



Leading the Philippines' Digital Banking Revolution

ANNUAL REPORT 2023

Messages From Our Leaders





Empowering Filipinos, Building A Nation

Manuel V. Pangilinan

Maya Bank Chairperson Emeritus

Maya is more than a digital bank – we are a catalyst for nation-building. Our comprehensive suite of financial services puts us at the forefront of financial inclusion, empowering Filipinos throughout their financial journey and thereby improving their financial health.

By offering accessible and diverse financial services, we enable Filipinos to make bold, informed financial decisions. This empowerment fosters financial stability and prosperity for individuals and businesses, directly driving economic growth and development.

Bridging the financial gap means building a stronger, more inclusive economy.

As such, we are now the #1 Fintech Ecosystem in the Philippines, powered by the #1 Digital Bank and #1 Omni-Channel Payments Processor.

Looking ahead, Maya has what it takes to become the Financial Services Backbone of the Philippines. Our single-minded focus on serving the Unbanked, Underbanked, and Unhappily Banked will build a future where financial services empower every Filipino.



Revolutionizing Philippine Digital Banking for the Better

Al Panlilio

Maya Bank Board Chairperson

2023 was a breakthrough year for digital banking in the Philippines. In just over a year, we and our peers fulfilled our promise to start serving the underserved market. We have simplified banking with just an app download, introduced industry-leading innovations, and ensured open access for all.

At Maya, we are proud to lead the sector in delivering delightful banking to all. We have defied the status quo, bringing simplicity to an age of complexity. With just a few clicks, all financial needs are met on the Maya app for consumers or the Maya Business Manager dashboard for enterprise partners.

Maya is becoming an integral part of daily life for Filipinos. Today, we are the top-rated consumer finance app in the Philippines, surpassing leading banks and e-wallet apps. Half of the total depositor base among digital banks are Maya customers, as of the end of 2023. These milestones show that Filipinos are getting comfortable and confident in digital banking.

We could not have achieved this without the commitment and support of our regulators, who created an enabling environment for us to innovate. We also thank our shareholders for believing in the Philippines as a worthy investment market and recognizing Maya's unique position to unlock its potential. Lastly, our success validates the unwavering passion, limitless imagination, and relentless execution of Team Maya.

Here's to breaking more barriers in Philippine banking!



Delivering Delightful Banking to All

Shailesh Baidwan

Maya Bank Co-Founder and Board Member
Maya Group President

As we look back on the past year, I am filled with pride and optimism for the strides we have made toward deepening financial inclusion in the Philippines. Our mission has always been straightforward: to provide delightful banking and payments to every Filipino.

Our dedication to this vision is evident in our achievements. By the end of 2023, three million Filipinos had chosen to bank with us. Maya is growing by leaps and bounds, offering both the reliability of traditional banking and the ease of fintech.

Our comprehensive approach of putting customers at the heart of everything we do has enabled remarkable innovations possible: straightforward account openings with just one ID, competitive savings interest rates at 14% per annum, instant loan approvals without collateral, seamless omnichannel payments, and investment opportunities starting as low as ₱50.

Routine transactions such as bill payments with Maya unlock access to high-yield savings accounts and diverse credit options. By integrating these features, we empower our customers to make informed financial decisions and enhance their financial well-being.

Our strategy of delightful banking has yielded impressive results. We have attracted and retained a rapidly growing network of highly engaged users. We have expanded our banking services to our deep base of micro and small enterprises with the launch of business deposit and working capital loans. Heightened engagement of our customers, be they individuals or micro and small enterprises, has driven record business growth in 2023 and set us on a promising path to profitability.

We are just getting started. We will persist in challenging conventional banking norms and providing a superior way of banking for the present and the future. Thank you for your unwavering support as we continue to fulfill our mission.



Making Digital Banking an Everyday Part of Life

Gelo Madrid

Maya Bank President

At Maya, we set out with a bold vision: to revolutionize banking and create a truly delightful customer experience. Quarter by quarter, we have introduced groundbreaking banking innovations and we saw hundreds of thousands of Filipinos – from the unbanked to those “unhappily banked” – switch to Maya.

Through our High Engagement Banking model, we have demonstrated that offering up to 14% savings interest per annum, or 200 times higher than current offers, is not only possible but it helps our customers cultivate healthier spending and stronger savings habits. In addition to Maya Savings and Personal Goals, we introduced a unique time deposit product, Time Deposit Plus, that lets users start saving with any amount.

We did not stop at savings. Expanding credit access was a top priority. Beyond our Maya Easy Credit for consumers and Maya Advance for micro-entrepreneurs, we employed AI-driven credit scoring to launch Maya Personal Loan, offering up to ₱250,000 for individuals, and Flexi Loan, providing up to ₱2 million in unsecured loans for SMEs.

With these product launches, we are completing our consumers’ financial journey. Our Spend ← Save ← Borrow ← Grow strategy has been a game-changer. By influencing spending habits through the Maya app, we encourage users to save, build their financial footprint, and improve their credit scores, giving them access to diverse credit options. We close the loop by encouraging reinvestment in other wealth-building options like stocks and funds via our partner marketplace powered by Maya’s ecosystem.

This approach has made us the fastest and easiest way to get everyone banked. Our depositor base grew by 69% in 2023, with 85% of our bank customers being Gen Z and Millennials – the next generation of wealth creators. We focus on serving the new-to-banking population, with six in every ten borrowers saying Maya is their first bank to lend them money.

These positive developments show that Maya is contributing significantly to accelerating financial inclusion in the Philippines. Our dedication to innovation and execution is fostering a more inclusive financial future for all Filipinos. We are pleased to have you with us on this journey.

Improving Financial Health with Maya

Doy Vea

Maya Bank Co-Founder and Board Member
Maya Group Founder and CEO

At Maya, we are proud to bring millions of Filipinos into the formal financial system. But our vision extends beyond mere inclusion; we are aiming higher by focusing on enhancing the financial well-being of Filipinos.

Our mission is to help Filipinos master and grow their money in every possible way. Every decision at Maya is designed to help our customers meet financial obligations, recover from shocks, reach long-term goals, and gain control over their finances—all within the Maya platform.

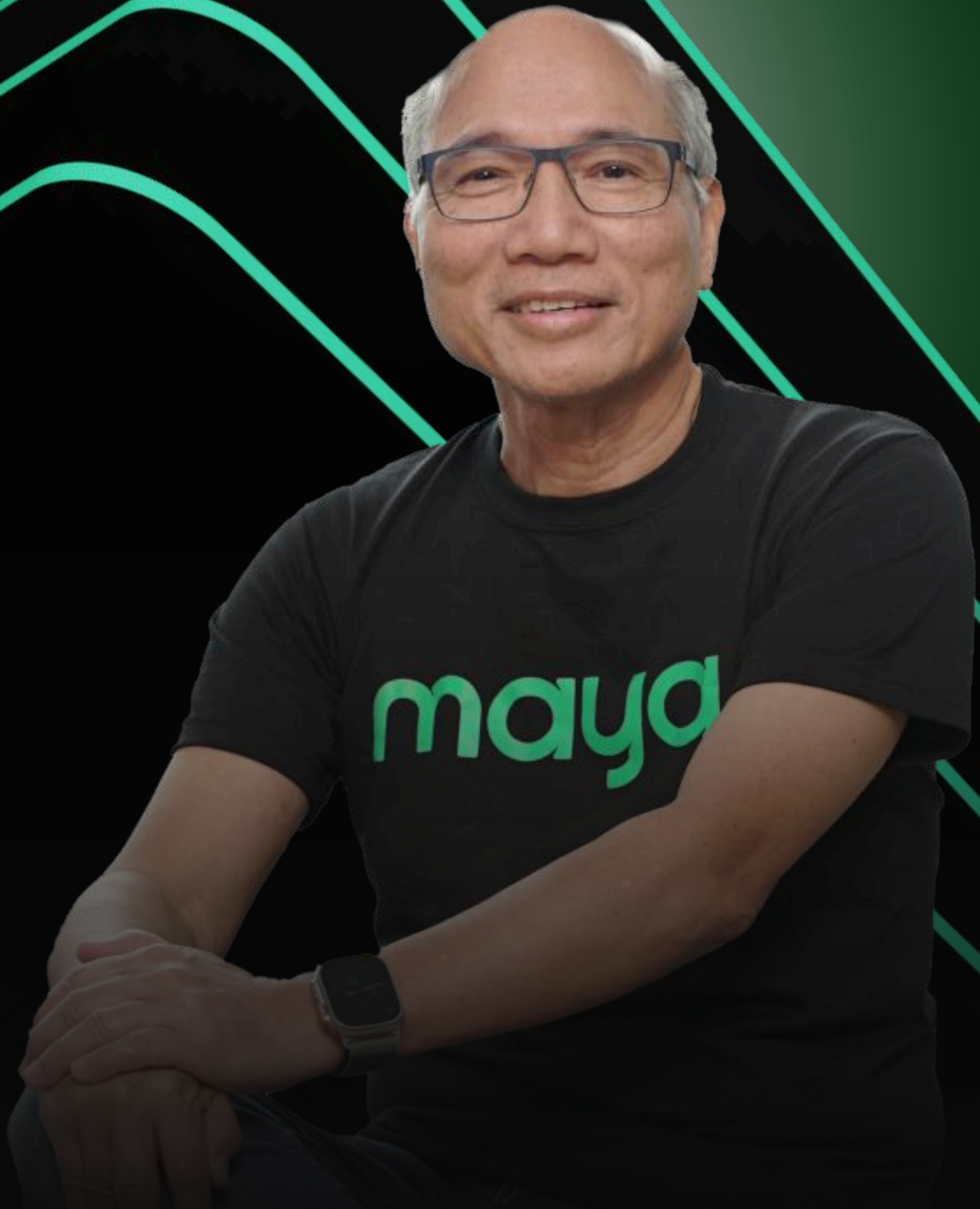
By achieving this, we not only empower our customers but also build a sustainable organization. Being a key enabler of financial health is our path to our own sustainability, and it is a key focus of our Environmental, Social, and Governance (ESG) framework.

As part of our ESG efforts, we conducted our first-ever Materiality Assessment, which has revealed that our future initiatives will focus on caring for our people and customers, maintaining transparency, and ensuring operational excellence.

If our 2023 performance is any indication, our all-in-one digital banking approach is steadily influencing consumer behavior. Saving has become aspirational, with users motivated to make wise spending decisions to earn higher interest rates. Our data shows that our bank customers are responsible borrowers, using credit for emergencies and essentials like bill payments.

In the coming years, we are confident we will contribute even more to improving every Filipino's financial health as we deeply embed sustainability principles across our ecosystem. To our users, regulators, shareholders, and the Filipino public, we are dedicated to this mission by offering more delightful banking experiences, easy-to-use digital platforms, personalized services, and accessible touchpoints.

As a world-class technology powerhouse with a purpose, Maya will unrelentingly pursue its disruptor-creator role in Philippine banking and finance.



Who We Are



Marketing

London International Awards 2023

Gold, Entertainment: Multi-Channel Storytelling Category

PR Awards Asia-Pacific 2023

Gold, Brand Development Category

2023 Spikes Asia Award

Silver, Strategy & Effectiveness - Challenger Brand Category

APAC Effie Awards

- Silver, Fintech Category
- Bronze, Branded Content Category

PR Awards Asia

Bronze, PR Event Category

2022 Rebrand Campaign, Youtube Works Awards

SEA FINALIST

- The Big Bang Category
- The Changemaker Category
- The Collaborator Category
- The Firestarter Category
- The Long and Short Category
- The Big Category (Project Hope)
- The Collaborator (Project Hope)

15th Kidlat Awards

GOLD

- Art Direction
- Best Cinematography
- Best Editing

SILVER

- Film Animation
- Film Direction
- Film Production & Design
- Film Visual Effects
- Audio Visual Branded Content Talent
- Touchpoints & Technology

59th Anvil Awards

GOLD

- Business to Business Communication Category (1-2-3 Grow Bundle Campaign)

SILVER

- Marketing and Brand Communication Category (My Money, My Bank, My Way Campaign)
- Influencer Marketing Category
- Best Use of Social Media Category

20th Quill Awards

- Marketing and Brand Communication Category (PayDay Save Campaign)
- Audio/Visual Category (Free Bitcoin Campaign)
- Audio/Visual Category (PayMaya is Now Maya Campaign),
- Event Category (PayMaya is Now Maya Campaign)
- Event Category (Make Big Moves with Maya Business)
- Website Category (Maya Website Refresh)
- Audio/Visual Category (Verified Seller Program)

Financial & Operational Highlights



Operational Highlights

Powered by our fintech ecosystem, we have made banking **simple, innovative, and inclusive**, cementing our position as the fastest and safest way to get everyone banked.

In 2022, we revolutionized the game. For the first time, consumers and businesses could enjoy digital payments and digital banking through a single platform. A year later, Maya pushed even further, accelerating game-changing innovations from high engagement banking to lending powered by artificial intelligence (AI) and machine learning (ML).

Maya's strategy of integrating innovative banking services with its existing payment platform has created a unique and winning ecosystem model. It has drawn in a rapidly expanding community of users who have leveled up and are deeply engaged across our multiple product offerings.

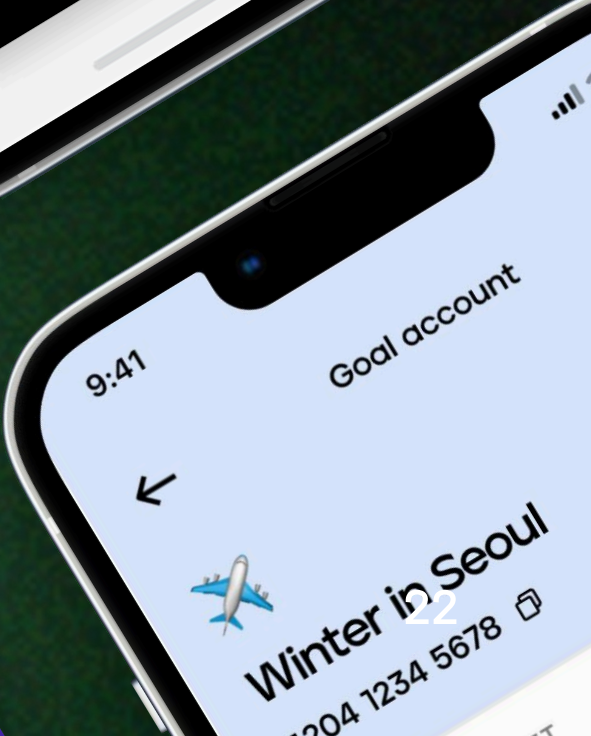
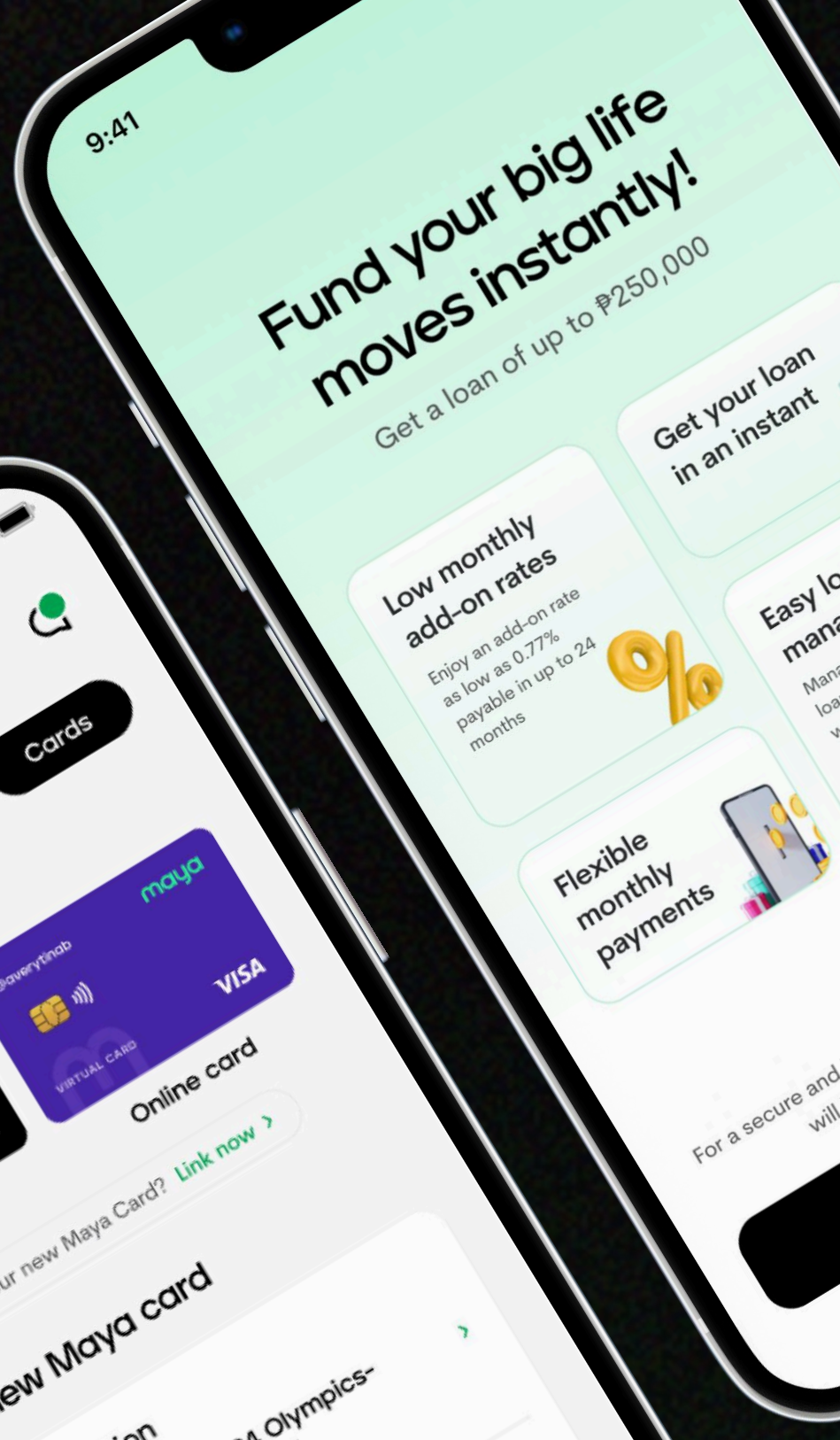
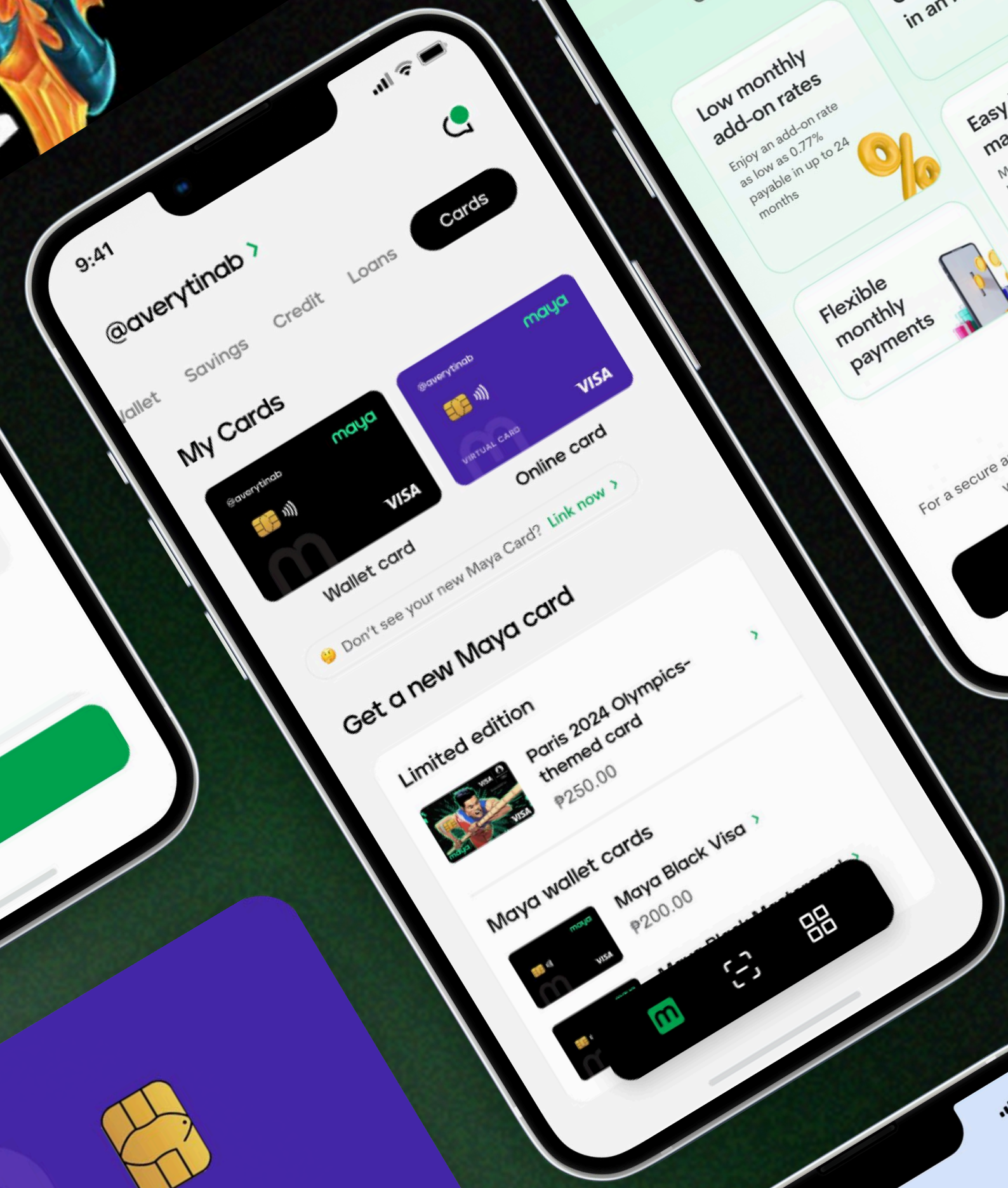
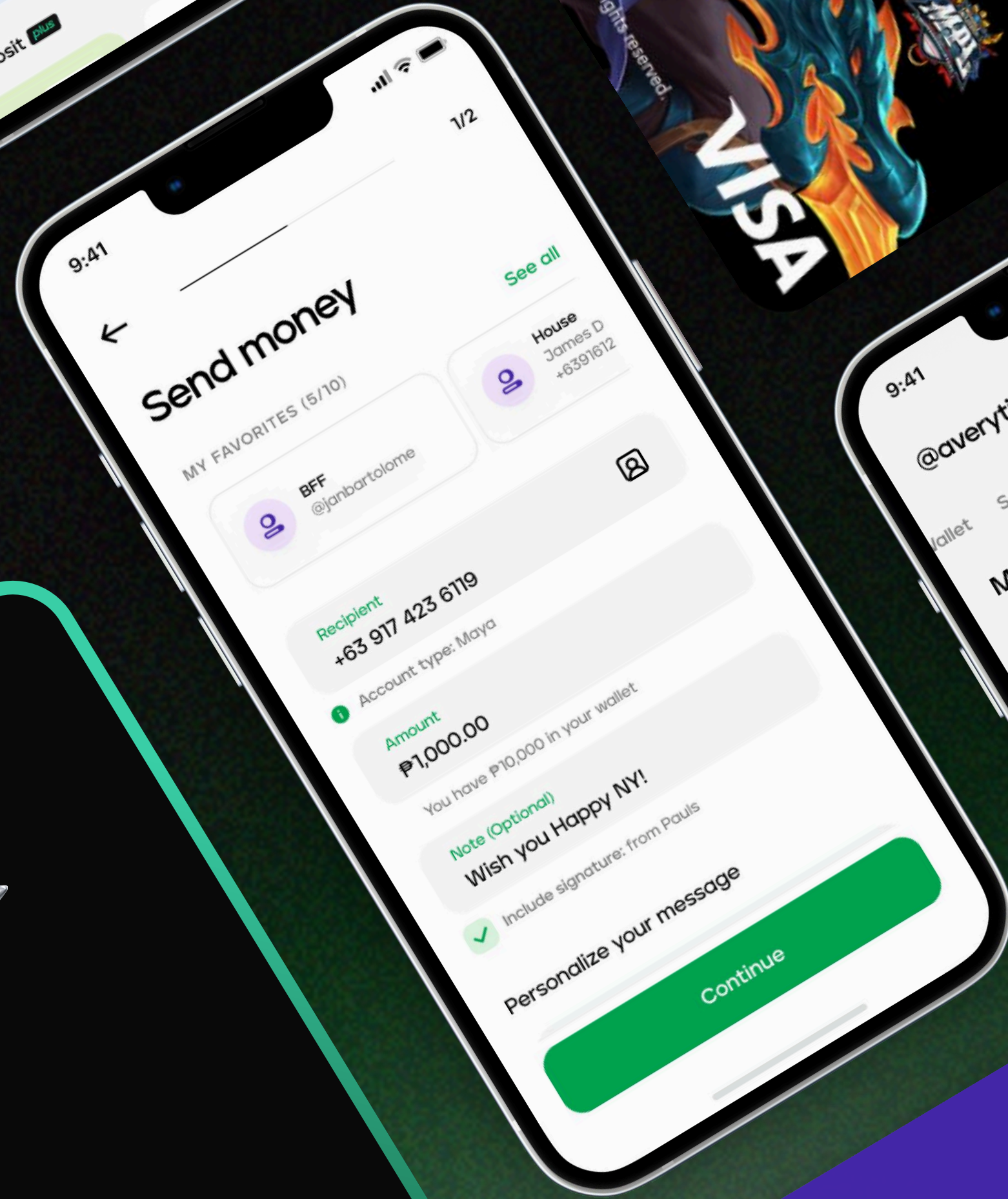
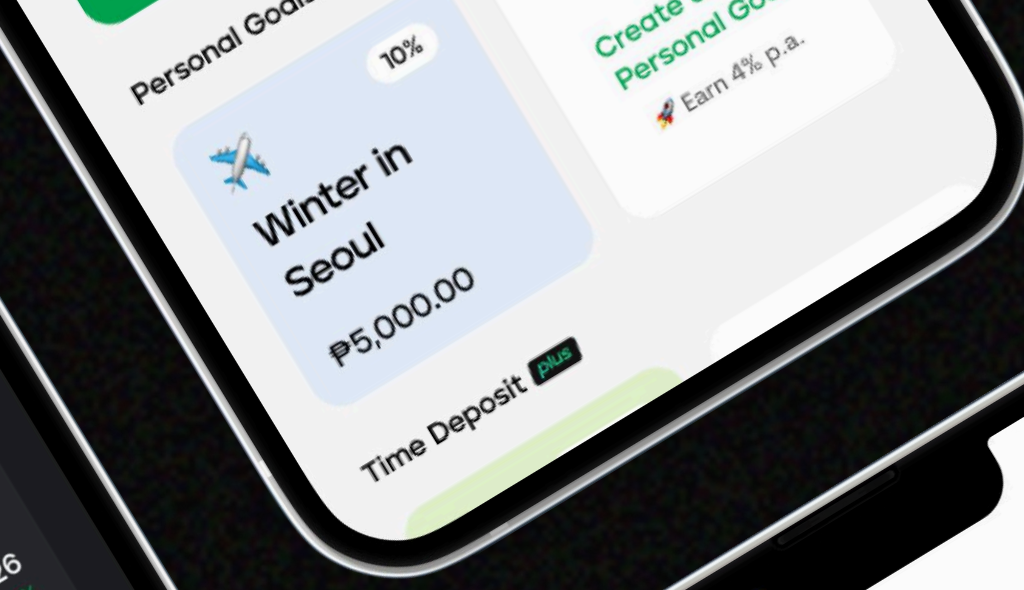
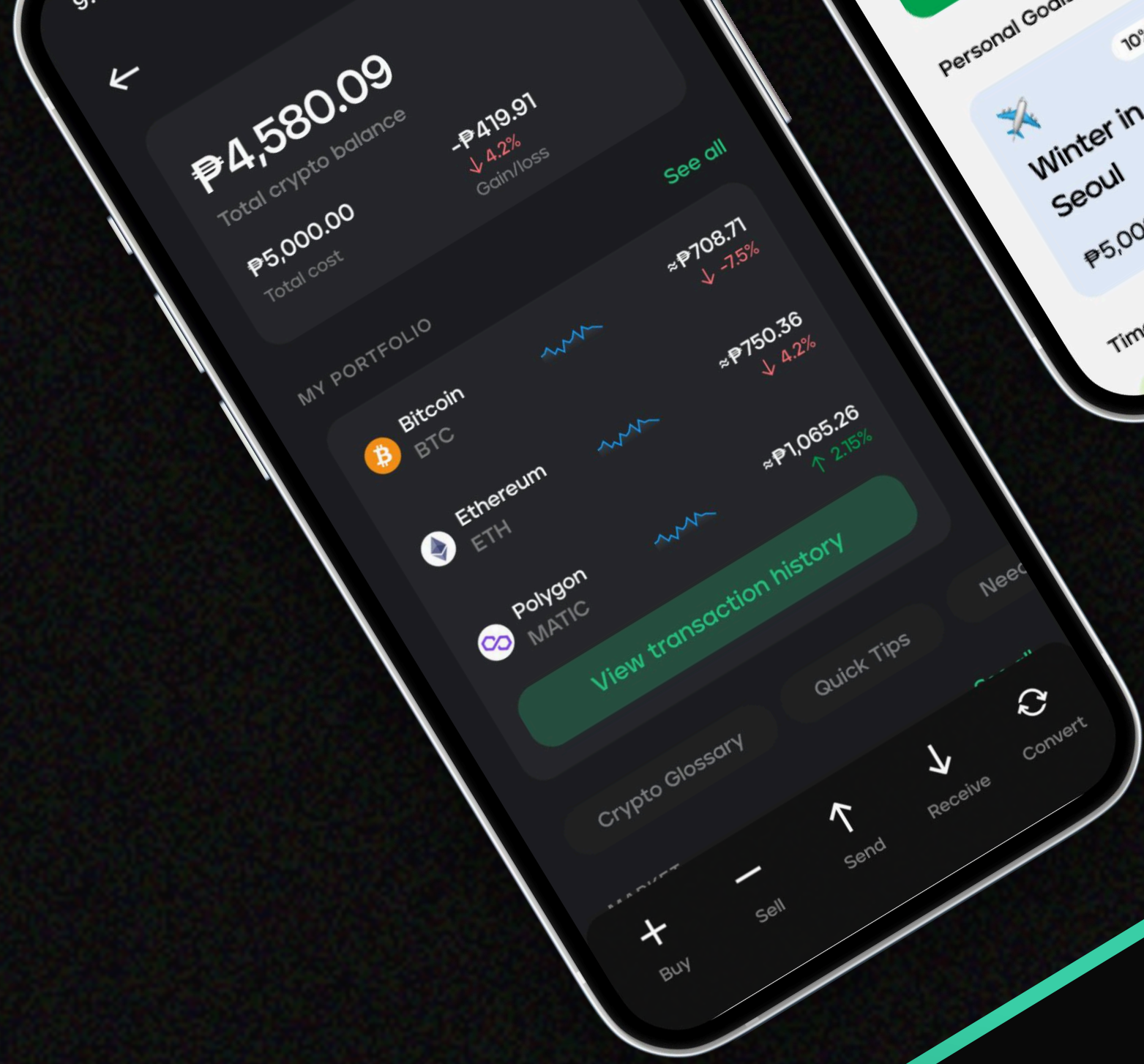
Empowering future generations

