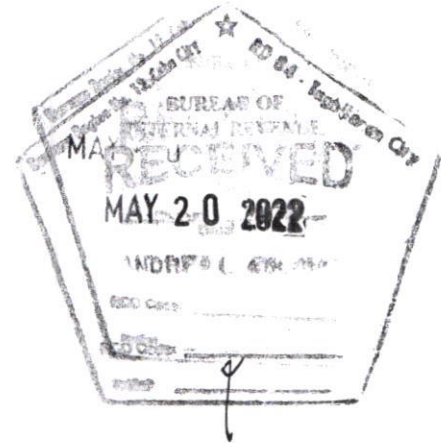
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March 21, 2022
Cebu City, Philippines



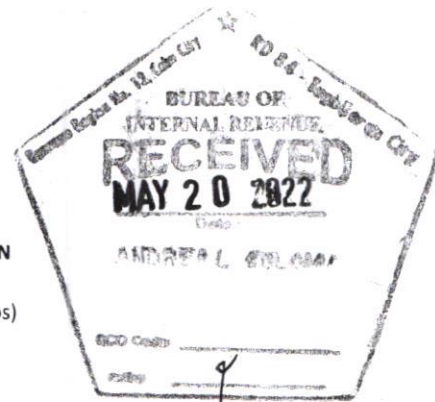
BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 13
RDO NO. 84 TAGBILARAN CITY
DATE MAY 24 2022
TO WHOM IT MAY CONCERN:
THIS IS TO CERTIFY THAT
THIS IS A TRUE COPY OF THE
RECORDS ON FILE IN THIS OFFICE



TEODULA A. ALBEZA
OIC Chief, Collection Section

COOPERATIVE BANK OF BOHOL

STATEMENTS OF FINANCIAL POSITION
As at December 31, 2021 and 2020
(Amounts Expressed in Philippine Pesos)



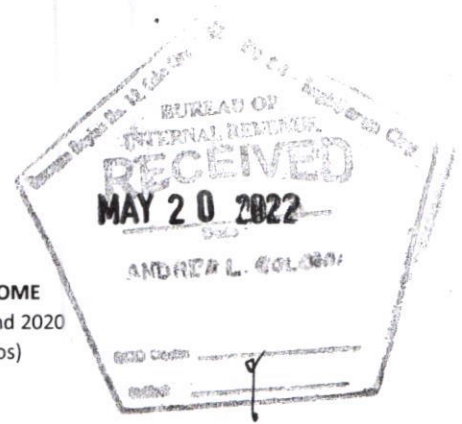
	2021	2020
ASSETS		
ASSETS		
Cash and other cash items (Notes 2,4,5)	PHP 29,085,103	PHP 21,421,579
Due from Bangko Sentral ng Pilipinas (Notes 2,4,6)	14,895,944	14,350,398
Due from other banks (Notes 2,4,7)	182,044,045	131,333,425
Loans and receivables (Notes 2,4,8)	293,831,629	287,183,510
Investment securities (Notes 2,4,9)	5,417,399	2,859,769
Prepayments and other current assets (Notes 2,10)	43,564,967	25,403,025
Bank premises, furniture, fixtures and equipment, net (Notes 2,3,11)	21,837,797	22,413,565
Non-current assets held for sale (Notes 2,3,12)	13,951,921	15,221,428
Deferred tax assets (Notes 2,25)	781,043	852,480
Other non-current assets (Notes 2,4,13)	8,387,787	10,598,067
TOTAL ASSETS	PHP 613,797,635	PHP 531,637,246
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit liabilities (Notes 2,4,14)	PHP 517,889,374	PHP 431,662,888
Bills payable (Notes 2,4,15)	5,366,086	4,788,520
Accounts payable and other liabilities (Notes 2,4,16)	9,021,328	8,148,860
Income tax payable (Notes 2,25)	10,702,000	8,176,000
Deposits for future stocks subscription (Note 2,17)	9,910,696	7,011,190
Pension liabilities (Notes 2,23)	552,889,484	459,787,458
EQUITY		
Share capital (Notes 2,18)		
Common stock	20,000,000	20,000,000
Preferred stock	12,488,000	12,421,059
Additional paid-in capital (Notes 2,18)	72,270	280,206
Stock dividends distributable (Notes 2,18)	221,293	558,903
Donated capital	469,243	469,243
Remeasurement loss on retirement plan (Notes 2,23)	(9,295,076)	(5,159,919)
Surplus reserve (Notes 2,18)	20,835,102	20,379,255
Surplus free (Notes 2,18)	16,117,319	22,901,041
	60,908,151	71,849,788
TOTAL LIABILITIES AND EQUITY	PHP 613,797,635	PHP 531,637,246