With Gen Zs constituting 31% of our depositors and 20% of our borrowers, and Millennials making up 53% and 66% respectively, we're integrating the future's wealth creators into the financial system.

Breaking barriers

Maya research shows that 59% of our borrowers have Maya as their sole source of credit, highlighting digital banking as the simplest route toward financial access for the unbanked and underbanked.





Consumer Banking Highlights



OPERATIONAL HIGHLIGHTS

By offering boosted interest rates on deposits, we encourage our customers to use our services for everyday payments. The more they spend, the higher the interest they earn. Through this, we've effectively transformed the act of saving from a passive activity into an active and engaging one.

Rewarding smart financial habits

We incentivize customers to balance spending and saving by directly linking both. Spending gets them higher interest, which in turn encourages them to save more. This positive feedback loop ultimately opens up more opportunities for our customers to further grow their hard-earned money.

Turning saving into a fun activity

By turning everyday payments into opportunities to earn high-interest savings, we make saving a fun, engaging, and goal-driven activity for our customers, tapping into their innate desire for achievement and progress.

Offering relevant rewards

To make saving with Maya even more exciting, we also engage in brand tie-ups that allow us to offer additional benefits and rewards to our customers straight from their favorite brands.

All this has led to an increase in:

Maya depositors and deposit balances

Wallet transaction values

Wallet revenues

The size of the pool of Maya borrowers

Overall engagement in the Maya ecosystem

Discover the range of our consumer deposit products

	Maya Savings	Personal Goals	Time Deposit Plus
	<p>With no minimum balance to start and only 1 valid ID needed, growing one's money is easier and more rewarding with Maya.</p>	<p>With its guaranteed 4% interest p.a., Personal Goals makes saving for trips, special occasions, side hustles, emergencies, and more easier and more rewarding for our customers.</p>	<p>With up to 6% interest, Maya Bank's time-based savings account Time Deposit Plus allows our customers to deposit anytime and grow their money faster.</p>
Interest Rate	<ul style="list-style-type: none"> • 3.5% p.a. base • Daily interest • Excess of ₱5M does not earn interest 	<ul style="list-style-type: none"> • 4.0% p.a. • Monthly interest 	<ul style="list-style-type: none"> • 3.50% p.a. base • Monthly interest • 3-Month Tenor: +2.00% p.a. boosted interest (5.50% p.a. max) • 6-Month Tenor: +2.50% p.a. boosted interest (6% p.a. max) • 12-Month Tenor: +2.25% p.a. boosted interest (5.75% p.a. max) • Maximum interest rate is unlocked once customer completes their goal amount
Minimum Balance	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None
Ways to Deposit	<ul style="list-style-type: none"> • Maya Wallet • Other e-wallets and banks via PESONet and InstaPay 	<ul style="list-style-type: none"> • Maya Wallet • Maya Bank Account • Other e-wallets and banks via PESONet and InstaPay 	<ul style="list-style-type: none"> • Maya Wallet • Maya Bank account • Other e-wallets and banks via PESONet and InstaPay
Ways to Transfer and Withdraw	<ul style="list-style-type: none"> • Maya Wallet • Other e-wallets and banks via PESONet and InstaPay • Maya Card via Bancnet, Mastercard, and VISA ATMs 	<ul style="list-style-type: none"> • Cannot withdraw prior to due date • Can cancel the goal • Balance and earned interest will be credited to customer's Maya Savings account upon cancellation 	<ul style="list-style-type: none"> • Cannot withdraw before maturity tenor • Can cancel the account (with cancelation fee) • Balance and earned interest will be credited to customer's Maya Savings account upon cancellation
Fees	<ul style="list-style-type: none"> • Maya Wallet/Maya Bank Account: Free • InstaPay: ₱15 • PESONet: Waived • Account Closure: Waived 	<ul style="list-style-type: none"> • None • Can cancel anytime without penalties 	<ul style="list-style-type: none"> • 0.50% of account balance as cancelation fee
Other Info		<ul style="list-style-type: none"> • Can open up to 5 goals • Interest is capped at ₱1 million per goal 	<ul style="list-style-type: none"> • Can open up to 5 accounts • Interest is capped at ₱1 million per account
	<p>Find out the latest information in the Maya Savings page. https://www.mayabank.ph/savings/</p>	<p>Find out the latest information in the Personal Goals page. https://www.mayabank.ph/savings/personal-goals/</p>	<p>Find out the latest information in the Time Deposit Plus page. https://www.mayabank.ph/time-deposit-plus/</p>

OPERATIONAL HIGHLIGHTS

Spend and Save: Hassle-Free Payments Made Possible by the Maya Ecosystem

A POWERFUL MAYA WALLET*

A feature-packed digital wallet, Maya Wallet, encourages increased usage by empowering customers to do more—from sending money to paying bills and making purchases—and to manage all their financial activities in one place.



SHOP ONLINE & IN-STORE



SCAN TO PAY



SEND MONEY (ALSO TO BANKS)



SETTLE GOVERNMENT DUES, RECEIVE SUBSIDY



PAY BILLS



BUY PREPAID CREDITS



BUY GAMING PINS



PURCHASE AND SHARE TREATS



BOOK TRAVEL TICKETS



GET REAL-TIME SMS NOTIFICATIONS



REAL-TIME TRACKING OF TRANSACTIONS



DONATE TO CHARITABLE CAUSES

A GLOBAL MAYA CARD

Available in both virtual and physical versions, Maya Card provides our customers with additional flexibility and convenience.

With Maya Wallet serving as the source of funds, customers can use both cards to shop online anywhere virtually in the world and also use the physical card to pay at physical stores and withdraw money from ATMs here and abroad.

Customers with an upgraded Maya account can obtain both a virtual and physical card through the app and link it to their Maya Wallet with no additional documents needed. Upon card activation via the app, customers get instant access to over 130 million merchants and ATMs worldwide along with real-time in-app transaction alerts wherever they are in the world.



*For more information, please refer to page 85

OPERATIONAL HIGHLIGHTS

Grow: Wealth Building Made Accessible via Maya's Ecosystem*

Maya's ecosystem provides customers with wealth-building products that offer a range of investment options catering to different risk profiles and financial goals. This empowers our customers to strategically grow their money within a secure and integrated financial ecosystem.

By making these products a part of Maya's broader ecosystem designed to nurture wealth growth, we make it easy for our customers to either seamlessly reinvest their earnings in any of our other wealth-building products or use them for their daily transactions. This, in turn, further improves their credit score, potentially opening doors to additional borrowing opportunities.

We also make investing significantly more accessible to our customers by allowing them to start buying stocks and mutual funds with as little as ₱50 through our partners. This is a fraction of the ₱1,000-₱5,000 minimum set by traditional banks and investment platforms.



*For more information, please refer to page 85

UNHAPPILY BANKED

"My preferred bank is now Maya"

"Before Maya, my financial transactions were chaotic. My money was scattered across multiple accounts, and I never had a clear picture of my finances."

This is what 32-year-old **Joyce Taglinao** had to say about her experience with traditional banking. A woman of many hats—HR professional, energy healer, and mindfulness advocate—she used to share the plight of many Filipinos, juggling multiple financial responsibilities without a cohesive system.

Joyce's approach to money management underwent a radical transformation when she discovered Maya in 2020, allowing her to finally enjoy a sense of control she's never had before.

"Maya is my preferred bank, and it has a lot of features worth exploring, such as the Maya Personal Loan that can help aid my future investments."

Just like Joyce, healthcare assistant **Iya Divina**, content creator **Trish Chua**, and media relations executive **Mark Anicas** all now consider Maya as their bank of choice.

For Iya, Maya is the perfect partner for amplifying her savings. Disappointed in the interest rates offered by traditional banks, she switched to Maya in 2021 and has since gained a newfound optimism for her financial future.

"Maya's interest rates opened doors to easier financial growth," Iya said. While she mainly uses Maya for savings, she is also open to exploring other products within the app that will contribute to her financial well-being.

Similarly, Trish has nothing but amazing things to say about her experience using Maya.

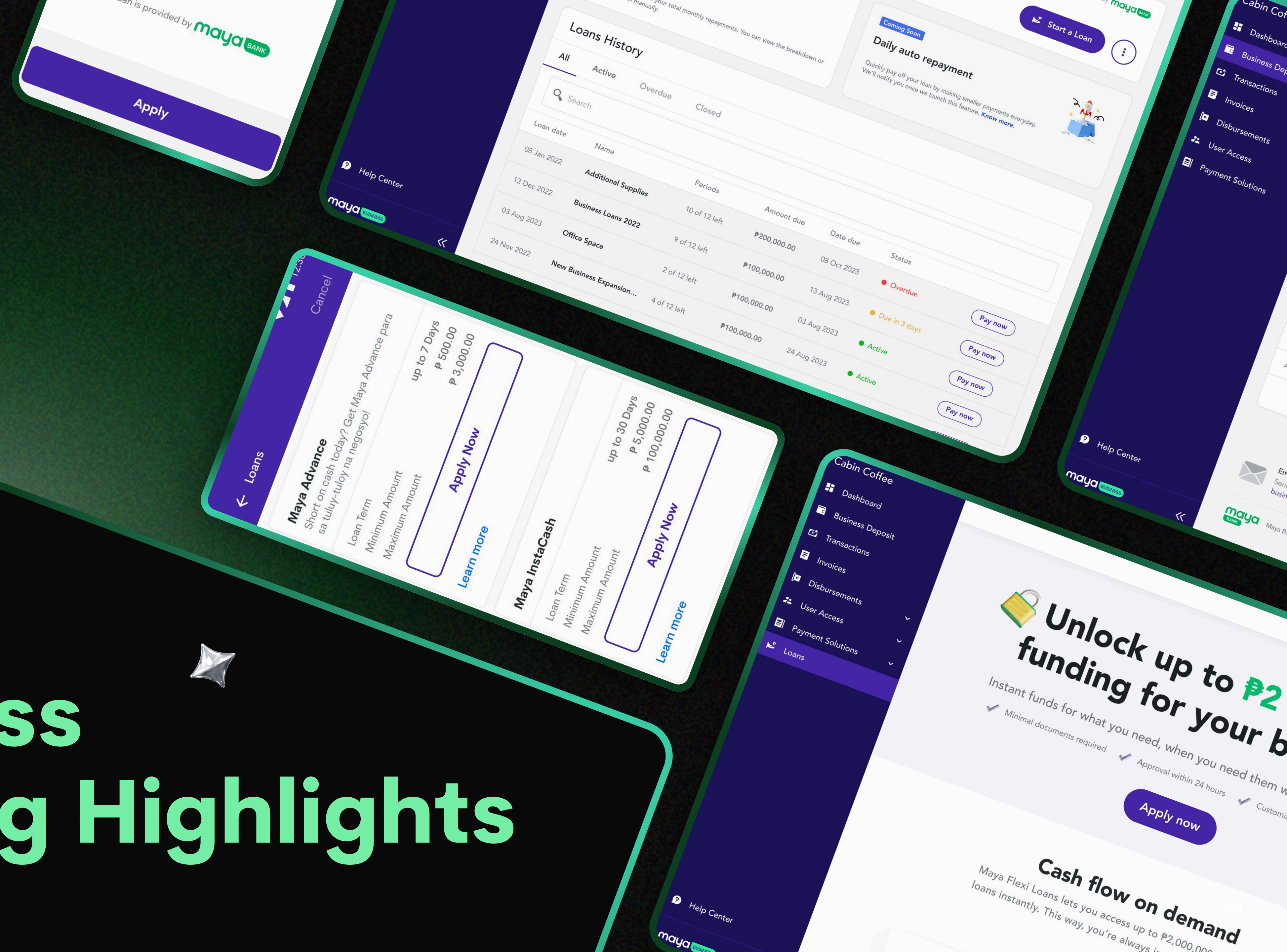
"What I like more about Maya is how it helps me manage my money. Sure, I can do things like withdraw and deposit with a traditional bank, but Maya gives me more than that. I love how convenient it is, and it is also very secure. Everything works so fast!"

Mark shares a similar sentiment and is happy he made the switch.

"Organizing my finances with Maya really helped me. Maya is my preferred bank because it offers everything I need in one safe and secure app. "I can save, spend, invest, and borrow with ease – like extending my budget with Maya Easy Credit if the need arises. I appreciate how Maya provides excellent value, whether it's through boosted savings interest or cashback rewards."

Without a doubt, Maya's dedication to providing cutting-edge solutions and tailored experiences has changed the way people like Joyce, Iya, Trish, and Mark do banking for the better.





Business Banking Highlights

MSMEs in the Philippines and developing APAC markets face two major challenges:

They're cash dependent.
The payments they receive are cashless and the supplier and salary payments they make are done by cash or check.

They're either unbanked or underbanked.
MSMEs only receive about 4% of all banking loans in the country.¹

To solve both, Maya Business knew that despite making progress in advancing digital payments, we had to do more. Powered by Maya Philippines for digital payments and Maya Bank for banking services, Maya Business saw an opportunity to create simplicity in a world of rapidly increasing complexity, seamlessly integrating payments and banking in an all-in-one solution that provides a unified experience for:

- Omnichannel payments acceptance
- Digital disbursement
- Business deposits
- Credit
- Money management tools



¹ Q3 2023 Financial Inclusion Dashboard, Bangko Sentral ng Pilipinas

OPERATIONAL HIGHLIGHTS

MSMEs make the Philippine economy run ¹



99% of businesses are MSMEs

65% of the workforce are employed by MSMEs



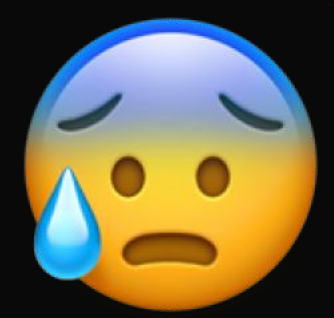
MSMEs struggle with payment acceptance

Incompatible payment platforms

Cluttered payment standees

Painful transaction fees

MSMEs struggle with banking



High maintaining balances

Extremely low earned interest rates

Unnecessary transfer fees

Slow settlement periods



MSMEs get the least support from banks ²

Only 4% of bank loans are granted to MSMEs

MSMEs struggle with loans



Good offers are difficult to qualify for

Collateral requirements

Unfriendly interest rates

Need to make bank appointments

¹ Department of Trade & Industry

² Bangko Sentral ng Pilipinas Q3 2023 Financial Inclusion Dashboards

OPERATIONAL HIGHLIGHTS

To solve these issues, we've rolled out our flagship business deposit and credit products for our business customers.

Business Deposits

Designed to simplify money management for Maya Business clients of any size with a single account, Maya Business Deposit is a fully digital deposit product powered by Maya Bank.

Interest Rate

- 2.5% p.a.
- Monthly interest

Minimum Balance

- None

Ways to Deposit, Withdraw, and Transfer

- E-wallets and banks via PESONet
- and InstaPay

Fees

- None

Other Info

- No minimum to open account
- No average daily balance requirements

Find out more on the [Maya Business Deposit](https://www.mayabank.ph/business-deposit/) page: [mayabank.ph/business-deposit/](https://www.mayabank.ph/business-deposit/)

Maya Advance

A loan product available in the Maya Business app, Maya Advance provides prequalified Maya Center agents with quick and accessible funding they can use to grow their business and manage their finances better.

Funder

- Maya Bank

Approval Time

- Under 5 minutes

Loanable Amount

- Up to ₱350,000

Repayment Period

- Up to 3 months

Service Fee

- From 5% of loan amount for 30-day loan term, varies based pre-approved loan terms

Requirements

- Download
- Register (KYC)
- Fund and Spend Transactions in Maya Business App

Flexi Loan

Flexi Loan offers up to ₱2M in unsecured loans, providing MSMEs with flexible financing options with the following features:

All digital

The entire process—from loan application to disbursement—is digital, making it quick and convenient

Transaction-based qualification

Merchants are prequalified based on their transaction history with Maya, significantly simplifying the application process

Tailored offers

Each loan offer is based on a merchant's total sales volume, ensuring a tailored financing solution

No additional requirements

Prequalified merchants no longer need to provide additional documents to apply, further simplifying the application process

Instant availability

Merchants immediately receive loan proceeds upon approval, allowing them to quickly respond to the most urgent financial needs of their business.

Find out more on the [Flexi Loan](https://www.mayabank.ph/flexi-loan/) page: <https://www.mayabank.ph/flexi-loan/>

Maya leverages technology and AI-driven credit scoring for all its lending products. This includes predictive modeling with machine learning algorithms that predict future loan performance based on historical data points that cover different stages of a customer's borrowing journey.

OPERATIONAL HIGHLIGHTS

SME Banking Revolutionized With the 1-2-3 Grow Bundle Program

Despite our transformation from a payment platform to a full-fledged bank, SMEs remain underserved and cash-bound. We knew we had to build a product suite that's tailored to their needs.

This is where the 1-2-3 Grow Bundle program comes in. Launched in 2023, it was designed to turn everyday transactions into wins for SMEs:

Payments

By processing payments with Maya, SMEs could earn a 1% merchant discount rate for three months. This translated to ₱4,600 saved for every ₱1M sold.

Deposits

Through Maya Business Deposit, SMEs could earn 2.5% p.a. interest on their account. That's up to 25 times higher than what they can get from other banks.

Credit

Within just three months of using Maya as their primary payment processor for all their wallet and card transactions, SMEs could instantly qualify for an unsecured loan of up to ₱2M through Maya Flexi Loan.



MSME

"Maya is my growth partner"

The onset of the COVID-19 pandemic marked a pivotal moment for 28-year-old **Veronica Baguio**, who epitomizes the perfect blend of tradition and innovation. She adopted the Maya Terminal in 2020 to meet evolving customer demands, showcasing her resilience and forward-thinking amidst the crisis.

"You need to be a huge business to have the Maya terminal," Veronica shares, "But that's the thinking, right? It dawned on me that your business doesn't have to be big."

Veronica quickly realized the terminals were everywhere and made seamless business transactions, especially at trade fairs where card payments were in high demand, particularly among foreign customers. Inspired by other small businesses using the Maya Terminal, Veronica embraced the technology, revolutionizing her payment process. The ease of tapping a card or scanning a QR code has made transactions seamless, boosting customer satisfaction and sales.

"The Maya Terminal has been invaluable," adds Veronica. "Customers appreciate the convenience, and it has encouraged higher spending."

Merphi Panaguiton also showed resilience amidst the pandemic when she launched ATOMM Studios, the country's first self-photo studio, in 2021, redefining the photography industry in the Philippines.

"Using Maya for our transactions and salaries has been seamless," Merphi explains how Maya Business has been able to streamline operations and enhance customer experience. "It encourages clients to purchase in-store products like prints and additional minutes."

Moreover, having experienced advanced cashless systems while living in Spain, Merphi found Maya's intuitive interface familiar and user-friendly. "Maya's technology is very advanced, and its digital savings account saves time and offers convenience."

Meanwhile, Entrepreneur **Wilma Manalastas** witnessed Maya's evolution firsthand, integrating her sari-sari store with Maya Business' services in 2011, dating from its Smart Padala to PayMaya days.

"Maya has been a game-changer for our store," Wilma shares. "It became a hit for remittances and bill payments." Through Maya Business, Wilma achieved significant personal milestones, such as investing in a condo, buying a car, and sending her child to a prestigious school.

James Miguel shared the growth of his business with Maya when he integrated it into his Instagram-based enterprise, @nonstopshop, in 2019. He initially sold imported chocolates and goods but pivoted to selling homemade food.

James, whose siomai has gained a cult following, noticed a growing demand for diverse payment options among his customers. "I wanted my customers to have all the payment options they could get," he explains. Adopting Maya provided the reliability and ease of use that his business needed. "I've never encountered downtime with Maya," he says, emphasizing its dependability.

"Maya's reliability is unmatched," he asserts as he considers Maya as his growth partner. "Whether grocery shopping or dining out, I can always count on Maya."



MERPHI PANAGUITON
Owner of ATOMM Studios



JAMES MIGUEL
Owner of @nonstopshop



VERONICA BAGUIO
Social Enterprise Owner



WILMA MANALASTAS
Maya Business App agent

OPERATIONAL HIGHLIGHTS

Delightful Banking Built on a Solid Tech Foundation

Our approach to creating game-changing financial solutions is not only guided by our mission to accelerate financial inclusion in the country, but also built on a solid technological foundation that is:

- Powered by a cloud-based infrastructure
- Driven by data and AI
- Backed by strong security and privacy practices
- Highly scalable and available 24x7 to power ever-growing digital banking needs

To ensure the strength and reliability of our foundations, we dedicated our first two years to setting up strong teams and building systems using cutting-edge modern technologies. These systems also leverage Maya's existing robust technology platform and optimized risk controls.

The result is a bank that's powered by a safe and secure mobile-and-cloud-first technology infrastructure.



Technology and Systems

Unmatched Go-to-Market Speeds Powered by Cloud-Based Architecture

To ensure top-notch agility, flexibility, adaptability, scalability, and security, we designed our architecture to be cloud-first from the start. The result is a fast, secure, and safe go-to-market environment that allows us to stay ahead of the curve with ease.

Deep Data Engineering Made Possible by Strong Data Governance and Artificial Intelligence

Data is at the heart of everything we do—and our cloud-based infrastructure provides us with a wealth of information. It also allows us to analyze and harness it using AI and ML to gain valuable insights we can use to do business better.



OPERATIONAL HIGHLIGHTS

Safe Banking Built on World-Class Cyber and Information Security

We take data and asset security seriously—which is why we've invested heavily in world-class cyber and information security solutions:



Fraud prevention

We leverage AI and ML for our know-your-customer face matching, ID image classification, fake ID detection, ID optical character recognition, and biometrics.



Login security

We enforce multi-factor authentication to verify account ownership whenever a customer logs in and transacts using Maya. We utilize facial authentication, device-level biometrics, and one-time passwords to authenticate access and high-risk transactions.



Cyberattack prevention

Maya's Security Operations Center is always available—even during weekends and holidays—to monitor and respond to cyberattacks.



Software security

Every single line of code that powers the Maya app goes through an automated software security review process that finds common vulnerabilities so our developers can address them before the code is implemented.



Multi-layered protection

To further reduce the risk of successful attacks, Maya has multiple security controls built into its APIs, software, infrastructure, mobile apps, and other technology layers. This means that even if an attacker successfully breaches a protected layer, there are other controls in place to protect the next layer.

OPERATIONAL HIGHLIGHTS

Smart Processes and Decision Making Driven by Data Science

Maya uses data to make better business decisions and continuous improvements across all processes in the value chain, leveraging best-in-class AI and machine learning technologies every step of the way.



Smart Customer Acquisition and Retention

Our system is designed to predict the likelihood of acquiring customers through different channels, helping us tailor our efforts based on individual preferences to boost our odds of success.

Once a customer signs up, our Consumer Guidance System takes over to:

1. Guide them through the simplest path toward their most regular transactions.
2. Re-engage them when they show signs of becoming inactive

This strategic approach ensures we not only attract, but also retain customers effectively.

AI-Powered Marketing and Advertising

To boost the effectiveness of our campaigns, we've developed an AI-driven solution to:

- Identify customer segments that are most likely to engage.
- Optimize our marketing budget to maximize ROI.
- Automate the creation and launch of targeted campaigns to minimize manual effort.

Tech-Driven Lending

Maya understands that traditional credit scoring often excludes underserved populations due to the limited availability of data points. This is why we use machine learning algorithms to predict future loan performance based on historical data points and AI for:

- Application scoring for underwriting.
- Behavioral scoring for portfolio management
- Collections scoring for developing a collection strategy.

By analyzing spending patterns and other relevant data within the Maya platform, our AI and machine learning tools can build robust creditworthiness models. This enables us to extend our lending products to previously excluded individuals, thereby promoting financial inclusion and economic empowerment.

Intelligent Fraud Prevention

To ensure the safety of our customers, we also have cutting-edge AI-powered fraud detection measures in place to keep identity thieves, fraudulent loan applications, suspicious transactions, drawdown activities, and other potential threats under control.

Year-Over-Year Enhancements to Our Credit Risk Assessment Models



Enriching Data Landscape

To obtain a more holistic view of our borrowers' financial health and behavior, we've significantly expanded our data sources over the last year, integrating data on each borrower's deposit and investment activities.

This broader data spectrum ultimately allows us to make better-informed lending decisions.



Advanced Analytics

We continuously push the boundaries of what we can do with cutting-edge machine learning and AI to further enhance the performance and stability of our credit risk assessment models.

Our goal is to explore new algorithms and techniques that can better identify patterns and relationships based on a given data set to achieve:

- Improved accuracy in assessing creditworthiness to reduce defaults and delinquencies
- Enhanced efficiency for streamlining the loan approval process
- Reduced bias for a more objective loan application assessment process



Proactive Model Management

To ensure our models are always performing at peak capacity, we've implemented robust monitoring and analytics frameworks, enabling us to:

- Detect performance drift early to minimize impact on lending decisions
- Fix issues and recalibrate quickly to ensure alignment with current market conditions and regulatory requirements

OPERATIONAL HIGHLIGHTS

Unmatched Customer Security Backed by World-Class Tools and Strict Policies

Security

To keep our customers safe, we have world-class security tools in place to detect and prevent cyber threats and fraudulent activities at every stage of our product lifecycle:

Secure product and software development

We have security measures and policies in place at every stage of every software development lifecycle. Every system we deploy undergoes rigorous security and compliance testing before being made available to our customers. We employ threat modeling and rigorous security review for our products.

Multi-layered security

Our perimeter, network, endpoint, application, and data are protected by multiple layers of security controls, allowing us to protect customer information and verify the authenticity of any transaction anytime.

Centralized incident response

Maya has an in-house Security Operations Center that monitors and protects our systems and infrastructure from cyberattacks around the clock. Our Security Operations Center consolidates security alerts from various sources for enhanced correlation and centralized detection and response.

Customer data security

Aside from only collecting necessary personal information, Maya uses encryption, multi-factor authentication, and secure login procedures to protect customer data. We also constantly monitor our systems for suspicious activities and use industry-leading solutions to prevent unauthorized access. We continuously update our customer data protection measures to address the emerging threat landscape

Security training and awareness

Maya runs customized security training and awareness programs for all employees, contractors, and third-party users. We regularly assess the effectiveness of each program and roll out updates to cover emerging threats.

Risk-aware culture

We regularly launch initiatives like our Scam Patrol social media campaign to instill risk awareness and online vigilance in our customers. We provide in-app security advisories for our consumers.

Regulatory compliance and collaboration

Maya collaborates with regulatory agencies like the Bangko Sentral ng Pilipinas and the National Privacy Commission to continuously elevate industry standards.



OPERATIONAL HIGHLIGHTS

Unmatched Customer Security Backed by World-Class Tools and Strict Policies

Privacy

It is our job to uphold our customers' right to privacy. This is why, in addition to adhering to relevant regulations and best practices in the industry, we give our customers the power to choose privacy settings that work for them.

A culture of privacy

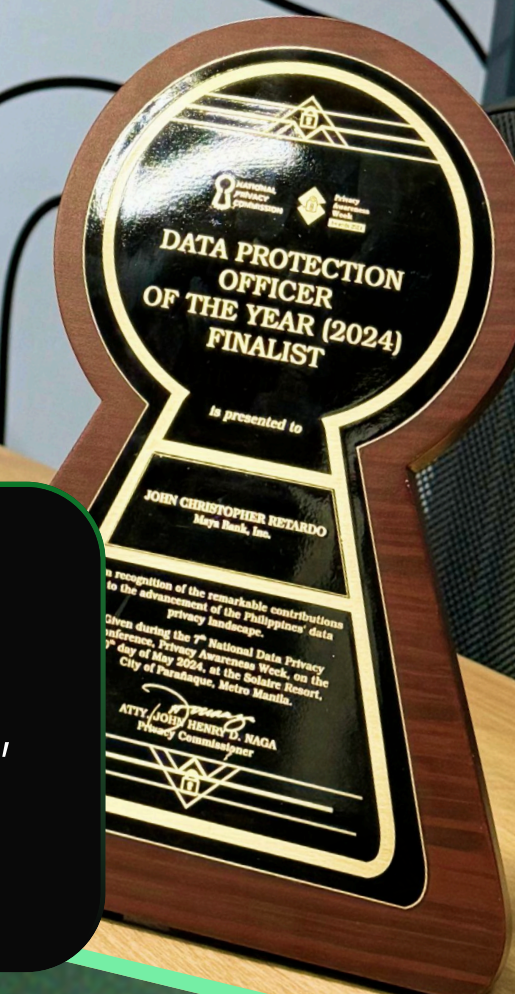
Everything we do at Maya is aligned with our privacy commitments to our customers.

Privacy-centric products and services

We build privacy into every product or service, ensuring the protection of our customers at every stage of the user journey.

Responsible data collection

We only collect data necessary for us to provide world-class products and services to our customers. In addition, we only use said data for purposes our customers have given us permission to. Lastly, we uphold transparency when it comes to processing our customers' personal data.



Customer privacy controls

We give our customers a choice on whether to display their name, account balances, and transaction amounts to protect their privacy. We also introduced privacy-enhancing practices like sending money using @usernames.

Strict regulatory compliance

Aside from being transparent about what information we collect and how we use it, Maya makes sure our customers are empowered to exercise their legal privacy rights. In addition, our data retention and purging policies are in line with the requirements of the Anti-Money Laundering Act of 2001.

Top-notch privacy program

Maya sets the bar high when it comes to privacy. From its consistent nominations at the Privacy Awareness Week Awards of the National Privacy Commission to being the first Philippine Bank to be ISO 27701 certified, Maya is indeed a privacy trailblazer.

Finally, we ensure our data processing policies and processes are always aligned with the provisions of not only the Philippine Data Privacy Act of 2012, but also global regulations and standards such as the General Data Protection Regulation and ISO 27701.

Cultivating Corporate Governance



Our Promise

Maya Bank stands unwavering in the commitment to the highest standards of governance in line with the guidelines of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC).

Our shareholders, Board of Directors, and Senior Management recognize the crucial role that good governance plays in our strategic business decisions.

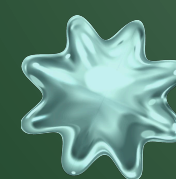
We are committed to cultivating awareness of its importance across our organization, helping us meet our economic, ethical, legal, environmental, and social obligations to our stakeholders and our country.

To help our team and stakeholders adhere to our corporate governance principles, we have issued a Corporate Governance Manual (CGM). The manual helps us comply with other internal policies and relevant laws, outlines our business principles and values, and guides all business relationships within the Bank.

We review and update the CGM regularly to ensure that it aligns with the latest regulatory changes and the best practices in corporate governance.

The CGM serves as the guide to achieving our key objectives, including:

- Improving financial health and accelerating financial inclusion
- Fostering competitiveness
- Delivering top-notch customer support
- Adhering to applicable laws and regulations



Governance Culture

We are committed to conducting our business according to the highest ethical standards.

Everyone on our team—from our directors and officers to our employees and third-party providers—strives to cultivate a culture of strong governance.

Whether among ourselves or in dealings with our customers, suppliers, competitors, business partners, regulators, and the public, we ensure all actions of our team align with our core principles:



Fairness

We value justice and fair play in all our dealings, always striving for mutual benefit.



Accountability

Everyone takes full responsibility for their decisions, actions, and behavior. They are accountable to all our stakeholders—employees, customers, shareholders, and business partners—serving them to the best of their ability.



Integrity

We believe in doing the right thing, legally and ethically. Our team stands by the timeless adage, "honesty is the best policy", acting with the highest ethical standards.

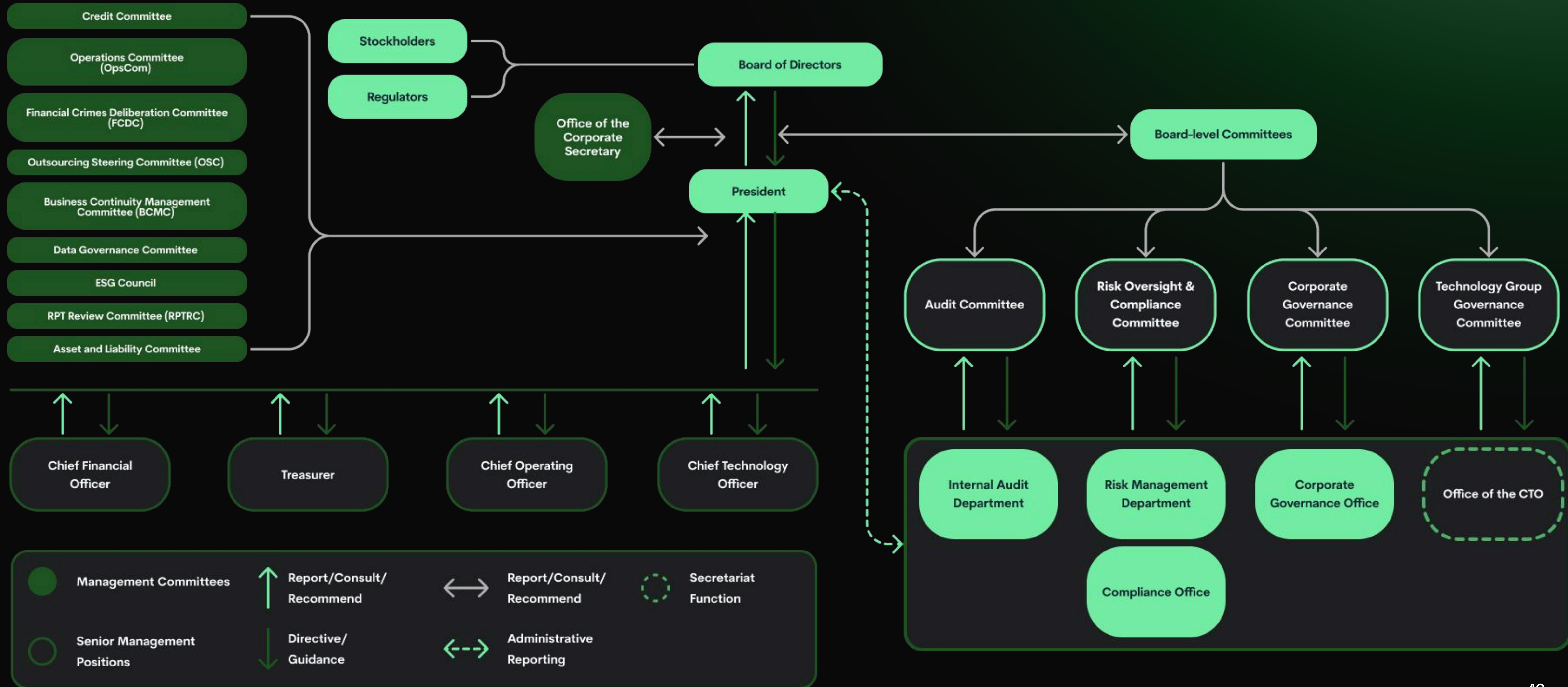


Transparency

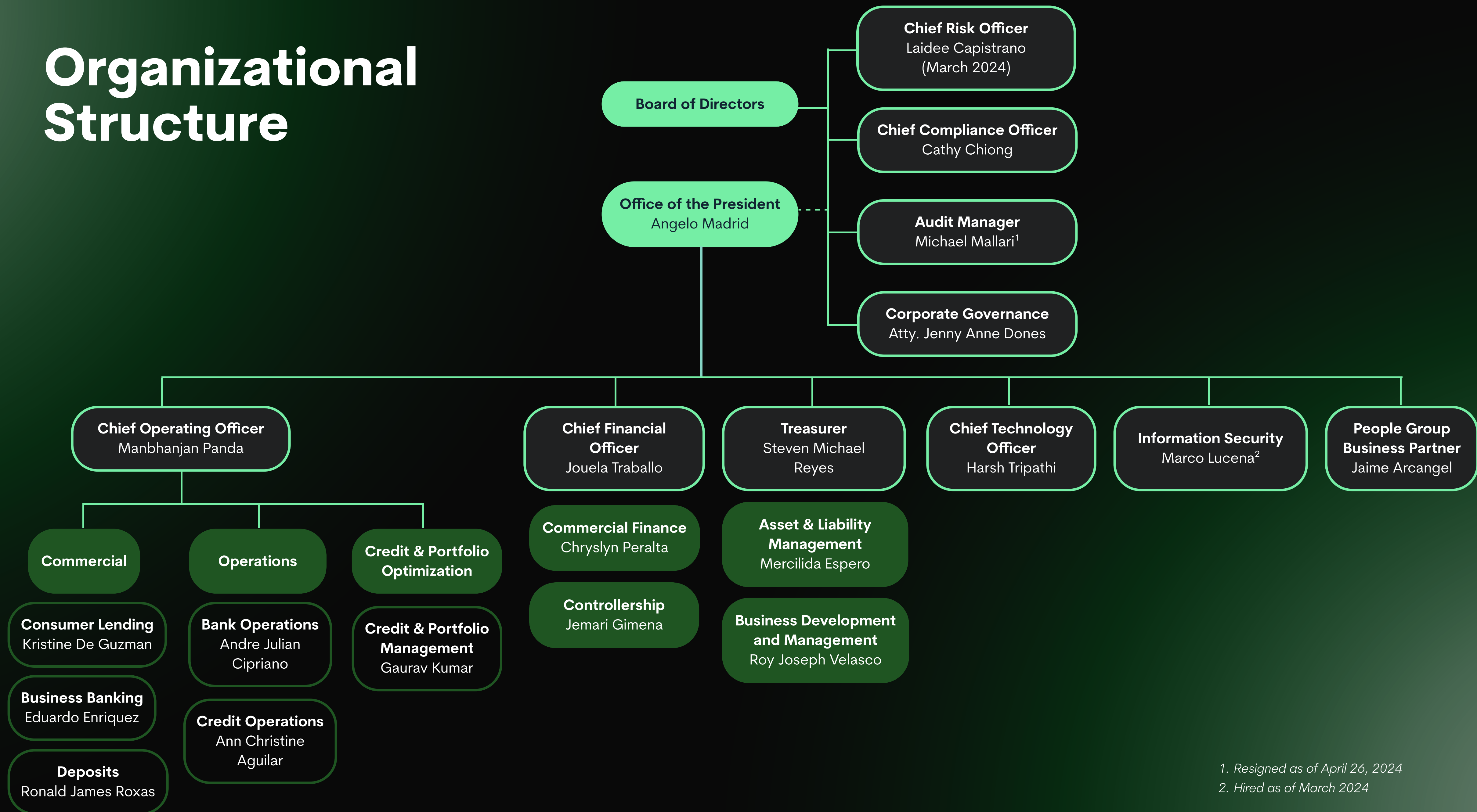
We value truth and openness, always providing accurate information in a timely manner and being open to scrutiny.