BUREAU OF INTERNAL REVENUE
REGION 10 - CEBU
OFFICE OF THE ASST. DIR. FOR COLLECTION
MAY 24 2022

TO WHOM IT MAY CONCERN
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Teodula A. Albeza
TEODULA A. ALBEZA
OIC, Chief, Collection Section

COOPERATIVE BANK OF BOHOL



STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Philippine Pesos)

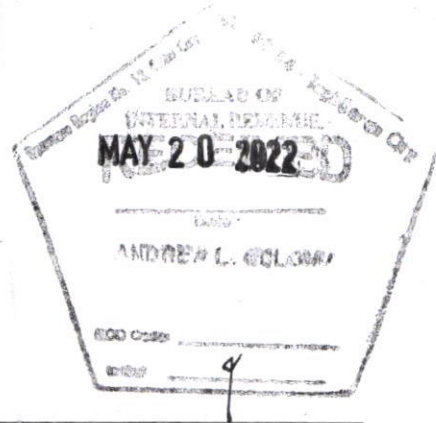
	2021		2020	
INTEREST INCOME (Notes 2,19)	PHP	65,622,040	PHP	54,138,513
INTEREST EXPENSE (Notes 2,21)		(12,700,145)		(12,080,489)
NET INTEREST INCOME		52,921,895		42,058,024
NON-INTEREST INCOME (Notes 2,20)		6,858,618		5,482,919
OPERATING EXPENSES (Notes 2,22)		(57,284,676)		(45,894,227)
INCOME (LOSS) BEFORE INCOME TAX		2,495,837		1,646,716
PROVISION FOR (BENEFIT FROM) INCOME TAX (Notes 2,25)				
Current income tax expense		(795,803)		(242,391)
Deferred income tax benefit		-		1,165,937
		(795,803)		923,546
NET INCOME		1,700,034		2,570,262
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified to profit or loss</i>				
Gain on remeasurement of retirement plan (Note 23)		-		1,458,701
Income tax effect		-		(437,610)
		-		1,021,091
TOTAL COMPREHENSIVE INCOME	PHP	1,700,034	PHP	3,591,353
EARNINGS PER SHARE	PHP	85.00	PHP	179.57

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 13
RDO NO. 84 TAGBILARAN CITY
DATE MAY 24 2022
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TEODULA A. ALBEZA
OIC Chief, Collection Section

COOPERATIVE BANK OF BOHOL

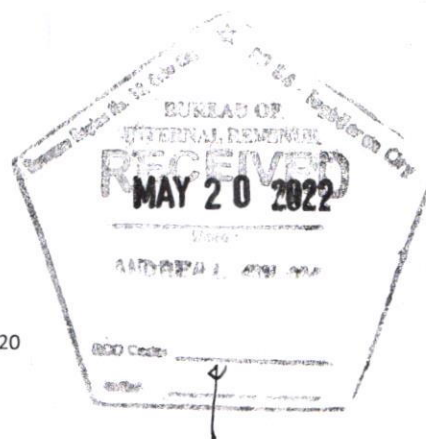
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Philippine Pesos)



	2021	2020
SHARE CAPITAL (Notes 2,18)		
Authorized common - 20,000 shares at Php1,000 par value		
At beginning of year	PHP 20,000,000	PHP 20,000,000
Reclassification to deposits for future stocks subscription		-
At end of year	20,000,000	20,000,000
Authorized preferred - 20,000 shares at Php1,000 par value		
At beginning of year	12,421,059	11,925,000
Additional shares issued during the year	-	230,000
Stock dividends distribution	340,083	341,059
Redemption during the year	(273,142)	(75,000)
At end of year	12,488,000	12,421,059
TOTAL SHARE CAPITAL	32,488,000	32,421,059
ADDITIONAL PAID-IN CAPITAL (Notes 2,18)		
At beginning of year	280,206	246,805
Additions during the year	-	48,727
Redemption during the year	(207,936)	(15,326)
At end of year	72,270	280,206
STOCK DIVIDEND DISTRIBUTABLE (Note 2,18)		
At beginning of year	558,903	-
Stock dividends declared	-	1,042,962
Distribution during the year	(337,610)	(341,059)
Redemption during the year	-	(143,000)
At end of year	221,293	558,903
DONATED CAPITAL	469,243	469,243
REMEASUREMENT GAIN (LOSS) ON RETIREMENT PLAN (Notes 2,23)		
At beginning of year	(5,159,919)	-
Prior years' adjustments	(4,135,157)	(6,181,010)
Gain on remeasurement of retirement plan	-	1,021,091
At end of year	(9,295,076)	(5,159,919)
SURPLUS RESERVES (Notes 2,18)		
At beginning of year	20,379,255	20,619,464
Appropriation to statutory funds	455,847	1,156,618
Utilization during the year	-	(1,396,827)
At end of year	20,835,102	20,379,255
SURPLUS FREE (Notes 2,18)		
At beginning of year	22,901,041	15,128,905
Prior years' adjustments	(8,027,909)	7,529,967
Stock dividends distribution	-	(1,042,962)
Appropriation to statutory funds	(455,847)	(1,285,131)
Net income (loss) for the year	1,700,034	2,570,262
At end of year	16,117,319	22,901,041
TOTAL STOCKHOLDERS' EQUITY	PHP 60,908,151	PHP 71,849,788