Governance Structure

Our governance structure clearly defines the relationships between our Board, Board-level committees, Senior Management Officers, and other stakeholders, ensuring a robust and effective governance framework.



Organizational Structure



1. Resigned as of April 26, 2024
 2. Hired as of March 2024

Board of Directors

Our Board of Directors is the foundation behind Maya Bank, making key decisions and steering our company on behalf of our shareholders, clients, and other stakeholders.

The Board's primary role is to make sure that Maya Bank is managed prudently, with integrity, and in line with our corporate objectives and the best global practices.

In addition, the Board is responsible for:

- Ensuring the bank's long-term success and sustained competitiveness, keeping their responsibility to our shareholders in mind
- Reviewing, guiding, and approving overall business strategy and major projects, while considering the bank's long-term economic interests and risk profile
- Providing strategic direction, aligning our resources and efforts toward achieving our corporate objectives.

The Board meets at least every quarter. Special meetings are conducted as needs arise.



Composition*

As of today, our Board consists of **12 members** out of the 15 available board seats. We have **11 non-executive directors**, including **4 independent directors**, and **1 executive director**.

In determining our Board's composition, we consider:

- The size and complexity of our operations to decide the appropriate number of members
- Ensuring at least one-third or three members, whichever is greater, are independent directors
- Allowing non-Filipino citizens to be members, to the extent of foreign participation in our equity, while maintaining a majority of Philippine resident directors
- Including both executive and non-executive directors, including independent directors, on the Board, with non-executive directors being the majority
- Selecting members from a diverse pool of qualified candidates, including independent directors
- Making sure our Board members have the necessary qualifications and stature to effectively participate in deliberations, provide objective and independent judgments on corporate affairs, and maintain proper checks and balances

All Board appointees have completed a Corporate Governance seminar, introducing them to the governance structure of our Bank, our operational regulatory requirements, and the expectations tied to their roles.

Selection Process







- 1. Sourcing:** We find potential Board candidates through professional management associations, referrals from shareholders, other Board members, and Senior Management. Our selection process allows shareholders to review qualifications, nominate, and elect Directors.
- 2. Clearance:** We submit candidates to our Corporate Governance Committee (CG Committee), which oversees the nomination process and assignment to Board-level Committees, and the succession plan for Board members and Senior Management.
- 3. Election:** Shareholders elect Board members from the list of nominees cleared by the CG Committee during the annual shareholders' meeting. For Senior Management selection, the Board uses the CG Committee's assistance, focusing on integrity, experience, and competence.



*Ms Vicky Castillo Tan resigned as Director effective December 20, 2023.

Board Demographics

With Mr. Manuel V. Pangilinan serving as Chairperson Emeritus since his appointment on December 1, 2021, here is the list of our Board of Directors as of December 30, 2023.

Member	Nationality	Age	Board	Designation
Alfredo S. Panlilio		60	Yes	Chairman
Simeon Angelo S. Madrid		44	Yes	President
Orlando B. Veja		74	Yes	-
Danny Y. Yu		62	Yes	-
Shailesh S. Baidwan		54	Yes	-
Inderbir Singh Dhingra		49	Yes	-
Prashant Kumar		47	Yes	-
Victorico P. Vargas		72	Yes	-
Francisco S.A. Sandejas		56	Yes	Chairperson, Technology Group Governance Committee
Christopher Paulus Nicholas T. Po		53	Yes	-
Anthony Q. Chua		72	Yes	Chairperson, Audit Committee
Roberto L. Panlilio		70	Yes	Chairperson, Risk Oversight and Compliance Committee
Alex Erlito S. Fider		71	No	Corporate Secretary
Maureen Christine O. Lizarondo-Medina		36	No	Assistant Corporate Secretary









Board Meetings

In 2023, Maya Bank held quarterly regular meetings on April 13, July 5, September 28, November 23, and special meetings on May 31 and September 28.

1. Danny Yu – Designated to the Audit Committee effective June 2023
2. Vicky Castillo Tan – Resigned from the Board in Dec. 2023
3. Ashish Shastry – Resigned from the Board in Nov. 2023
4. Prashant Kumar – Appointed to the Board in Nov. 2023
5. [TGGC] Anabelle L. Chua – Member of the committee for Q1 only; Resigned from TGGC in Q2
6. [TGGC] Yong Yi Tan – Appointed in Apr. 2023; Member of the committee from Q2 to Q4
7. [TGGC] Manbhajan Panda – Appointed in Mar. 2023; Member of the board from Q2 to Q4
8. [Audit Committee] Annabelle L. Chua – Member of the committee for Q1 only.

Name of Director	Board		Corporate Governance Committee		Audit Committee		Risk Oversight and Compliance Committee		Technology Group Governance Committee	
	6 meetings Attended	%	4 meetings Attended	%	5 meetings Attended	%	4 meetings Attended	%	4 meetings Attended	%
Orlando B. Veja	6	100%	-		-		-		-	
Shailesh S. Baidwan	6	100%	-		-		-		-	
Simeon Angelo S. Madrid	6	100%	-		-		-		4	100%
Alfredo S. Panlilio	6	100%	-		-		-		-	
Victorico P. Vargas	4	67%	-		-		-		-	
Francisco S.A. Sandejas	6	100%	-		5	100%	-		4	100%
Danny Y. Yu	5	83%	-		5	100%	-		-	
Anthony Q. Chua	6	100%	-		5	100%	4	100%	4	100%
Roberto L. Panlilio	6	100%	-		-		4	100%	-	
Vicky Castillo L. Tan	6	100%	4	100%	-		-		-	
Christopher Paulus Nicholas T. Po	6	100%	4	100%	-		-		-	
Ashish J. Shastry	5	83%	-		-		-		-	
Inderbir S. Dhingra	4	75%	-		-		3	75%	-	
Prashant Kumar	1	100%	-		-		-		-	
Anabelle L. Chua	-		-		2	40%	-		1	100%
Yong Yi Tan	-		-		-		-		2	67%
Manbhanjan Panda	-		-		-		-		3	100%
Harsh Tripathi	-		-		-		-		4	100%

Senior Management

Name	Nationality	Age	Designation
Simeon Angelo S. Madrid		44	President
Manbhanjan Panda		53	Chief Operating Officer
Jouela L. Traballo		52	Chief Financial Officer
Steven Michael T. Reyes		52	Treasurer
Catherine G. Chiong		41	Chief Compliance Officer and Anti-Money Laundering Compliance Officer
Maria Adelaidee Capistrano ¹		40	Chief Risk Officer
Harsh Vardhan Tripathi		40	Chief Technology Officer
Michael D. Mallari ²		38	Internal Audit Head

1. Appointed on March 20, 2024

2. Resigned as of April 26, 2024

Committees

We have formed Board-level Committees to ensure the highest level of good governance, efficiency, and focus on specific areas of banking operations.

The committees help address governance, compliance, internal audit, strategy, risk oversight, and technology requirements, among other areas.

Each committee strictly follows the guidelines set out in the BSP Manual of Regulations for Banks (MORB), particularly concerning the number of independent directors. They meet regularly every quarter.

Committee

Composition

Function

Audit Committee

- **Three non-executive directors:**
 - At least two are independent
 - One serves as chairperson
- **Chairperson:** Anthony Q. Chua
- **Members:** Francisco S. A. Sandejas, Danny Y. Yu

Assists the Board in fulfilling its oversight duties in:

- keeping the integrity of our accounting and financial reporting principles, including the integrity of our financial statements
- the audit process
- the performance of our internal audit organization and external auditor

Corporate Governance Committee (CG)

- **Three non-executive directors:**
 - At least two are independent
 - One serves as chairperson
- **Chairperson:** Vicky Castillo Tan*
- **Members:** Christopher Paulus Nicholas T. Po, Victorico Vargas

Assists the Board with its corporate governance responsibilities, which includes overseeing:

- the nomination process
- continuing education program
- performance evaluation process
- evaluation of related party transactions
- outsourcing arrangements

Risk Oversight and Compliance Committee (ROCCOM)

- **Three directors:**
 - At least two are independent directors
 - One serves as chairperson, who should not be the chairperson of the board or another board-level committee.
- **Chairperson:** Roberto L. Panlilio
- **Members:** Anthony Q. Chua, Inderbir Singh Dhingra

Aids the Board in developing, overseeing, and implementing the risk management and compliance programs of the bank.

Technology Group Governance Committee (TGGC)

- **Five (5) members**, including a non-executive board member who oversees the IT function. The Head of the IT Group should be a member along with the highest-ranking officer who oversees business.
- **Chairperson:** Francisco S.A. Sandejas
- **Members:** Francisco S.A. Sandejas; Anthony Q. Chua; Simeon Angelo Madrid; Harsh Tripathi; Manbhanjan Panda; Yong Yi Tan

Ensures that the Board is kept well-informed of significant technology, security, and privacy matters and oversees the bank's IT, security, and privacy functions, including:

- governance frameworks
- short to long-term plans and major projects
- policies, critical processes, and standards
- performance, issues, concerns, and corrective actions
- regulatory examinations, internal audits, and external reviews

*Resigned as Director effective December 20, 2023.

Related Party Transactions

Maya Bank enters every related-party transaction at arm's length and conducts each one in the regular course of business. Our CG Committee evaluates existing relationships between businesses and counterparties, ensuring all related-party transactions are transparent, fair, and aligned with policies on conflicts of interest and potential conflicts of interest.

The CG Committee considers various factors when evaluating related-party transactions, such as:

- The related party's relationship with the Bank
- The material facts of the proposed transaction
- How Maya Bank would benefit from the transaction
- The availability of other sources of comparable products or services
- How comparable the proposed transaction is to one available to an unrelated party under similar circumstances based on its terms and conditions.

Maya Bank maintains a robust policy on conflict of interest outlined in our Anti-Corruption Compliance Policy (ACCP). It requires all board members, stockholders, management, officers, and employees to disclose any perceived, potential, or actual financial interest in any transaction or matter affecting the bank.

In 2023, there were no Material Related Party Transactions reported.

Retirement and Succession

As we push our business forward, we are always on the lookout for future leaders. We hold talent bench reviews to identify employees with high potential and give them opportunities to step into roles where they can shine and truly make a difference.

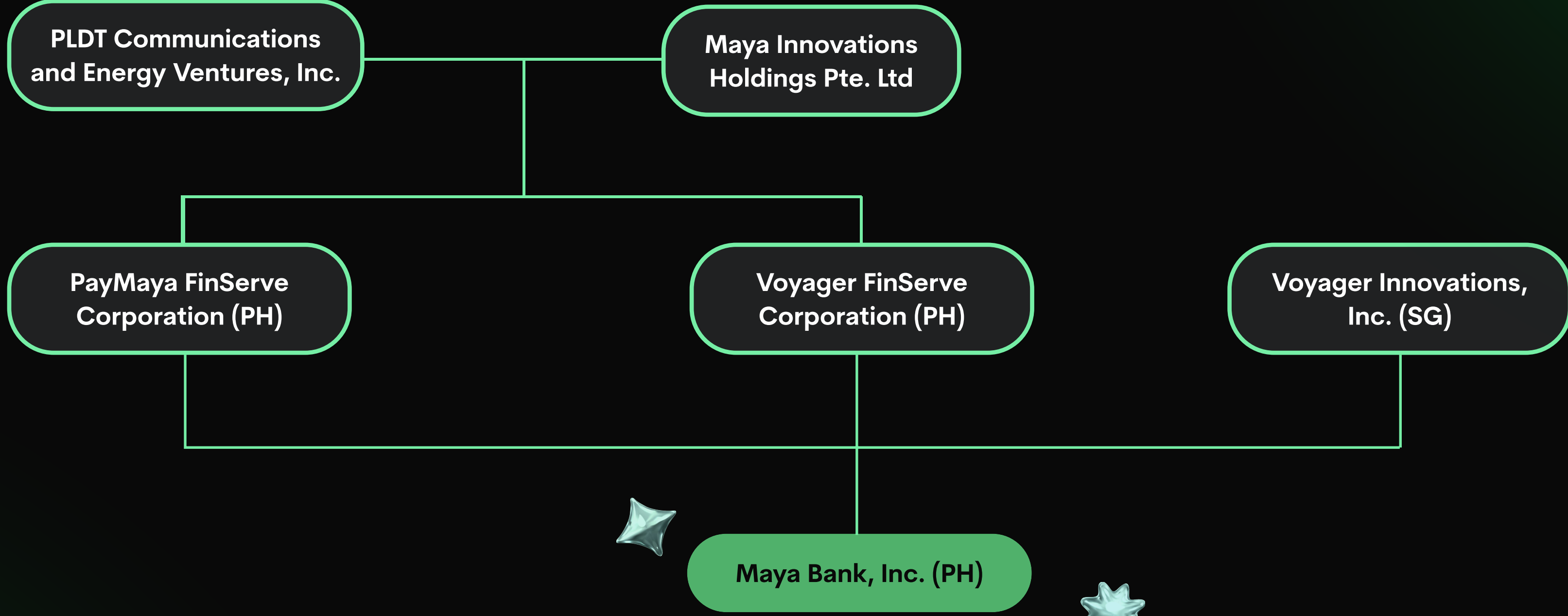
We also have a concrete succession plan in place to ensure continuous, dynamic, and relevant leadership in times of sudden changes or retirement.

We observe the normal retirement age of sixty (60) for employees but remain open to employees retiring at a later age, depending on the circumstances.

Code of Discipline

At Maya Bank, we are serious about maintaining a positive professional work environment. To help everyone uphold the highest standards of discipline and professionalism, we make our Board-approved Code of Discipline available to all employees on our internal website.

Maya Bank Conglomerate Map



Major Stockholders

Stockholder	Nationality	% Stockholdings	Voting Status
PayMaya Finserve	PH	30.00%	Voting
Voyager Finserve	PH	30.00%	Voting
Voyager Innovations, Inc.	SG	40.00%	Voting

Compliance Program

Maya Bank's compliance culture starts at the top. The Board of Directors, President, and Senior Management all lead by example and expect all team members to familiarize themselves with all the laws and regulations that apply to their work.

In addition, we have a Compliance Office, overseeing and managing compliance within the organization, and ensuring that the company and its employees adhere to regulatory and internal policies.

Led by the Chief Compliance Officer, the Compliance Office operates independently from our business activities and reports all issues, findings, and concerns directly to the Board of Directors through the Risk Oversight and Compliance Committee.

Established by the Board, the Committee, in turn, helps in the development, oversight, and implementation of the risk management and compliance programs of Maya Bank, acting as a bridge between the Board and Management.

The Committee is tasked with:

- identifying emerging risk issues
- assessing the likelihood and potential impact of emerging risk issues
- overseeing the risk profile and risk management framework of Maya Bank
- ensuring proper risk assessment, monitoring, and management
- providing an avenue of communication and collaboration between management and the board for managing risks
- communicating risk management practices across Maya Bank
- defining compliance policies, practices, and structures that enable effective oversight and ensure consistent adoption
- helping the Board provide oversight in the implementation of Maya Bank's compliance management system to ensure adherence to applicable laws, regulations, rules, policies, and standards.

Our compliance management system, in turn, helps us maintain:

- a compliance program updated at least annually to keep up with any changes in applicable laws and regulations
- a constructive working relationship with regulatory agencies
- a clear and open communication process within Maya Bank to improve education on and the management of compliance matters
- continuous monitoring and assessment of our compliance program to measure its effectiveness.





Anti-Money Laundering, Terrorist Financing, and Proliferation Financing

At Maya Bank, we are fully committed to conducting business responsibly and ethically. Therefore, we have the following measures in place:

- Anti-Money Laundering Program
- Counter-Terrorist Financing Program
- Counter-Proliferation Financing Program

Designed to help prevent illegal activities such as money laundering, terrorism financing, and dangerous weapons distribution, all three programs follow the rules and best practices set by the law.

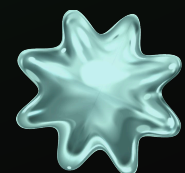
Aside from these, we also:

- Regularly update our policies to keep up with regulatory changes
- Ensure we use the latest technology to detect and stop suspicious behavior
- Constantly check and upgrade our systems to ensure they are always working effectively.

Our well-trained staff also play a crucial role in identifying and reporting suspicious transactions, acting as our first line of defense against financial crimes.

We also work closely with government agencies, law enforcement, and other banks, exchanging knowledge and learning from each other—all without compromising our customers' and shareholders' privacy. We believe that collaboration and information sharing are invaluable in the fight against financial crimes.

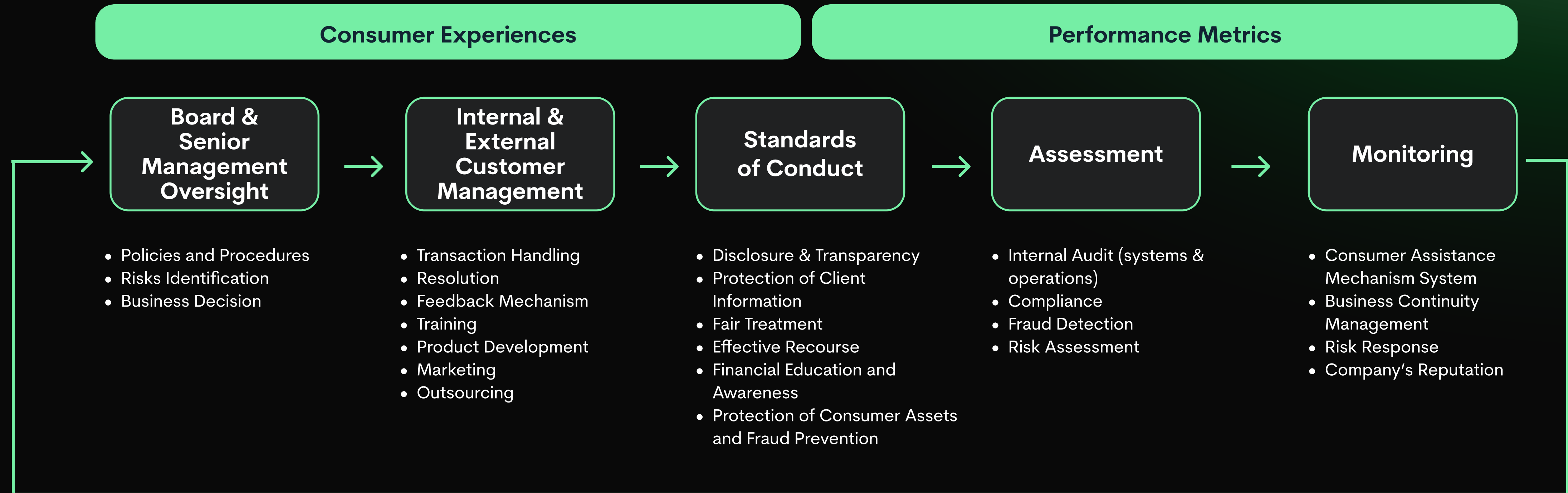
Together, our goal is to provide everyone with safe and trustworthy banking services.



Consumer Protection Policy

We are committed to upholding the highest standards of business conduct and consumer protection, so we have set policies and procedures based on relevant regulations to protect the interests of our customers.

Our Consumer Protection Framework, modeled on BSP regulations, is a comprehensive program aimed at providing the best financial customer experience. We measure its success by customer satisfaction, reliability, and trust.



CONSUMER PROTECTION POLICY

Oversight of Board of Directors and Senior Management

Our Board of Directors and Senior Management teams embody integrity, transparency, and fairness. They help approve and oversee the implementation of our Consumer Protection Framework (CPF). Independent units—risk, compliance, and audit—report to the Board and monitor compliance with internal and external consumer protection regulations. Our business units, under the Office of the President, integrate consumer protection policies into their daily operations.

The Board is responsible for ensuring fair practices, approving policies, monitoring key risk areas, adopting systems of checks and balances, and overseeing the performance of Senior Management.

Senior Management, on the other hand, is responsible for implementing the strategies and policies approved by the Board, managing daily activities, ensuring proper disclosure, controls, and management systems, and reporting relevant information to the Board.

Consumer Protection Risk Management System

We prevent risks and losses by complying with laws, rules, and regulations, as well as the consumer protection standards outlined in our Consumer Protection Risk Management System. This system is part of our broader Enterprise-Wide Risk Management System, involving all our defense lines.

Our Board of Directors and Senior Management develop and maintain it, review its effectiveness, ensure sufficient resources, and address any weaknesses promptly and effectively.

The Board is responsible for:

- Ensuring fair practices
- Approving policies
- Monitoring key risk areas
- Adopting systems of checks and balances
- Overseeing the performance of senior management

Senior Management is responsible for:

- Implementing the strategies and policies approved by the board
- Managing daily activities
- Ensuring proper disclosure, controls, and management systems
- Reporting relevant information to the Board



Internal Audit

At Maya Bank, we have an independent Internal Audit team dedicated to providing reasonable assurance that our operations are running as smoothly and effectively as possible. It provides valuable insights and advice based on a risk-focused approach to evaluate and improve the way we work, helping us achieve our goals effectively and making sure that:

- Risks are properly identified and managed
- Our financial, management, and operational information is accurate and up to date
- Our team follows policies, procedures, and legal requirements
- Resources are professionally managed and protected
- We meet our set goals and objectives
- Quality and improvement are at the heart of our processes
- Any legal or regulatory issues are handled correctly.

Our Internal Audit team has the authority to do what is needed to achieve these goals, thanks to its:

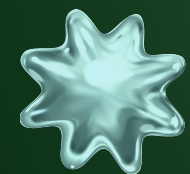
- Unrestricted access to all functions, records, and personnel
- Free communication with the Audit Committee
- Ability to demand action on significant findings.

With our Head of Internal Audit at the helm, the team reports directly to the Board via the Audit Committee and liaises with the President. This ensures that it remains independent and uninvolved in our day-to-day operations.

The Audit Committee, on the other hand, supports the Board in fulfilling its responsibilities by overseeing the internal audit process and the performance of the internal audit function, ensuring the soundness of our control framework, which covers the following:

- Reporting
- Compliance
- Operational efficiency
- Asset protection.

The Committee also reviews the internal audit reports, discusses any issues with the Head of Internal Audit, and ensures that management responds appropriately and promptly to any deficiencies found.



Managing Risk



Nurturing Talent



Prioritizing Safety and Well-being

At Maya, the safety and well-being of our employees take center stage. We embrace a holistic approach, promoting all six pillars of wellness. Let's explore some of our initiatives:

Employee Assistance Program:

Our partnership with licensed mental health practitioners provides 24/7 support and counseling. Recognizing the value of mental health, we extend this program to our employees' immediate family members.

Employee Growth Program:

Peer Well-being Groups: We recognize that well-being preferences vary. Maya supports and empowers employees with shared interest or passions to promote belonging. These organic communities, foster meaningful relationships within our organization.

Wellbeing Talks:

Twice-a-month talks cover medical, mental, and physical well-being topics. Employee requests and suggestions shape the topic selection of sessions, promoting awareness and effective management.

SAFEwork Program:

Born during the pandemic, SAFEwork ensures our employees' safety wherever they work. Regular newsletters keep them informed about potential health risks and employee health benefits.

Area

Programs/Initiatives

Intellectual

Focused on the desire to improve one's skills

- Talent development programs
- Technical skill building courses
- Productivity tools and resources
- Leadership skills development
- Learning facilitator/coaching experiences

Emotional

Focused on the awareness of one's feelings and personal state

- Mental health webinars
- Wellbeing talks
- Employee assistance program (1:1 counseling)

Occupational

Focused on job and career satisfaction

- Employee surveys
- Action-taking activities
- Coaching from managers
- Recognition programs

Social

Focused on relating and communicating with others

- Collaboration days
- Employee hangouts
- Chill Friday
- Team development workshops
- Team building activities
- Employee townhalls
- Leaders' huddles

Spiritual

Focused on the search for deeper purpose

- Mindfulness practices
- Meditation
- Yoga
- Reflection activities

Physical

Focused on wellness

- Physical fitness sessions
- Group coaching

Fostering Environmental and Social Responsibility



ESG Pillars

Our ESG Framework supports the United Nations Sustainable Development Goals and aligns with the policies of the Bangko Sentral ng Pilipinas and our shareholders.

Environmental

Minimize our footprint in everything we and our customers do

Social

Empower external communities through innovation and employees through people programs

Governance

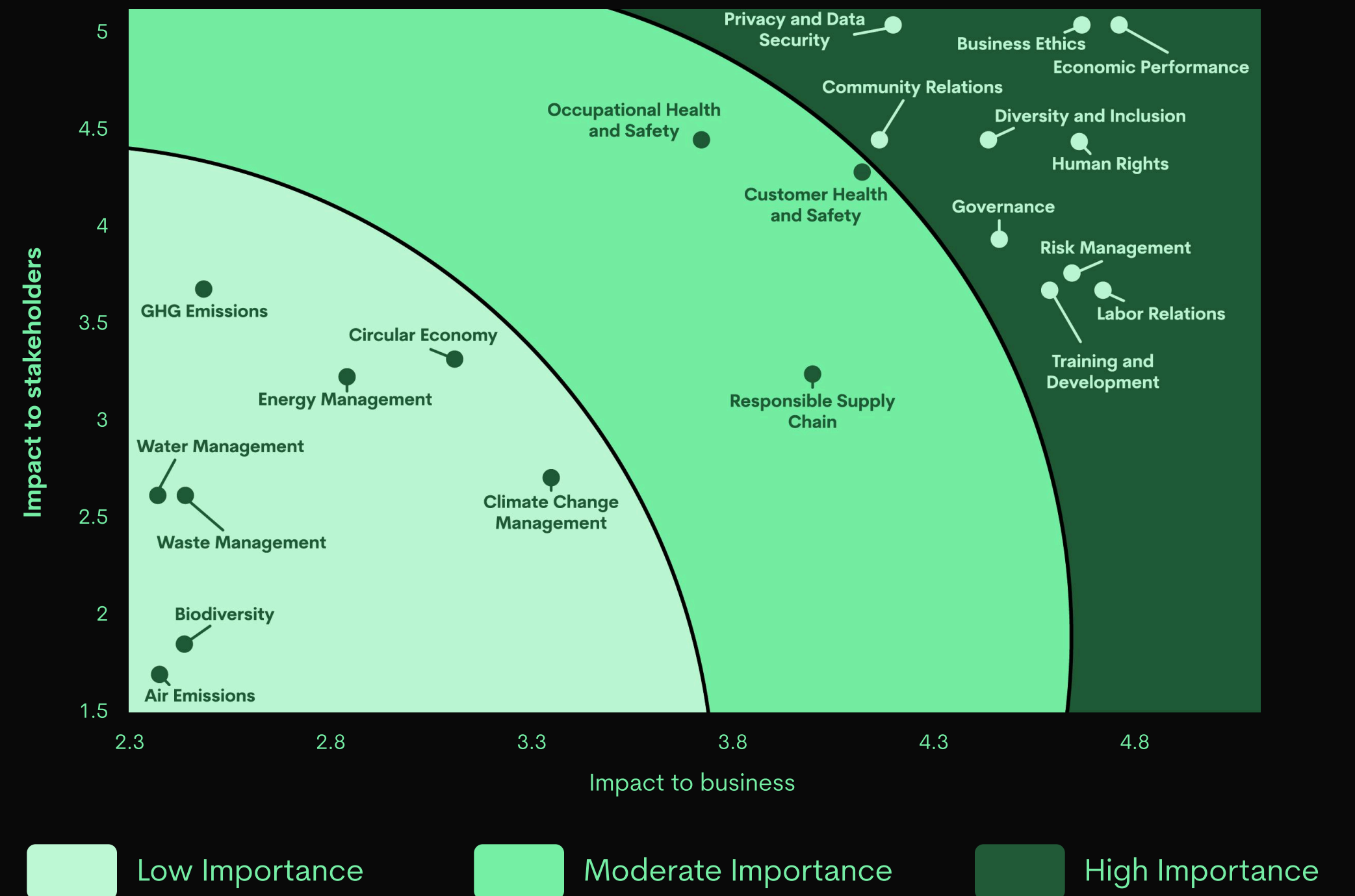
Be a thought leader among key stakeholders and regulators

With the help of ERM, a leading sustainability advisory firm, we conducted our first materiality assessment from November 2023 to January 2024. Consultations with our internal stakeholders revealed that our ESG Principles areas are:

- Respect for People
- Respect for Communities
- Respect for Transparency
- Respect for the Environment

Moving forward, we will continue to prioritize keeping our customers' money safe, helping them with their finances, and ensuring employee satisfaction. In addition, we will also continue to follow regulations, secure information, and transparently communicate our impact on the planet and community.

Materiality Matrix for Maya



ESG Goals

Based on our materiality assessment, we have laid down our priority goals for each sustainability pillar relevant to our business and shareholders.

Pillar	Principle	Priority Topic	Goals
Social	Respect for communities	Risk management	Embed ESG risk management for Maya Bank
Social	Respect for communities	Economic performance	Promote finance health
Social	Respect for communities	Labor/employee relations	NPS of 80
Governance	Respect for transparency	Business ethics	Ensure 100% corporate governance compliance with mandatory trainings Promote customer protection
Governance	Respect for transparency	Privacy and security	Ensure zero breach Ensure 100% compliance with mandatory training
Governance	Respect for transparency	Governance	Produce best-in-class ESG reporting

Annex



Annex: Maya Ecosystem Products Powered by Maya Philippines, Inc.

Send Money allows customers to conveniently send funds to other Maya customers via either their registered mobile number or @username (a feature pioneered by Maya), along with personalized messages containing animated GIFs. It also allows customers to transfer funds to other banks and e-wallets via InstaPay and PESONet.

Pay with QR allows customers to simply scan a Maya QR code or QR Ph-enabled QR code (for free) to pay. Maya is the first fintech company to adopt the QR Ph standard for both person-to-merchant and person-to-person payments.

Maya Stocks: In partnership with SEC-licensed stockbrokers, Maya Stocks empowers Filipinos to conveniently invest in over 280 publicly listed companies in the Philippine Stock Exchange anytime, anywhere in real-time via the Maya app.

Personal QR code allows customers to have their own QR Ph-enabled QR code for faster transfers and the ability to request money via payment links.

Maya Mall allows customers to enjoy the best in-app commerce experience with seamless payments from merchants powered by Maya Business.

Maya Funds: Designed to enable Filipinos to invest both locally and globally for as little as ₱50, Maya Funds gives our customers access to companies like Apple, Microsoft, PLDT, and SM via our partner marketplace.

Bills Pay allows customers to conveniently pay their bills via the app.

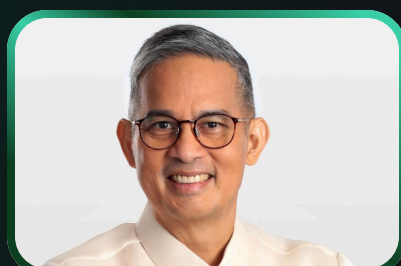
Missions use gamification and rewards to drive adoption and encourage customers to keep using Maya.

Maya Crypto: For our customers with a high-risk appetite and an interest in the rapidly evolving crypto space, Maya Crypto provides a robust, easy-to-use platform for investing in 20 coins for as low as ₱1. The coins on offer include the most popular ones like Bitcoin and Ethereum.

Buy Digital Goods allows customers to purchase digital goods such as telco load packages.

Vouchers allows customers to track and redeem cashback and other incentives securely.

Board of Directors



Alfredo S. Panlilio

Chairperson

SUMMARY

- Chairperson of the Board since December 1, 2021
- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Member, Management Association of the Philippines

RESPONSIBILITIES

- Leading and directing the board, ensuring they make informed decisions
- Ensuring the effective functioning of the Board and maintaining trust among its members
- Setting and approving the agenda
- Communicating the views of stockholders to the Board
- Making sure first-time directors receive proper orientation
- Providing the Board with opportunities for continued learning
- Ensuring both Board performance and Board-Level Committees are evaluated at least annually

RELEVANT EXPERIENCE

- President and CEO, PLDT, Inc. (2021- December 31, 2023)
- President, Smart Communications, Inc. (2019- December 31, 2023)
- SVP and Head, Meralco (Customer Retail Services and Corporate Communications) (2010-2019)
- Chairman, Radius Telecoms, Inc. (2013-2019)
- Director, Corporate Information Solutions, Inc. / CIS (2010-2019)
- Director, Bayad Center, Inc. (2010-2019)
- Director, MSpectrum, Inc. (2016-2019)
- Director, Indra Philippines, Inc. (2012-2019)
- Director, Miescorrail, Inc. (2012-2019)
- Trustee, One Meralco Foundation, Inc. (OMFI) (2011-2019)
- Independent Director, CEMEX Holdings Philippines, Inc. (2019-2023)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Maya Philippines, Inc.
- PLDT, Inc.
- Smart Communications, Inc.
- Digitel Telecommunications, Phils. Inc. (Digitel)
- Digitel Mobile Phils., Inc. (Sun)
- Signal TV, Inc.
- Samahang Basketbol ng Pilipinas

EDUCATION

- Bachelor of Science in Business Administration (Computer Information Systems), California State University and San Francisco State University
- Master of Business Administration, J.L. Kellogg School of Management at Northwestern University and Hongkong University of Science and Technology



Simeon Angelo S. Madrid

Executive Director

SUMMARY

- President since December 1, 2021
- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Works with Senior Management team in performing duties as President

RESPONSIBILITIES

- Executing the policies, measures, and resolutions approved by the Board
- Exercising general supervision and authority over Maya Bank's regular course of business
- Overseeing the implementation of strategies
- Promoting Maya Bank's long-term interests

RELEVANT EXPERIENCE

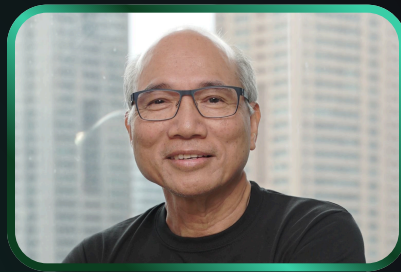
- President and General Manager, Tala Financing Philippines, Inc. (2017 – 2021)
- Vice President, Citibank New York (2011 – 2017)
- Banking & Finance Lawyer – Baker & McKenzie (2006 – 2010)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.

EDUCATION

- Bachelor of Science in Management, Ateneo de Manila University
- Juris Doctor, Ateneo De Manila University
- Master of Business Administration, Duke University



Orlando B. Vea

Non-Executive Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)

RELEVANT EXPERIENCE

- CEO and Founder, Maya Philippines, Inc. (June 2009 – present)
- President, Voyager Innovations, Inc. (2013-2019)
- Co-Founder, President and CEO, Smart Communications, Inc. (1993-2000)
- Director, Mediaquest Holdings, Inc. (1999-2009)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Maya Philippines, Inc.
- Voyager Innovations, Inc.
- Fintq Inventures Insurance Agency Corporation (Surelite Insurance Agency)
- Voyager Innovations Pte. Ltd (formerly Epay Investment Pte. Ltd.)
- Voyager Fintech Pte. Ltd.
- AF Payments, Inc. (formerly Automated Fare Collection Services, Inc.)
- PayMaya Finserve Corporation
- Voyager Finserve Corporation
- Trustee, Ideaspace Foundation, Inc.

EDUCATION

- Bachelor of Arts in Economics, University of the Philippines



Shailesh S. Baidwan

Non-Executive Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)

RELEVANT EXPERIENCE

- President, Marketing Services, AIMIA (2017-2019)
- President, Global Loyalty Solutions, AIMIA (2016-2017)
- President, Asia Pacific, AIMIA (2014-2015)
- CEO, American Express Banking Corp., India (May 2010 – June 2014)
- VP, International Strategy & Business Development, American Express International (2009-2010)
- VP, Card and Lending Singapore, American Express International (2004-2008)
- Director, Visa Premium Products & GCAS, Visa International (September 2000 – May 2004)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Maya Philippines, Inc.
- Voyager Innovations, Inc.

EDUCATION

- Bachelor of Arts in Economics, Delhi University
- Master of Business Administration, Indian Institute of Management



Inderbir Singh Dhingra

Non-Executive Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Member, Risk Oversight and Compliance Committee

RELEVANT EXPERIENCE

- Vice President, Equities Research, Credit Suisse, First Boston (CSFB)/Deutsche Bank, Mumbai (1997 – 2004)
- Senior Private Sector Development Specialist, The World Bank (2004 – 2007)
- Portfolio Manager, Financial Institutions Group, South Asia, International Finance Corporation (2007-2011)
- Equity Lead, Financial Institutions Group, Asia Pacific, International Finance Corporation (2011 – 2015)
- Chief Investment Officer, International Finance Corporation Asset Management Co. (2015-present)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Voyager Innovations Holdings Pte. Ltd
- upGrad Ltd.
- Blackbuck: Zinka Logistics Solutions Pvt Ltd
- Evermos: Evermos Pte. Ltd.
- Hero Future Energies Global

EDUCATION

- Bachelor of Arts in Commerce, Shri Ram College of Commerce, University of Delhi
- Master of Business Administration, Indian Institute of Management



Prashant Kumar

Non-Executive Director

SUMMARY

- Board Member – appointed in November 2023
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)

RELEVANT EXPERIENCE

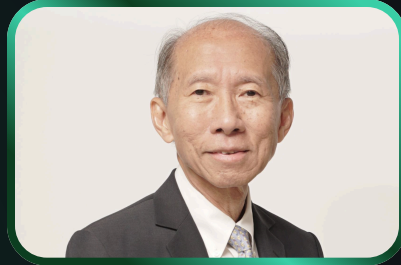
- Director, KKR India Asset Finance (2018 – 2023)
- Director, KKR India Advisors (2021 – 2023)
- Director, Max Healthcare Institute Limited (2019 – 2020)
- Director, Advanta India (January 2023 – August 2023)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Maya Philippines Inc.
- KKR Singapore Pte. Ltd.
- Metro Pacific Hospitals
- Maya Philippines, Inc.
- Goodpack
- PropertyGuru
- J.B. Chemicals & Pharmaceuticals
- Radiant Life Care
- Voyager Innovations, Inc.
- Voyager Innovations Pte. Ltd.
- Voyager Innovations Holdings Pte. Ltd.
- Fintq Inventures Insurance Agency

EDUCATION

- Bachelor of Technology, Indian Institute of Management, New Delhi, India
- Post Graduate Diploma in Management, Indian Institute of Management, Kolkata, India
- Master of Business Administration, The Wharton School at the University of Pennsylvania



Anthony Q. Chua

Independent Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Chairperson, Audit Committee
- Member, Risk Oversight and Compliance Committee
- Member, Technology Group Governance Committee

RELEVANT EXPERIENCE

- Executive Vice President, BDO Unibank Inc. (2014 – 2020)
- Board Chairman, BDO Remit (Japan) Ltd. (2015 – 2020)
- Senior Executive Vice President, Philippine National Bank (2013)
- President, Allied Banking Corporation (2009 – 2013)
- Executive Vice President, Philippine National Bank (2002 – 2009)
- Partner, Business/Risk Consulting, SGV & Co, (1999 – 2002)
- President, Philippine Bank of Communications (1997 – 1998)
- Vice President, Global Asset Management, Citibank N.A. (1992 – 1995)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Super Travel Inc.
- Asian Insular Holding Corporation
- Primer Holdings, Inc.