COOPERATIVE BANK OF BOHOL

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Philippine Pesos)

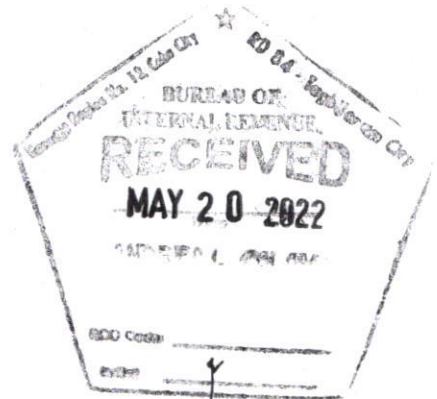


	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before tax	PHP 2,495,837	PHP 1,646,716
Adjustments for:		
Depreciation of bank premises, furniture, fixtures and equipment (Note 22)	3,397,178	2,901,718
Depreciation of NCAHS (Note 22)	121,298	414,895
Provision for expected credit losses (Note 22)	2,046,493	370,991
Reversal of provision for expected credit losses (Note 20)	(400,405)	(237,539)
Loss (gain) on disposal of NCAHS (Note 20)	(2,380,795)	41,535
Impairment loss of NCAHS (Note 12)	-	168,173
Retirement benefits expense (Note 23)	1,365,305	1,181,714
Prior years' adjustments	(8,756,198)	2,249,418
Operating cash flows before working capital changes	(2,111,287)	8,737,621
Increase in:		
Financial assets at amortized cost (Note 8)	(8,694,612)	(20,789,710)
Prepayments and other current assets (Note 10)	(18,057,509)	(11,395,685)
Increase (decrease) in:		
Deposit liabilities (Note 14)	86,226,486	45,548,792
Other liabilities (Note 16)	752,471	758,559
Cash generated from (used in) operations	58,115,549	22,859,577
Contributions to retirement fund (Note 23)	-	(5,500,000)
Income tax paid	(708,799)	(452,000)
Net cash generated from (used in) operating activities	57,406,750	16,907,577
CASH FLOWS FROM INVESTING ACTIVITIES		
Held-to-maturity Investments/INMES	(2,557,630)	-
Proceeds from disposal (acquisition) of debt securities at amortized cost (Note 9)	(3,261,591)	(2,502,631)
Acquisition of bank premises, furniture and equipment (Note 11)	(1,950,410)	(2,115,054)
Proceeds from sale (acquisition) of NCAHS	6,320,000	3,053,028
Net cash generated from (used in) investing activities	(1,449,631)	(1,564,657)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bills payable (Note 15)	(7,128,053)	(9,627,524)
Availment of bills payable (Note 15)	7,705,619	1,268,590
Issuance of additional shares (Note 18)	66,941	278,727
Redemption of preferred shares	(207,936)	(233,326)
Additional deposit for stock subscription	2,526,000	3,999,000
Deposit for stock subscription withdrawal	-	(3,317,000)
Disbursements from statutory funds	-	(938,698)
Net cash generated from (used in) financing activities	2,962,571	(8,570,231)
NET INCREASE IN CASH AND CASH EQUIVALENTS	58,919,690	6,772,689
CASH AND CASH EQUIVALENTS, beginning of year	167,105,402	160,332,713
CASH AND CASH EQUIVALENTS, end of year	PHP 226,025,092	PHP 167,105,402

(See accompanying Notes to Financial Statements)

COOPERATIVE BANK OF BOHOL

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020
(Amounts Expressed in Philippine Pesos)



	2021		2020
Cash in the balance sheet is composed of:			
Cash and other cash items	PHP 29,085,103	PHP	21,421,579
Due from Bangko Sentral ng Pilipinas	14,895,944		14,350,398
Due from other banks	182,044,045		131,333,425
	PHP 226,025,092	PHP	167,105,402
	2021		2020
Operational cash flows from interest:			
Interest received	PHP 28,409,867	PHP	32,566,646
Interest paid	(8,228,521)		(7,504,759)
	PHP 20,181,346	PHP	25,061,887