EDUCATION

- Bachelor of Arts in BSC/Accounting, De La Salle University
- Master of Business Administration, Michigan State University
- Doctor of Philosophy in Finance, Michigan State University



Victorico P. Vargas

Non-Executive Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)

RELEVANT EXPERIENCE

- President and CEO, Maynilad Water Services, Inc. (2010 – 2015)
- Vice President, Human Resources Director, Citibank N.A. (1987 – 2000)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- PLDT Inc.
- First Pacific Co Ltd-HKG
- Smart Communications, Inc.
- PLDT Subic Telecom, Inc.
- PLDT Clark Telecom, Inc.
- MGEN Global Power
- MERALCO
- Beacon Electric Asset Holdings, Inc.
- Beacon PowerGen Holdings, Inc.
- PLDT Global Corp.
- MQuest Ventures, Inc.
- Signal TV, Inc.
- TV5 Network, Inc.
- Hastings Holdings, Inc. (Chairman)
- Philstar Global, Inc. (Chairman)
- Pilipino Star Ngayon, Inc. (Chairman)
- Pilipino Star Printing (Chairman)
- Media 5 Marketing Corp. (Chairman)
- Philstar Daily, Inc. (Chairman)
- First Pacific Leadership Academy
- Samahang Basketbol ng Pilipinas

CURRENT DIRECTORSHIPS (CONTINUED)

- PLDT-Smart Foundation
- IdeaSpace Foundation
- PhilPop Music Fest Foundation
- MVP Sports Foundation
- Philippine Olympic Committee
- Philippine Basketball Association
- Association of Boxing Alliances in The Philippines (ABAP)
- World Boxing Council (Executive Board Member)

EDUCATION

- Bachelor of Science in Psychology, University of Santo Tomas



Roberto L. Panlilio

Independent Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Chairperson, Risk Oversight and Compliance Committee

RELEVANT EXPERIENCE

- President, L&R Development (2000 - present)
- Treasury Head, Citibank N.A. (1979 - 1983)
- Senior Executive Vice President, PCI Bank (1984 - 1999)
- Senior Country Officer, JP Morgan (1999 - 2019)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- L & R Development
- DMCI Holdings Corp.
- Semirara Mining and Power Corporation
- Lopez Holdings (LPZ)

EDUCATION

- Bachelor of Science in Management, Ateneo de Manila University
- Master of Business Administration (International Finance), University of Southern California



Francisco S.A. Sandejas

Independent Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Chairperson, Technology Group Governance Committee
- Member, Audit Committee

RELEVANT EXPERIENCE

- Managing Partner, Narra Venture Capital Management (2001 to present)
- CEO, Xepto Computing (2007 to present)
- Director, Unionbank of the Philippines (2014 - 2021)
- Executive Chairperson, Stratpoint Technologies, Inc.
- Chairperson of the Board, Philippine S & T Development Foundation
- Board Member, Credit Information Corporation (2011 - 2014)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Sun Life of Canada (Philippines), Inc.
- Sun Life Asset Management Company, Inc.
- Sun Life Financial Plans
- Grepa Asset Management Corporation
- Ostrea Mineral Laboratories, Inc.
- Cebuana Lhuillier Pawnshop Group
- Cebuana Lhuillier Insurance Brokers, Inc.
- Medical Doctors, Inc. (Makati Medical Center)

EDUCATION

- Bachelor of Science in Applied Physics (Summa Cum Laude), University of the Philippines Diliman
- Master of Science in Electrical Engineering, Stanford University
- Doctor of Philosophy in Electrical Engineering, Stanford University



Christopher Paulus Nicholas T. Po

Independent Director

SUMMARY

- Board Member for over two years
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)
- Member, Corporate Governance Committee

RELEVANT EXPERIENCE

- CEO, Century Pacific Group (2010 - present)
- Chairman, Shakey's Pizza Asia Ventures, Inc. (2016-present)
- Executive Chairman, Century Pacific Food, Inc. (2014 - present)
- President, CPG-RSPo Foundation (2010-Present)

CURRENT DIRECTORSHIPS

- Maya Bank, Inc.
- Century Pacific Food, Inc.
- Shakey's Pizza Asia Ventures, Inc.
- Arthaland Corporation
- Century Pacific Group, Inc.
- CPG-RSPo Foundation
- Asia Society Philippines
- Ateneo de Manila University
- AB Capital Securities, Inc.
- Child Protection Network

EDUCATION

- Degree in Economics, Wharton School
- Degree in Applied Science, University of Pennsylvania
- Master of Business Administration, Harvard University Graduate School



Danny Y. Yu

Non-Executive Director

SUMMARY

- Board Member for over one year
- Directly owns one share of Maya Bank (0.01% of total outstanding shares)

RELEVANT EXPERIENCE

- SVP, Chief Financial Officer, Chief Compliance Officer, Chief Risk Officer, Corporate Governance Officer and Treasurer- Philex Mining Corporation (September 2013 to Aug 2019)
- First Vice President, PLDT
- Group Chief Financial Officer, Digital Telecommunications Phils., Inc. (DTPI) Digitel Mobile Phils., (DMPI) (November 2011 to July 2013)
- SVP - Group CFO, ePLDT, INC.
- CFO, PLDT GLOBAL CORPORATION (June 2004 to Nov 2010)
- CFO, Mabuhay Satellite Corporation and Aces Phils. Cellular Corp. (Mar 1999 to May 2004)
- Vice President - Corporate Development, Fort Bonifacio Development Corp. (Mar 1997 to May 1999)
- Vice President - Finance and Chief Finance Officer, Steniel Manufacturing Corporation (Oct 1991 to Feb 1997)
- Group Budget and Accounting Manager, F.P. Metro Management Services Inc. (Feb 1989 to Oct 1991)
- Senior Auditor, Sycip, Gorres, Velayo and Co. (Dec 1983 to Oct 1988)

CURRENT DIRECTORSHIPS

- Pilipino Star Ngayon, Inc.
- Pilipino Star Printing Co., Inc.
- Bank One, Inc. (Independent Director)
- Hastings Holdings, Inc.
- Mabuhay Investments Corporation
- Med Vision Resources, Inc.
- Mediaquest Holdings, Inc.
- Nation Broadcasting Corporation
- Perihelion, Inc.
- PLDT Communications and Energy Ventures, Inc.
- PLDT Global Corporation
- SatVentures, Inc.
- Telemedia Business Ventures, Inc.
- Upbeam Investments, Inc.
- Smart Communications, Inc.
- Maya Bank, Inc.
- Digital Telecommunications Philippines
- Digitel Mobile Philippines, Inc.
- ePLDT, Inc.
- Signal Cable Corporation
- Business World Publishing Corporation
- Philstar Global Corporation

EDUCATION

- Master in Management (1995) - Asian Institute of Management, Honors - Consistent Dean's Lister
- Bachelor of Science in Commerce, Major in Accounting (1983) - University of San Carlos, Honors - Magna Cum Laude



Alex Erlito S. Fider

Corporate Secretary

RELEVANT EXPERIENCE

- Founding Partner in Picazo Buyco Tan Fider & Santos Law Offices (1987 - 2023)
- Junior Associate in Cayetano Bautista Picazo and Reyes (1984 - 1987)
- Consultant in Metropolitan Manila Commission (1981 - 1984)
- Supervising Planning Officer and Chief, Policy Studies Division, Office of the Commissioner for Planning, Metro Manila Commission (1980 - 1981)

CURRENT DIRECTORSHIPS

- Corporate Secretary, Maya Bank, Inc.
- Special Counsel, Picazo Buyco Tan Fider & Santos Law Offices
- Corporate Secretary, Maya Philippines, Inc.
- Corporate Secretary, Voyager Innovations, Inc.
- Corporate Secretary, PayMaya Finserve Corporation
- Corporate Secretary, Voyager Finserve Corporation
- Corporate Secretary, Metro Pacific Tollways Corporation
- Corporate Secretary, Metro Pacific Tollways North Corporation
- Corporate Secretary, Metro Strategic Infrastructure Holdings, Inc.
- Corporate Secretary, Smart Communications, Inc.
- Corporate Secretary, Southbend Express Services, Inc.
- Corporate Secretary, NLEX Corporation
- Corporate Secretary, MPT Mobility Corporation (formerly, Nlex Ventures Corporation)
-

CURRENT DIRECTORSHIPS

- Corporate Secretary, Multisys Technologies Corporation
- Corporate Secretary, Multipay Corporation
- Director and Stockholder, Nation Broadcasting Corporation of the Philippines
- Director, BTF Holdings, Inc.
- Treasurer, Giga Energy Development Corporation
- Corporate Secretary, Maynilad Water Services, Inc.
- Corporate Secretary, Maynilad Water Holding Company, Inc.
- Trustee and Corporate Secretary, Manila Metropolitan Cathedral-Basilica Foundation, Inc.
- Director and Stockholder, MQuest Ventures, Inc. (formerly Studio5, Inc.)
- Trustee, TV5 Alagang Kapatid Foundation, Inc.
- Trustee, Board of Trustees for the Account of the Beneficial Trust Fund
- Created Pursuant to the Benefit Plan of PLDT Co.
- Corporate Secretary, Dibztech, Inc.
- Corporate Secretary, Cebu Cordova Link Expressway Corporation
- Corporate Secretary, Metro Pacific Tollways Vizmin Corporation
- Corporate Secretary, Metro Pacific Tollways Digital, Inc. (formerly Metro Pacific Tollways Management Services, Inc)
- Director/Corporate Secretary, Outperform Holdings, Inc.
- Corporate Secretary, Rufino Pacific Tower Condominium Corporation
- Director, Roxas Holdings, Inc.
- Director, President and Chairman, Perihelion, Inc.
- Corporate Secretary, OviaLand, Inc.
- Director and Corporate Secretary, Pacific Aurora Plantation Corporation
- Corporate Secretary, Leechiu Property Consultants, Inc.
- Corporate Secretary, Leechiu Holdings, Inc.
- Corporate Secretary, Greater Pampanga Power Corporation
- Director and Corporate Secretary, First Agri Holdings Corporation
- Director/Stockholder, Media5 Marketing Corporation

CURRENT DIRECTORSHIPS (CONT'D)

- Director and Stockholder, Businessworld Publishing Corporation
- Director and Stockholder, Signal TV, Inc. (formerly Mediascape)
- Chairman and President, MTPR Investments, Inc.
- Corporate Secretary, Savvice
- Director, Valhala Investments Holdings, Inc.

EDUCATION

- Bachelor of Arts in Economics (Academic Excellence Awardee), University of the Philippines
- Bachelor of Laws (Academic Excellence Awardee), University of the Philippines
- Graduate, Corporate Governance, Australian Institute of Company Directors, 2003
- Graduate, Strategic Economics Program, University of Asia and the Pacific (formerly CRC), 1992 – 1993



Maureen Christine O. Lizarondo-Medina

Assistant Corporate Secretary

RELEVANT EXPERIENCE

- Senior Associate in Picazo Buyco Tan Fider & Santos Law (2016-2020)
- Junior Associate in Picazo Buyco Tan Fider & Santos Law (2012-2016)
- Partner in Picazo Buyco Tan Fider & Santos Law (2020-present)

CURRENT DIRECTORSHIPS

- Assistant Corporate Secretary, Maya Bank, Inc.
- Assistant Corporate Secretary, Maya Philippines, Inc. (Formerly PayMaya Philippines, Inc.)
- Assistant Corporate Secretary, Voyager Innovations, Inc.
- Assistant Corporate Secretary, PayMaya Finserve Corporation
- Assistant Corporate Secretary, Voyager Finserve Corporation
- Assistant Corporate Secretary, 8990 Holdings, Inc.
- Corporate Secretary, Tullett Prebon Holdings (Philippines), Inc.
- Corporate Secretary, ICAP Philippines, Inc.
- Director and Corporate Secretary, Perihelion, Inc.
- Corporate Secretary, Goldenfuture Life Plans, Inc.

EDUCATION

- Bachelor of Arts in Political Science, University of the Philippines, Cum laude
- Juris Doctor, Ateneo De Manila University – School of Law, 2nd Honors

Senior Management



Simeon Angelo S. Madrid

President

RELEVANT EXPERIENCE

- President and General Manager, Tala Financing Philippines, Inc. (2017 – 2021)
- Vice President, Citibank New York (2011 – 2017)
- Banking & Finance Lawyer – Baker & McKenzie (2006 – 2010)

EDUCATION

- Bachelor of Science in Management, Ateneo de Manila University
- Juris Doctor, Ateneo de Manila University
- Master of Business Administration, Duke University



Manbhanjan Panda

Chief Operating Officer

RELEVANT EXPERIENCE

- Chief Operating Officer, PayMaya Lending Corporation (November 2, 2021 – Aug. 31, 2022)
- Chief Risk Officer, Standard Chartered Bank- SC Ventures Nexus (September 2019 – October 2021)
- Country Chief Risk Officer, Bangladesh and Country Credit Head, Retail at Standard Chartered Bank, Bangladesh (June 2017 – August 2019)
- Group Chief Risk Officer and Member of the Executive Committee, As 4Finance, Riga, Latvia (October 2015 – June 2017)
- Senior Business Leader – Information Services, Mastercard Asia Pacific, Singapore (September 2012 – September 2015)
- Managing Director – Decision Analytics, Experian Asia Pacific, Singapore (December 2008 – September 2012)
- Head of Credit Risk – Mortgages, Barclays Bank, London, United Kingdom (September 2007 – December 2008)
- Vice President – Risk Management, Citibank, Singapore (February 2004 – September 2007)
- International Risk Manager, GE Consumer Finance (GE-SBI Cards JV), Gurgaon, India (September 1999 – February 2004)
- Credit Risk Manager, BPL Telecom, Bangalore, India (March 1998 – August 1999)
- Credit Officer, Standard Chartered Bank, Bangalore, India (January 1995 – February 1998)

EDUCATION

- Master in Management Studies, Birla Institute of Technology and Science
- Master of Business Administration, University of Chicago Booth School of Business



Jouela Trabello

Chief Financial Officer

RELEVANT EXPERIENCE

- Financial Controller, City Savings Bank (2019 – 2021)
- Director, Progressive Bank, Inc. (2020 – 2021)
- Senior Business Analyst/Finance and Admin Officer/Finance and Risk Operations Manager, Citibank, N.A. ROHQ (2007 – 2019)
- Chief Finance Officer, Cypress Bomanite, Inc. (2006 – 2007)
- Regional Financial Center Production Manager, Citibank, N.A. Philippines (1996 – 2006)
- Financial Control Unit Supervisor, Banco Santader Philippines, Inc. (1995 – 1996)
- Financial Control Reporting Analyst, Citibank, N.A. Philippines (1994 – 1995)

EDUCATION

- Bachelor of Science in Business Administration and Accountancy, University of the Philippines (Cum laude)



Steven Michael Reyes

Treasurer

RELEVANT EXPERIENCE

- Head of Trading and Sales, Treasury, RCBC (2014 – 2021)
- Head of Trading and Balance Sheet/Deputy Treasurer, ANZ Bank (2009 – 2014)
- Head of Fixed Income Portfolio, Treasury, BDO (2006 – 2009)
- Asian Rates Trader, Treasury, Citibank Singapore (2006)
- Credit and Rates Trader, Treasury, Citibank Manila (2001 – 2005)
- Head Credit Portfolio, Treasury, Equitable PCIBank (1996 – 1999)
- FX Analyst, Treasury, BPI (1993 – 1996)

EDUCATION

- Bachelor of Science in Tourism Management, University of the Philippines



Catherine Chiong

Chief Compliance Officer
Anti-Money Laundering Compliance Officer

RELEVANT EXPERIENCE

- Senior Compliance Advisor, Alipay Philippines, Inc. (2019 – 2022)
- Deputy Head of Regional Compliance (Thailand), True Money Co. Ltd. (2016 – 2019)
- Head of Risk and Compliance, True Money Philippines, Inc. (2016 – 2019)
- Vice President, Senior Compliance Manager, JPMorgan Chase Bank, N.A – Philippine Global Service Center (2010 – 2016)
- Senior Associate, PricewaterhouseCoopers Bermuda (2007 – 2009)
- Senior Associate, KPMG Philippines (2004 – 2007)

EDUCATION

- Bachelor of Science in Accountancy, University of San Carlos



Maria Adelaide Capistrano

Chief Risk Officer*

RELEVANT EXPERIENCE

- Head of Non-Financial Risk, GoTyme Bank (July 2022 – March 2024)
- Operational Risk Head, CIMB (May 2021 – June 2022)
- Chief Risk Officer and Data Protection Officer, Sterling Bank of Asia (August 2020 – May 2021)
- Head of Operational Risk, Sterling Bank of Asia (April 2017 – August 2020)
- Head of Credit Risk Control, Sterling Bank of Asia (June 2014 – November 2015)
- BPI Family Bank Lending Officer, Auto Loans Head of Credit Analysis (April 2007 – December 2010)
- Bank of the Philippines Islands, Officership Training Program (August 2006 – April 2007)

EDUCATION

- Bachelor of Science in Home Economics, University of the Philippines, (Cum laude)

*Appointed on March 20, 2024



Harsh Tripathi

Chief Technology Officer

RELEVANT EXPERIENCE

- Head of Engineering, Maya Philippines, Inc. (March 2021 – Sept. 27, 2022)
- Vice President of Engineering, Paytm, One97 Communication Ltd. (2017 – Feb. 2021)
- Director of Engineering, GoFro.com (2015 – 2017)
- Senior Engineering Manager, Snapdeal (2013 – 2015)

EDUCATION

- Bachelor of Science in Engineering (Honors), Birla Institute of Technology and Science
- Bachelor of Science in Electrical and Electronics Engineering, Birla Institute of Technology and Science



Michael D. Mallari

Head of Internal Audit*

RELEVANT EXPERIENCE

- Information Systems Audit Head, PayMaya Philippines, Inc. (2017 – 2021)
- IT Audit Head, Robinsons Bank Corporation (2015 – 2017)
- Internal Audit Manager, BancNet, Inc. (2010 – 2015)
- Senior IT Audit Associate, SGV & Co. (2007-2010)

EDUCATION

- Bachelor of Science in Accountancy, National College of Business and Art Fairview
- Master of Business Administration Major in Finance, De La Salle University

*Resigned as of April 26, 2024

Maya Bank, Inc.

Financial Statements
As of and for the year ended
December 31, 2023 and 2022,
and
Independent Auditor's Report



A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR’S REPORT

The Stockholders and the Board of Directors
Maya Bank, Inc.

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Maya Bank, Inc. (the Bank), which comprise the statements of condition as at December 31, 2023 and 2022, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial condition of the Bank as at December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended December 31, 2023 and 2022, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the 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 the 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.

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on the Supplementary Information Required Under Manual of Regulations for Banks and Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Manual of Regulations for Banks in Note 24 and Revenue Regulations No. 15-2010 in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue, respectively and is not a required part of the basic financial statements. Such information is the responsibility of the management of Maya Bank, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

March 20, 2024

MAYA BANK, INC.

STATEMENTS OF CONDITION

AS AT December 31, 2023 and 2022

(In Philippine Pesos)

	2023	2022
ASSETS		
Due from Bangko Sentral ng Pilipinas (Note 4)	P4,048,308,888	P13,349,499,522
Due from other banks (Note 5)	799,610,292	5,285,377
Securities at amortized cost (Note 6)	17,805,757,637	-
Securities purchased under resale agreements (Note 7)	1,817,305,277	1,659,140,202
Loans and receivables, net (Note 8)	2,673,180,958	707,668,926
Bank premises, furniture, fixtures and equipment, net (Note 9)	44,010,109	51,444,167
Intangible assets, net (Note 10)	763,557,032	428,314,809
Other assets, net (Note 11)	120,639,106	121,575,012
Total assets	P28,072,369,299	P16,322,928,015
LIABILITIES AND CAPITAL FUNDS		
Deposit liabilities (Note 12)	P24,810,801,807	P14,705,907,828
Due to related parties (Note 18)	93,451,641	77,277,762
Accrued expenses (Note 13)	245,650,597	155,013,064
Deferred tax liabilities, net (Note 22)	44,799	66,878
Other liabilities (Note 14)	308,009,513	120,849,498
Total liabilities	25,457,958,357	15,059,115,030
Share capital (Note 15)	4,200,000,000	2,900,000,000
Subscription receivable (Note 15)	-	(900,000,000)
Deficit	(1,585,723,456)	(736,387,648)
Actuarial gains on pension plan (Note 19)	134,398	200,633
Total capital funds	2,614,410,942	1,263,812,985
Total liabilities and capital funds	P28,072,369,299	P16,322,928,015

See accompanying Notes to Financial Statements.

MAYA BANK, INC.

STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

(In Philippine Pesos)

	2023	2022
INTEREST INCOME ON		
Loans and receivables (Note 8)	P1,450,639,660	P192,739,471
Due from BSP and other banks (Note 4 and 5)	699,928,006	200,712,359
Securities at amortized cost (Note 6)	576,705,464	-
Securities purchased under resale agreements (Note 7)	72,513,761	21,674,802
	2,799,786,891	415,126,632
INTEREST EXPENSE ON		
Deposit liabilities (Note 12)	1,112,621,314	271,708,249
NET INTEREST INCOME	1,687,165,577	143,418,383

PROVISION FOR IMPAIRMENT, CREDIT AND OTHER LOSSES <i>(Notes 8, 11, 13 and 14)</i>	866,219,331	149,612,447
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT, CREDIT AND OTHER LOSSES	820,946,246	(6,194,064)
OTHER INCOME, NET (Note 16)		
Fees and commissions income	56,234,487	5,414,147
Foreign exchange loss	(680,411)	(1,816,728)
Other operating income, net	24,995,346	43,923
	80,549,422	3,641,342
OPERATING EXPENSES (Note 17)		
Professional and other service fees	547,746,899	271,799,192
Taxes and licenses	297,650,072	82,592,827
Rent, facility and platform subscriptions	215,502,284	140,980,790
Compensation and benefits	207,996,665	109,446,998
Depreciation and amortization <i>(Notes 9 and 10)</i>	96,051,486	19,546,619
Insurance	50,108,906	16,437,285
Selling and promotions	23,077,176	29,903,938
Repairs and maintenance	18,781,133	10,049,412
Communication	1,152,465	-
Other administrative expenses	80,317	1,986,618
	1,458,147,403	682,743,679
LOSS BEFORE INCOME TAX	(556,651,735)	(685,296,401)
PROVISION FOR INCOME TAX (Note 22)	270,182,373	44,475,861
NET LOSS	(826,834,108)	(729,772,262)
OTHER COMPREHENSIVE INCOME (Note 19)	(66,235)	200,633
TOTAL COMPREHENSIVE LOSS	(P826,900,343)	(P729,571,629)

See accompanying Notes to Financial Statements.

MAYA BANK, INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Philippine Pesos)

	Share capital (Note 15)	Subscription receivable (Note 15)	Deficit	Actuarial gains on pension plan (Note 19)	Total
Balances as at January 1, 2023	₱2,900,000,000	(₱900,000,000)	(₱736,387,648)	₱200,633	₱1,263,812,985
Transactions with shareholders					
Issuance of shares	1,300,000,000	-	(22,501,700)	-	1,277,498,300
Settlement of subscription receivable	-	900,000,000	-	-	900,000,000
Other comprehensive income	-	-	-	(66,235)	(66,235)
Total transactions with shareholders	1,300,000,000	900,000,000	(22,501,700)	(66,235)	2,177,432,065
Comprehensive loss					
Net loss for the period	-	-	(826,834,108)	-	(826,834,108)
Balance as at December 31, 2023	₱4,200,000,000	₱-	(₱1,585,723,456)	₱134,398	₱2,614,410,942
Balances as at January 1, 2022	₱1,000,000,000	₱-	(₱6,615,386)	₱-	₱993,384,614
Transactions with shareholders					
Issuance of shares	1,900,000,000	(900,000,000)	-	-	1,000,000,000
Other comprehensive income	-	-	-	200,633	200,633
Total transactions with shareholders	1,900,000,000	(900,000,000)	-	200,633	1,000,200,633
Comprehensive loss					
Net loss for the period	-	-	(729,772,262)	-	(729,772,262)
Balance as at December 31, 2022	₱2,900,000,000	(₱900,000,000)	(₱736,387,648)	₱200,633	₱1,263,812,985

See accompanying Notes to Financial Statements.

MAYA BANK, INC.**STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Philippine Pesos)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(₱556,651,735)	(₱685,296,401)
Adjustments for:		
Provision for impairment, credit and other losses <i>(Note 8, 11, 13 and 14)</i>	866,219,331	149,612,447
Amortization of intangible assets <i>(Note 10)</i>	81,423,082	15,527,967
Depreciation <i>(Note 9)</i>	14,628,404	4,018,652
Loss on disposal of equipment	89,984	-
Amortization of premium and discount	(12,933,563)	-
Pension costs <i>(Note 19)</i>	6,824,562	3,811,810
Operating income (loss) before working capital changes	399,600,065	(512,325,525)
Changes in operating assets and liabilities		
(Increase) Decrease in:		
Loans and receivables <i>(Note 8)</i>	(2,833,644,519)	(851,639,381)
Other assets <i>(Note 11)</i>	741,949	(121,048,575)
Increase in:		
Deposit liabilities <i>(Note 12)</i>	10,104,893,979	14,705,907,828
Accrued expenses <i>(Note 13)</i>	90,495,908	154,837,064
Other liabilities <i>(Notes 9, 10 and 14)</i>	79,373,376	108,393,436
Due to related parties <i>(Note 18)</i>	16,173,879	30,768,014
Net cash provided by operations	7,857,634,637	13,514,892,861
Final taxes paid	(270,204,452)	(44,475,861)
Contributions to plan assets <i>(Note 19)</i>	(7,246,932)	(4,135,100)
Net cash provided by operating activities	7,580,183,253	13,466,281,900
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of securities at amortized cost	(17,792,824,074)	-
Acquisition of intangible assets <i>(Note 10)</i>	(300,461,049)	(407,262,057)
Acquisition of furniture, fixtures, and equipment <i>(Note 9)</i>	(15,377,420)	(45,113,853)
Proceeds from disposal of equipment	2,280,346	-
Net cash used in investing activities	(18,106,382,197)	(452,375,910)
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares <i>(Note 15)</i>	2,200,000,000	1,000,000,000
Stock issuance cost	(22,501,700)	-
Net cash provided by financing activities	2,177,498,300	1,000,000,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,348,700,644)	14,013,905,990
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Due from BSP <i>(Note 4)</i>	13,349,499,522	-
Due from other banks <i>(Note 5)</i>	5,285,377	1,000,019,111
Securities purchased under resale agreements <i>(Note 7)</i>	1,659,140,202	-
	15,013,925,101	1,000,019,111
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Due from BSP <i>(Note 4)</i>	4,048,308,888	13,349,499,522
Due from other banks <i>(Note 5)</i>	799,610,292	5,285,377
Securities purchased under resale agreements <i>(Note 7)</i>	1,817,305,277	1,659,140,202
	6,665,224,457	15,013,925,101

OPERATIONAL CASH FLOWS FROM INTEREST

Interest received	2,624,619,175	360,490,420
Interest paid	₱1,108,504,573	₱258,370,081

See accompanying Notes to Financial Statements.

MAYA BANK, INC.**NOTES TO FINANCIAL STATEMENTS****1. Corporate Information**

Maya Bank, Inc. (the Bank) was organized and incorporated under existing Philippine Laws and registered with the Securities and Exchange Commission (SEC) on November 17, 2021. The primary purpose is to engage in the business of a digital bank, to possess and exercise, subject to the laws of the Philippines, all powers, rights, privileges, and attributes of a digital bank and perform services/activities, such as but not limited to, grant loans, whether secured or unsecured; accept savings and time deposits, including basic deposit accounts, accept foreign currency deposits, invest in readily marketable bonds and other debt securities, commercial papers and accounts receivable, drafts, bills of exchange, acceptances or notes arising out of commercial transactions; act as correspondent for other financial institutions; act as collection agent for non-government entities; issue electric money products; issue credit cards; buy and sell foreign exchange; present, market, sell, and service microinsurance products; and other services/activities not explicitly provided for under the existing laws and regulations, with the prior approval of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP).

The Bank was granted with digital license by the BSP, as approved under Monetary Board Resolution No. 1229, pursuant to Republic Act No. 8791 (General Banking Law of 2000), on September 16, 2021.

On March 8, 2022, the Bank received the certificate of authority from BSP to operate as a digital bank in the Philippines. The Bank started its operations as a digital bank on March 14, 2022.

The Bank is 40% owned by Voyager Innovations, Inc. (Voyager), 30% owned by PayMaya FinServe Corporation (PFC), and 30% owned by Voyager FinServe Corporation (VFC). Voyager, PFC and VFC are all incorporated in the Philippines.

As at December 31, 2023, the Bank has 75 employees.

The Bank's registered office address is at 6th Floor, Launchpad Building, Reliance cor. Sheridan Streets, Brgy. Highway Hills, Mandaluyong City.

The financial statements of the Bank and accompanying notes were reviewed and authorized for issuance by the Board of Directors (BOD) on March 20, 2024.

2. Material accounting policy informationBasis of Preparation

The accompanying financial statements of the Bank have been prepared on a historical cost basis and are presented in Philippine peso (₱), which is also the Bank's functional currency.

Statement of Compliance

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs include both standard titles PFRS and Philippine Accounting Standards (PAS), including Philippine Interpretations based on equivalent interpretations from International Financial Reporting Interpretations Committee (IFRIC) as issued by the Financial Reporting Standards Council (FRSC).

New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except that the Bank has adopted the following new accounting pronouncements starting January 1, 2023. The adoption of these pronouncements did not have any significant impact on the Bank's financial position or performance unless otherwise indicated.

(a) Amendments to existing standards adopted by the Bank

- Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to PAS 8, Definition of Accounting Estimates
- Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to PAS 12, International Tax Reform – Pillar Two Model Rules

Summary of Material Accounting Policy Information

The material accounting policy information that have been used in the preparation of the financial statements are summarized below:

Fair Value Measurement

The Bank measures financial instruments at fair value at each reporting date. Also, fair value information of financial instruments measured at amortized cost is disclosed in Note 20 – *Financial assets and liabilities*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1* - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- *Level 2* - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- *Level 3* - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial InstrumentsDate of recognition

Financial instruments are recognized in the statement of condition when the Bank becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Bank commits to purchase or sell the asset.

Initial recognition of financial instruments

Financial assets are measured at fair value through profit or loss (FVTPL) unless these are measured at fair value through other comprehensive income (FVOCI) or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Bank's business model for managing them. The Bank initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Bank's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at FVTPL,
- Financial assets at amortized cost (debt instruments),
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments), and
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

As of December 31, 2023, the Bank does not have financial assets at FVTPL and FVOCI.

Financial assets at amortized cost

This category is the most relevant to the Bank. The Bank measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive loss when the asset is derecognized, modified or impaired.

As of December 31, 2023 and 2022, the Bank's financial assets at amortized cost consist of due from BSP, due from other banks, securities at amortized cost, securities purchased under resale agreements, loans and receivables, net and due from related parties under other assets, net.

Other financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or financial liabilities at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

As of December 31, 2023 and 2022, the Bank has no financial liabilities at FVTPL.

Financial liabilities at amortized cost

This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the statement of comprehensive loss.

As of December 31, 2023 and 2022, the Bank's financial liabilities at amortized cost consist of deposit liabilities, due to related parties, accrued expenses and other liabilities.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of condition if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. The Bank assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Bank and all of the counterparties.

Impairment of Financial Assets

The Bank recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs represent credit losses that reflect unbiased and probability-weighted amounts which are determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk (SICR) since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been SICR since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For non-credit-impaired financial assets:

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a SICR since initial recognition. The Bank recognizes a 12-month ECL for Stage 1 financial instruments.

- Stage 2 is comprised of all non-impaired financial assets which have experienced a SICR since initial recognition. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for impaired financial instruments.

The Bank has undrawn loan commitments for which the Bank is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. The nominal contractual value of the undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of condition. These contracts are in the scope of the ECL requirements where the Bank estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to undrawn loan commitments is recognized in 'provision for impairment, credit and other losses' and 'other liabilities'.

Refer to Note 21 for the Bank's ECL methodology.

For due from other bank, the Bank applies low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Bank's policy to measure ECL's on such instruments on a 12-month basis. However, when there has been SICR since origination, the allowance will be based on the lifetime ECL.

In certain cases, the Bank may also consider a financial asset to be in default when internal or external information indicates that the Bank is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Bank. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement and either: (a) the Bank has transferred substantially all the risks and rewards of the asset; or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognized to the extent of the Bank’s continuing involvement in the asset. In that case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

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

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

Property and Equipment

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

Depreciation commences once the property and equipment are available for use and are calculated on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives used in depreciating the property and equipment are:

Corporate network Infrastructure	5 years
Vehicles	5 years
Computers and peripherals	3 years
Furniture and office equipment	3 years
Lease improvements	1 year

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

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

Fully depreciated property and equipment are retained in the accounts until these are no longer in use.

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition.

Subsequent Measurement

Cost

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment losses.

Useful Life

The useful life of an intangible asset must be assessed as finite or indefinite and, if finite, the length of that useful life. Generally, acquired intangibles other than digital banking license will have a finite useful life. An indefinite useful life should not be used unless approved by Office of the Bank CFO.

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Bank.

Where an intangible asset has a finite useful life its depreciable amount should be amortized on a systematic basis over that life. Amortization commences when the asset is available for use and ceases at the earlier of when the asset is derecognized.

For intangible assets, the Bank uses estimated useful life of five (5) years, except for the Bank’s digital banking license which has indefinite useful life.

Retirements and Disposals

An intangible asset shall be derecognized:

- On disposal; or
- When no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognized in the statement of comprehensive loss when the asset is derecognized. Gains shall not be classified as revenue.

Impairment of Non-financial Assets

The Bank assesses at each reporting date whether there is an indication that nonfinancial assets may be impaired. If any such indication exists, the Bank makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Fair value is the amount obtainable from the sale of an asset in an arm’s length transaction less the costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to operations in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. Such reversal is recognized in the statement of comprehensive loss. For nonfinancial assets, the increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. After such a reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock

Capital stock is measured at par value for all shares issued. Proceeds and/or fair value of considerations received in excess of par value are recognized as capital in excess of par value.

Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction of proceeds, net of tax.

Deficit

Deficit represents the cumulative balance of net loss of the Bank.

Revenue Recognition

Revenue is defined as “the gross inflow of economic benefits during the period arising in the course of the ordinary activities of the Bank in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than increases relating to contributions from equity participants”.

In general, revenue is recognized when or as a promised distinct service is transferred to the customer and it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In this context, probable relates to collectability – if an item of revenue can be collected and the service (or portion thereof) has been completed, then the revenue should be recognized. If an item of revenue recognized in an earlier reporting period subsequently becomes uncollectible, the amounts are charged off as a credit loss.

Revenue within the scope of PFRS 15

Fees and commissions income

Fees and commissions income are generally recognized over time when the service has been provided.

Other operating income

Other operating income is recognized when earned.

Revenue outside the scope of PFRS 15

Interest income

Interest income is recognized as it accrues on a time proportion basis taking into account the principal amount outstanding and the effective interest rate. Interest income represents interest earned from loans and receivables, due from BSP and other banks, securities at amortized cost, and securities purchased under resale agreements.

Cost and Expenses

Cost and expenses are recognized when there is a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably. Operating expenses are recognized in the statement of comprehensive loss as they are incurred.

Interest expense

Interest expense is recognized as it accrues on a time proportion basis taking into account the principal amount outstanding and the effective interest rate. Interest expense represents interest recognized from deposit liabilities.

Pension Cost

The Bank maintains a defined contribution plan that covers all regular full-time employees under which the Bank pays fixed contributions based on the employees' monthly salaries. The Bank, however, is covered under Republic Act (R.A.) 7641, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of R.A. 7641.

Accordingly, the Bank accounts for its retirement obligation under the higher of the defined benefit obligation related to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The Bank determines the net interest expense

(income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in statement of comprehensive loss.

The defined contribution liability, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of comprehensive loss. Gains or losses on the settlement of the defined benefit plan are recognized when the settlement occurs (*see Note 19 – Pension and other employee benefits*).

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the end of the reporting period when the Bank operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the balance sheet liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period.

Deferred income tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred income tax assets are recognized for all deductible temporary differences, the carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carry over (NOLCO). Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

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

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

Deferred income tax relating to items recognized in other comprehensive loss account is included in the Bank's statement of comprehensive loss.

Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The expense relating to any provision is recorded in the statement of comprehensive loss net of any reimbursement. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain is recognized as a separate asset. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class obligations as a whole. In addition, where time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessment and risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

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

Events after the End of the Reporting Period

Post year-end events that provide additional information about the Bank's financial position at the end of the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

New standards and interpretations that have been issue but not yet effective

Pronouncements issued as of December 31, 2023 but not yet effective are listed below. The Bank intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Bank's financial statements.

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

3. Significant accounting judgments and estimates

The Bank's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the financial statements and the notes to financial statements. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from those estimates.

Judgment

In the process of applying the Bank's accounting policies, management has made the following judgment, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates

Except for the items below, there are no significant assumptions concerning the future and other key source of estimation at the reporting date that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

Estimation of impairment losses on loans and receivables

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Bank's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for SICR;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purpose of measuring ECL.

The Bank will adjust the historical credit loss experience with forward-looking information, if any. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the industry, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Refer to Note 21 for detailed discussions regarding the significant judgments and estimates in relation to ECL methodology.

Total allowance for expected credit losses on loans and receivables amounted to ₱489,111,989 and ₱143,970,455 in 2023 and 2022, respectively. Loans and receivables, net amounted to ₱2,673,180,958 and ₱707,668,926 as of December 31, 2023 and 2022, respectively (see Note 8 – Loans and receivables, net).

Impairment of digital banking license and intangible assets with finite useful lives

The Bank conducts an annual review for any impairment in the value of digital banking license and assesses whether there is any indication that intangible assets with finite useful lives may be impaired. These intangible assets are written down for impairment where the recoverable amount of the related cash-generating unit (CGU) is insufficient to support its carrying value. The Bank determines the recoverable value of the digital banking license and intangible assets with finite useful lives by discounting the estimated future cash flows using the weighted-average cost of capital (WACC) as the discount rate. The Bank estimates the discount rate used for the computation of the net present value by reference to industry cost of capital.

The recoverable amount of the CGU is determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. Financial budget for the immediately succeeding year is approved by senior management and BOD of the Bank, while the financial budgets for the other years of cash flow projections are determined by commercial finance and the relevant business units. The discount rate used for the computation of the value in use of the CGU is based on the pre-tax discount rate of 13.90% and 16.33% and long-term growth rate of 6.34% and 5.29% as of December 31, 2023 and 2022, respectively.

Though management believes that the assumptions used in the estimation of value in use of the CGU are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

The Bank assessed that the digital banking license and intangible assets with finite useful lives are unimpaired. The carrying amounts of the Bank's digital banking license and intangible assets with finite useful lives are disclosed in Note 10.

Estimation of useful lives of intangible assets with finite lives

Intangible assets with finite lives are amortized over their expected useful lives using the straight-line method of amortization. The Bank determines the estimated useful lives of its intangible assets based on the period over which the assets are expected to be available for use. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in our statement of comprehensive loss. The total amortization and carrying amount of intangible assets with finite lives are disclosed in Note 10.

Estimation of pension costs and other long-term employee benefits

The cost of pension plans is determined using projected unit credit method. Actuarial valuation includes making various assumptions which consists, among other things, discount rates, rates of compensation increases and mortality rates. Due to complexity of valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. While the Bank believes that its assumptions are reasonable and appropriate, significant differences in its actual experience or significant changes in its

assumptions may materially affect its cost for pension and other retirement obligations. All assumptions are reviewed every year-end (see Note 19 – Pension and other employee benefits).

Recognition of deferred income tax assets

The Bank reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Bank's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting period. This forecast is based on the past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized.

The amount of NOLCO, accrued expenses, provision for impairment, credit and other losses and other deductible temporary differences for which no DTA were recognized amounted to ₱2,480,194,973 and ₱862,361,328 as at December 31, 2023 and 2022, respectively (see Note 22 – Income Taxes).

4. Due from Bangko Sentral ng Pilipinas

Due from BSP as of December 31, 2023 and 2022 is composed of the following:

	2023	2022
Mandatory reserves	₱1,498,308,888	₱1,129,499,522
Non-mandatory reserves	2,550,000,000	12,220,000,000
	₱4,048,308,888	₱13,349,499,522

The Bank maintains a non-interest bearing demand deposit account to comply with the mandatory reserve requirements of the BSP for deposit liabilities and to serve as clearing accounts for other interbank claims (see Note 12). The Bank's reserve requirement as at December 31, 2023 and 2022 is at 6% and 8%, respectively.

Non-mandatory reserves pertain to short-term placements which carry an average effective interest rate of 6.54% and 6.236% as at December 2023 and 2022, respectively. Total interest income earned in due from BSP amounts to ₱694,276,317 and ₱198,277,340 in 2023 and 2022, respectively.

5. Due from other banks

Due from other banks as of December 31, 2023 and 2022 amounted to ₱799,610,292 and ₱5,285,377, respectively. This pertains to deposits maintained with local banks and earns interest at the prevailing bank deposit rate ranging from 0.15% to 4.20% and 0.15% to 3.88% in 2023 and 2022, respectively. Total interest income earned from other bank deposit amounted to ₱5,651,689 and ₱2,435,019 in 2023 and 2022, respectively.

6. Securities at amortized cost

Securities at amortized cost pertain to investments purchased by the Bank with the intention to hold until maturity, adjusted for the amortization of accretion of premiums or discounts.

Securities at amortized cost as at December 31, 2023 consist of the following:

BSP bills	₱9,051,265,248
Fixed rate treasury notes (FXTN)	6,055,013,451
Retail treasury bonds (RTB)	2,699,478,938
	17,805,757,637
Allowance for impairment	–
	₱17,805,757,637

Total interest earned from securities at amortized cost amounted to ₱576,705,464 in 2023.

The securities have effective interest rates ranging from 5.83% to 6.95% in 2023.

7. Securities purchased under resale agreements (SPURA)

SPURA pertain to transactions with the Reverse Repurchase (RRP) Facility, which is the primary monetary instrument of the BSP.

SPURA as of December 31, 2023 and 2022 amounted to ₱1,817,305,277 and ₱1,659,140,202, respectively.

RRP yielded 5.5% to 6.39% and 2.25% to 5.50% annual interest in 2023 and 2022, respectively. Interest earned on RRP in 2023 and 2022 amounted to ₱72,513,761 and ₱21,674,802, respectively.

8. Loans and receivables, net

The account as at December 31 consists of:

	2023	2022
Gross carrying amount		
Loans	₱2,959,918,919	₱797,003,169
Accrued interest receivable	202,374,028	54,636,212
	3,162,292,947	851,639,381
Allowance for impairment		
Loans	465,164,386	140,822,535
Accrued interest receivable	23,947,603	3,147,920
	489,111,989	143,970,455
Loans receivable, net	₱2,673,180,958	₱707,668,926

Loans pertain to consumer and microenterprise loans which are short-term in nature and with monthly interest rates ranging from 1.40% to 9.99%.

Details of loans as at December 31 are as follows:

	2023	2022
Consumer loans	₱2,786,238,860	₱769,744,419
Microenterprise loans	151,191,382	27,258,750

Small and medium enterprise loans	22,488,677	–
	₱2,959,918,919	₱797,003,169

Accrued interest receivable pertains to interest from BSP placements, investment securities and loans.

Interest earned on loans and receivables in 2023 and 2022 amounted to ₱1,450,639,660 and ₱192,739,471, respectively.

The movements in allowance for credit losses on loans and receivables in 2023 and 2022 follow:

	2023	2022
Balance at beginning of period	₱143,970,455	₱–
Provisions for credit losses	868,132,487	143,970,455
Write-off	(522,990,953)	–
Balance at end of period	₱489,111,989	₱143,970,455

The tables below illustrate the movements of the allowance for credit losses on loans in 2023 and 2022 due to transfers between stages.

	2023			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loss allowance at beginning of period	₱82,377,665	₱17,372,516	₱41,072,354	₱140,822,535
New financial assets originated	638,509,057	–	–	638,509,057
Financial assets repaid or derecognized during the period (excluding write-offs)	(76,113,702)	(3,521,407)	(3,130,433)	(82,765,542)
Transfers:				
Transfer to Stage 2	(481,874,417)	536,819,359	–	54,944,942
Transfer to Stage 3	–	(507,359,716)	584,494,469	77,134,753
Impact of transfers between stages	–	54,944,942	77,134,753	132,079,695
Total net P&L charge during the period	80,520,938	80,883,178	658,498,789	819,902,905
Other movements without P&L impact				
Write-offs and other movements	–	–	(495,561,054)	(495,561,054)
	–	–	(495,561,054)	(495,561,054)
Loss allowance at end of period	₱162,898,603	₱98,255,694	₱204,010,089	₱465,164,386

	2022			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loss allowance at beginning of period	₱–	₱–	₱–	₱–
New financial assets originated	106,164,410	–	–	106,164,410
Transfers:				
Transfer to Stage 2	(23,786,745)	23,786,745	–	–
Transfer to Stage 3	–	(6,414,229)	6,414,229	–
Impact of transfers between stages	–	–	34,658,125	34,658,125
Total net P&L charge during the period	82,377,665	17,372,516	41,072,354	140,822,535
Loss allowance at end of period	₱82,377,665	₱17,372,516	₱41,072,354	₱140,822,535

Provision for credit losses on accrued interest receivables recognized in 2023 and 2022 amounted to ₱48,196,332 and ₱3,147,921, respectively. AIR written-off in 2023 amounted to ₱27,429,900.

The movements in gross carrying amount of receivables from customers between stages follow:

	2023			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Gross carrying amount at beginning of period	₱618,557,255	₱130,326,971	₱48,118,943	₱797,003,169
New financial assets originated	300,380,248,460	–	–	300,380,248,460
Financial assets repaid or derecognized during the period (excluding write-offs)	(297,689,122,947)	(26,417,266)	(6,231,443)	(297,221,771,656)
Transfers:				
Transfer to Stage 2	(711,764,872)	711,764,872	–	–
Transfer to Stage 3	–	(657,683,643)	657,683,643	–

	2023			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Write-offs and other movements	-	-	(495,561,054)	(495,561,054)
Gross carrying amount at end of period	₱2,597,917,896	₱157,990,934	₱204,010,089	₱2,959,918,919
	2022			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount at beginning of period	₱-	₱-	₱-	₱-
New financial assets originated	3,137,764,431	-	-	3,137,764,431
Financial assets repaid or derecognized during the period (excluding write-offs)	(2,340,761,262)	-	-	(2,340,761,262)
Transfers:				
Transfer to Stage 2	(178,445,914)	178,445,914	-	-
Transfer to Stage 3	-	(48,118,943)	48,118,943	-
Gross carrying amount at end of period	₱618,557,255	₱130,326,971	₱48,118,943	₱797,003,169

Undrawn loan commitments

In the normal course of operations, the Bank has outstanding commitments on unutilized credit limits of consumer and SME loans amounting to ₱1,547,720,019 and ₱551,289,190 as of December 31, 2023 and 2022 which are not presented in the accompanying financial statements. Expected credit loss on these undrawn loan commitments is disclosed under Note 14.

9. Bank premises, furniture, fixtures and equipment, net

This account consists of:

	Corporate Network Infrastructure	Computers and Peripherals	Lease Improvements	Furniture and Office Equipment	Vehicles	Total
Cost						
At January 1, 2023	₱45,019,273	₱2,777,801	₱1,845,000	₱1,260,745	₱4,560,000	₱55,462,819
Additions	-	2,824,758	2,830,000	561,489	3,348,429	9,564,676
Disposals	-	(130,095)	-	-	(2,379,321)	(2,509,416)
At December 31, 2023	45,019,273	5,472,464	4,675,000	1,822,234	5,529,108	62,518,079
Accumulated depreciation						
At January 1, 2023	(884,399)	(571,566)	(1,845,000)	(265,687)	(452,000)	(4,018,652)
Depreciation	(9,003,855)	(993,414)	(2,830,000)	(638,903)	(1,162,232)	(14,628,404)
Disposals	-	18,068	-	-	121,018	139,086
At December 31, 2023	9,888,254	1,546,912	4,675,000	904,590	1,493,214	18,507,970
Net book value						
At December 31, 2023	₱35,131,019	₱3,925,552	₱-	₱917,644	₱4,035,894	₱44,010,109

	Corporate Network Infrastructure	Computers and Peripherals	Lease Improvements	Furniture and Office Equipment	Vehicles	Total
Cost						
At January 1, 2022	₱900,000	₱-	₱1,845,000	₱733,282	₱-	₱3,478,282
Additions	44,119,273	2,777,801	-	527,463	4,560,000	51,984,537
At December 31, 2022	45,019,273	2,777,801	1,845,000	1,260,745	4,560,000	55,462,819
Accumulated depreciation						
At January 1, 2022	-	-	-	-	-	-
Depreciation	(884,399)	(571,566)	(1,845,000)	(265,687)	(452,000)	(4,018,652)
At December 31, 2022	(884,399)	(571,566)	(1,845,000)	(265,687)	(452,000)	(4,018,652)
Net book value						
At December 31, 2022	₱44,134,874	₱2,206,235	₱-	₱995,058	₱4,108,000	₱51,444,167

Depreciation is recognized under Depreciation and amortization in the statements of comprehensive loss.

Under BSP rules, investments in bank premises, furniture, fixtures and equipment should not exceed 50% of the Bank's unimpaired capital. As at December 31, 2023 and 2022, the Bank has satisfactorily complied with this requirement.

As at December 31, 2023 and 2022, the cost of fully depreciated assets which pertain to leasehold improvements amounted to ₱4,675,000 and ₱1,845,000 in 2023 and 2022, respectively.

Additions involve non-cash transactions amounting to ₱2,370,748 and ₱6,870,684 in 2023 and 2022, respectively.

10. Intangible assets, net

This account at December 31 consists of:

	Platform Development	Licenses	Software in Development	Total
Cost				
At January 1, 2023	₱409,458,057	₱34,384,719	₱-	₱443,842,776
Additions	119,514,058	-	297,151,247	416,665,305
Transfers	232,704,663	-	(232,704,663)	-
At December 31, 2023	761,676,778	34,384,719	64,446,584	860,508,081
Accumulated amortization				
At January 1, 2023	(11,101,023)	(4,426,944)	-	(15,527,967)
Amortization	(76,996,138)	(4,426,944)	-	(81,423,082)
At December 31, 2023	(88,097,161)	(8,853,888)	-	(96,951,049)
Net book value				
At December 31, 2023	₱673,579,617	₱25,530,831	₱64,446,584	₱763,557,032

	Platform Development	Licenses	Software in Development	Total
Cost				
At January 1, 2022	₱2,196,000	₱34,384,719	₱-	₱36,580,719
Additions	407,262,057	-	-	407,262,057
At December 31, 2022	409,458,057	34,384,719	-	₱443,842,776
Accumulated amortization				
At January 1, 2022	-	-	-	-
Amortization	(11,101,023)	(4,426,944)	-	(15,527,967)
At December 31, 2022	(11,101,023)	(4,426,944)	-	(15,527,967)

	Platform Development	Licenses	Software in Development	Total
Cost				
At January 1, 2022	₱2,196,000	₱34,384,719	₱-	₱36,580,719
Net book value				
At December 31, 2022	₱398,357,034	₱29,957,775	₱-	₱428,314,809

Amortization is recognized under depreciation and amortization in the statements of comprehensive loss.

The licenses pertain to acquisition of website domain amounting to ₱22,134,719 in 2022 and the cost of digital banking license obtained from BSP amounting to ₱12,250,000 in 2021.

For impairment testing purposes of the Bank's digital banking license, the cash generating unit identified is the entire of the Bank. The Bank performs its annual impairment test in December of each year unless indicators for impairment warrant earlier reassessment.

As of December 31, 2023 and 2022, the Bank performed its annual impairment test and noted no impairment.

11. Other assets, net

The account at December 31 consists of:

	2023	2022
Prepaid expenses	₱98,168,362	₱68,672,231
Receivable from sale of non-performing receivables	17,118,502	-
Documentary stamp tax	1,485,543	431,323
Security deposit	1,000,000	1,000,000
Due from related parties	725,043	804,362
Instapay clearing	-	50,620,179
Others	2,445,713	111,280
	120,943,163	121,639,375
Allowance for impairment	(304,057)	(64,363)
Other assets, net	₱120,639,106	₱121,575,012

Prepaid expenses consist of advance payment made for facility and platform subscriptions, technical outsourced costs, license and subscription, rental, and pension.

The Bank entered into sale and purchase agreements to sell its non-performing receivables amounting to ₱110,757,576 and ₱310,585,917 in August and December 2023, respectively.

Instapay clearing pertains to transactions, such as deposits and transfers to and from financial institutions, which are processed after the Instapay's cut-off time and will be settled on the next banking day.

Security deposit is long-term, refundable, and non-interest bearing.

Due from related parties pertain to operating expenses advanced by the Bank which are receivable from Maya Philippines, Inc. (MPI) and Smart Communications, Inc. (Smart).

Others pertain to the Bank's share in the initial contribution to Digital Bank Association of the Philippines, Inc. (DIBA), a non-stock, non-profit organization incorporated to promote the general welfare and safeguard the common interest of digital banks, amounting to ₱1,000,000 as at December 31, 2023.

Others likewise includes advances and receivables from employees, third parties and affiliates.

Other assets are expected to be realized as follows:

	2023	2022
Current	P118,018,306	P120,048,575
Non-current	2,924,857	1,590,800
	P120,943,163	P121,639,375

12. Deposit liabilities

Deposit liabilities at December 31 consists of:

	2023	2022
Consumer savings	P24,364,565,724	P14,465,248,058
Enterprise deposits	446,236,083	240,659,770
	P24,810,801,807	P14,705,907,828

Deposit liabilities carry average interest rate ranging from 1.5% to 15.0%. In 2023 and 2022, interest expense on deposit liabilities amounts to P1,112,621,314 and P271,708,249, respectively.

Under current and existing BSP regulations, the Bank should comply with the minimum reserve requirement on statutory/legal liquidity reserve. Further, BSP requires that all reserves be kept at the central bank.

The Bank is in full compliance with the 6% and 8% minimum reserve requirement of the BSP in 2023 and 2022, respectively.

13. Accrued expenses

The account as at December 31 consists of:

	2023	2022
Professional and outsourced cost	P83,748,429	P33,935,569
Rent, facility and platform subscription	77,004,700	81,887,699
Employee incentives	44,725,260	20,937,330
Advertisement and promotions	19,285,141	3,824,932
Interest expense	17,454,909	13,338,168
Others	3,432,158	1,089,366
	P245,650,597	P155,013,064

Accrued expenses consist of unpaid obligations to various vendors and employees that are settled within one year.

Other accrued expenses pertain to accruals for insurance, public relations, travel, utilities, communication, supplies, meeting expenses and cash transfer fees.

14. Other liabilities

The account as at December 31 consists of:

	2023	2022
Accounts payable	P143,374,283	P35,613,274
Gross receipt tax payable	58,462,398	20,567,531
Withholding taxes payable	25,684,562	18,581,218
Due to Philippine Deposit Insurance Corporation (PDIC)	24,154,136	11,568,533
Documentary stamp tax	12,604,207	9,096,964
Expected credit loss on undrawn loan commitments	2,972,756	5,577,629
Unearned income	463,570	323
Fringe benefits tax payable	77,084	100,201
Others	40,216,517	19,743,825
	P308,009,513	P120,849,498

Accounts payable includes unsettled obligations relating to local and foreign suppliers that are non-interest bearing and are generally on a 30 to 60-day term. As of December 31, 2023 and 2022, unsettled obligations related to additions of intangible assets and furniture, fixtures and equipment amounted to P110,391,513 and P6,870,684, respectively.

Due to PDIC pertains to accrual of assessments of deposit liabilities for the year.

Expected credit loss on undrawn loan commitments pertain to provision for expected losses on unutilized credit limits of borrowers amounting to P1,547,720,019 and P551,289,190 as at December 31, 2023 and 2022, respectively.

Others include deposit clearing transactions, unremitted government contributions, accrual of BSP supervision fees, and other unsettled obligations.

15. Share Capital

Details of the Bank's share capital as at December 31 follow:

	2023		2022	
	Shares	Amount	Shares	Amount
<i>Authorized</i>				
Common Stock – P100 par value	68,000,000	P6,800,000,000	68,000,000	P6,800,000,000
<i>Issued and outstanding</i>				
Balance at beginning of period	20,000,000	P2,000,000,000	10,000,000	P1,000,000,000
Issuance of stocks	22,000,000	2,200,000,000	19,000,000	1,900,000,000
	42,000,000	4,200,000,000	29,000,000	2,900,000,000
Subscription receivable	–	–	(9,000,000)	(900,000,000)
Balance at December 31	42,000,000	P4,200,000,000	20,000,000	P2,000,000,000

On January 25, 2022, PFC, VFC, and Voyager subscribed to 7,000,000 common shares of the Bank at a subscription price of ₱100 per share or a total subscription price of ₱700,000,000. This was fully paid on May 25, 2022.

On June 21, 2022, the BOD approved the increase in authorized capital stock from 20,000,000 common shares to 68,000,000 common shares, each with a par value of ₱100. This was approved by the SEC on December 19, 2022.

On August 10, 2022, PFC, VFC, and Voyager subscribed to 12,000,000 common shares of the Bank at a subscription price of ₱100 per share or a total subscription price of ₱1,200,000,000. On the same date, the Bank received a total of ₱300,000,000 representing partial payment of the shares subscription.

As at December 31, 2022, the total unpaid shares subscription amounted to ₱900,000,000. The outstanding balance of ₱600,000,000 was settled on February 17, 2023, while the ₱300,000,000 was settled on May 31, 2023.

On May 30, 2023, PFC, VFC, and Voyager subscribed to 3,000,000 common shares of the Bank at a subscription price of ₱100 per share or a total subscription price of ₱300,000,000. This was fully paid on the following day.

On August 28, 2023, PFC, VFC, and Voyager subscribed to 8,000,000 common shares of the Bank at a subscription price of ₱100 per share or a total subscription price of ₱800,000,000. This was fully paid on August 31, 2023.

On December 21, 2023, PFC, VFC, and Voyager subscribed to 2,000,000 common shares of the Bank at a subscription price of ₱100 per share or a total subscription price of ₱200,000,000. This was fully paid on December 28, 2023.

Documentary stamp taxes paid in relation to the issuance of shares amounted to ₱22,501,700 and ₱10,000,000 in 2023 and 2022, respectively.

Amendment to the articles of incorporation

Increase in authorized capital stock

On June 21, 2022, the BOD approved the increase in authorized capital stock from 20,000,000 common shares to 68,000,000 common shares, each with a par value of ₱100. The SEC approved the Bank's increase in authorized capital stock on December 19, 2022.

Regulatory Qualifying Capital

On December 2, 2020, the BSP issued Circular No. 1105, *Guidelines on Establishment of Digital Banks*. Under this Circular, digital banks are required to maintain minimum capitalization of ₱1,000,000,000. As at December 31, 2023 and 2022, the Bank is compliant with this requirement.

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements is based on the amount of its 'unimpaired capital' (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting practices which differ from PFRS in some respects.

Refer to Note 21 for discussion of the Bank's capital management activities.

	2023	2022
Instapay sending fees	₱36,351,675	₱2,152,845
Penalty fees	19,786,064	3,261,302
Other fees	96,748	-
	₱56,234,487	₱5,414,147

Other operating income, net in 2023 and 2022 consists of the following:

	2023	2022
Gain on sale of receivables <i>(Note 11)</i>	₱22,550,844	₱-
Loss on asset disposal	(89,984)	-
Other miscellaneous income <i>(Note 18)</i>	2,534,486	43,923
	₱24,995,346	₱43,923

Other miscellaneous income includes marketing fee income from co-branding partnerships *(Note 18)*.

16. Other income, net

Fees and commission income in 2023 and 2022 consist of the following:

17. Operating expenses

Professional and other service fees in 2023 and 2022 consist of the following:

	2023	2022
Outsourced cost (Note 18)	₱384,124,123	₱193,776,819
Professional fees	65,457,665	27,663,649
Consultancy fees	44,595,741	31,332,440
Cost of SMS (Note 18)	15,723,793	-
Cash transfer fees	9,700,212	677,662
Director's fees	5,500,000	4,100,000
Legal fees	5,052,364	2,556,788
Supervision fee	5,009,131	517,648
Audit fees	1,971,200	1,672,000
Market research fees	865,760	2,946,048
Recruitment fees	-	3,131,856
Others	9,746,910	3,424,282
	₱547,746,899	₱271,799,192

Outsourced cost pertains to services performed by MPI and other third party vendors for the Bank related to technical, collection, messengerial, courier and other management services.

Others consist of expenses incurred for public relations, meetings, travels and others.

Taxes and licenses in 2023 and 2022 consist of the following:

	2023	2022
Gross receipt tax	₱170,929,157	₱25,564,464
Documentary stamp tax	123,723,636	46,998,374
SEC fees	-	9,697,070
Other taxes and licenses	2,997,279	332,919
	₱297,650,072	₱82,592,827

Documentary stamp tax pertains to loans, savings, and time deposits (see Note 14).

Rent, facility and platform subscriptions in 2023 and 2022 consist of the following:

	2023	2022
Facility usage cost	₱213,285,684	₱138,897,590
Rent expense (Note 18)	2,216,600	2,083,200
	₱215,502,284	₱140,980,790

Compensation and benefits in 2023 and 2022 consist of the following:

	2023	2022
Salaries and benefits	₱201,172,103	₱105,635,188
Pension cost	6,824,562	3,811,810
	₱207,996,665	₱109,446,998

Insurance pertains to PDIC assessments and non-life insurance accrued and paid during the year.

Other administrative expenses includes payment for personnel trainings, professional development cost and other miscellaneous expenses which amounted to ₱80,317 and ₱1,986,618 in 2023 and 2022, respectively.

18. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Bank; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Bank that give them significant influence over the Bank and close members of the family of any such individual.

Terms and conditions of transactions with related parties

The services provided to and by related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and are receivable/payable on demand. There have been no guarantees provided or received for any related party receivables or payables.

The table below provides the total amount of transactions in 2023 and 2022 that have been entered with related parties:

Related Party	Classification/Transaction	2023	2022
Stockholder			
Voyager	Rent (Note 17)	₱2,189,600	₱2,083,200
Other related party			
Maya Philippines, Inc. (MPI)	Managed services (Note 17)	217,572,377	130,183,347
	Intangible assets purchased (Note 10)	215,183,557	258,641,548
	Marketing and other expenses (Note 17)	11,490,906	25,997,754
	Marketing fee income (Note 16)	344,848	-
Philippine Long Distance Telephone Company (PLDT)	Leased line (Note 17)	3,209,472	1,604,736
Smart Communications, Inc. (Smart)	Marketing fee income (Note 16)	1,637,896	-
	Cost of SMS (Note 17)	15,723,793	-

The following table provides the total balances as at December 31, 2023 and 2022 as a result of the transactions that have been entered into with related parties:

	Classification	Terms	Conditions	2023	2022
Other related party					
MPI	Due to related parties	30 days upon receipt of invoice	Unsecured	₱93,451,641	₱77,277,762
	Due from related parties	30 days upon issuance of invoice	Unsecured	337,952	804,362
Smart	Due from related parties	30 days upon issuance of invoice	Unsecured	387,091	-

Transactions with MPI

Managed services pertain to administrative support and services of MPI in certain aspects of the Bank's business operations.

MPI develops intangible assets including platform used in the Bank's operations.

The Bank entered into a co-branding partnership with MPI wherein the Bank receives a fee for every user referral and new users of the application. The user referral fee is equal to 1% per annum (p.a.) of the referrer's daily savings balance for the first 10 to 15 days while the new user fee ranges from 2% to 8.5% (p.a.) of the customer's daily savings balance for the first month of account activation. The marketing fee income from this partnership amounts to ₱344,848 in 2023 and is included under "Other operating income" in the statements of comprehensive loss.

Transactions with Smart

The Bank entered into a co-branding partnership with Smart wherein the Bank receives a fee equal to 1% of Smart postpaid subscriber's savings balance. The marketing fee income from this partnership amounts to ₱1,637,896 in 2023 and is included under "Other operating income" in the statements of comprehensive loss.

Cost of SMS refers to the charges incurred by the Bank in relation to the dissemination of text-based communications to its customers which includes offers and transactional notifications.

Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers officer positions to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures*.

The short-term employee benefits of key management personnel included under 'Compensation and benefits' in the statements of comprehensive loss amount to ₱66,996,716 and ₱40,176,713 in 2023 and 2022, respectively.

Retirement benefits of key management personnel included under 'Compensation and benefits' in the statements of comprehensive loss amount to ₱2,358,801 and ₱1,556,510 in 2023 and 2022, respectively.

Director's fees included under 'Professional and other service fees' in the statements of comprehensive loss amounted to ₱5,500,000 and ₱4,100,000 as of December 31, 2023 and 2022.

In 2022, certain employees of Maya Holdings, Inc. (formerly PayMaya Lending Corporation) transferred to the Bank. In 2023, certain employees of MPI transferred to the Bank.

19. Pension and other employee benefits

Pension

The Bank and MPI maintain a trustee-managed and tax-qualified group plan (the Plan) covering substantially all permanent and regular employees. The Plan has a defined contribution format wherein the obligation is limited to specified contributions to the Plan. Contribution by the employees is optional.

Defined Contribution Plan

Contributions to the Plan are made by the Bank based on the employees' service tenure with rates ranging from 5% to 10% of the employees' monthly salary. Additionally, the Bank also gives the employees an option to make personal contribution to the fund, at an amount not to exceed 10% of their monthly salary. The Bank then provides additional contribution to the fund ranging from 10% to 50% of the employee's contribution based on the employees' service tenure. Although the Plan has a defined contribution format, the Bank regularly monitors compliance with R.A. 7641. As at December 31, 2023 and 2022, the Bank is in compliance with the requirements of R.A. 7641.

Philippine Interpretation Committee Q&A No. 2013-03 requires the Bank's defined contribution plan to be accounted for as defined benefit plan due to the minimum retirement benefits mandated under R.A. 7641. Actuarial valuation of the Bank's pension is performed every year-end.

Based on the latest actuarial valuation, the actual present value of pension liability, net periodic benefit costs and average assumptions used in developing the valuation in 2023 and 2022 are as follows:

The average duration of the defined benefit obligation at the end of the reporting period is 17.70 years.

	2023	2022
Present value of defined benefit obligations at beginning of the period	₱5,226,200	₱-
Service costs	6,868,868	3,811,810
Transfer payments	652,433	1,763,700
Interest costs on defined benefit obligation	589,373	-
Actuarial losses – economic assumptions	84,501	-
Actuarial gains – experience	(468,046)	(349,310)
Present value of defined benefit obligations at end of the period	12,953,329	5,226,200
Changes in fair value of plan assets:		
Fair value of plan assets at beginning of the period	5,817,000	-
Contributions	7,246,932	4,135,100
Transfers	652,433	1,743,600
Interest income on plan assets	633,679	-
Return on plan assets less than discount rate	(471,858)	(61,700)
Fair value of plan assets at end of the period	13,878,186	5,817,000
Net benefit asset at end of the period	₱924,857	₱590,800
Components of net periodic pension costs:		
Service costs	₱6,868,868	₱3,811,810
Net interest income on plan assets	(44,306)	-
Net periodic pension costs*	₱6,824,562	₱3,811,810

*Presented as part of "Compensation and benefits" in the statements of comprehensive loss (see Note 17 – Operating expenses).

Changes in other comprehensive income net of tax:

	2023	2022
Actuarial losses on pension plan at beginning of the period	₱200,633	₱-
Remeasurement effects recognized in OCI, net of tax	(66,235)	200,633
Actuarial gain on pension plan at end of the period	₱134,398	₱200,633

The Bank expects to contribute approximately ₱8,618,358 to the fund in 2024.

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation:

	2023	2022
Less than one year	₱64,202	₱33,300
More than one year to five years	1,155,060	551,900
More than five years	35,156,088	26,174,200

The weighted average assumptions used to determine pension benefits for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Discount rate	6.25%	7.50%
Rate of increase in compensation	5.00%	5.00%

The overall expected rate on return on assets is determined based on the market expectations prevailing and applicable to the period over which the obligation is to be settled.

The sensitivity analysis below has been determined based on possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant:

	Increase (Decrease)	2023	2022
Discount rate	1%	(P68,653)	(P56,966)
	(1%)	282,383	152,082
Future salary increases	1%	282,383	151,037
	(1%)	(69,948)	(57,488)

Retirement Plan

The fund is being managed and invested by the Bank of the Philippine Islands (BPI) Asset Management and Trust Group, as Trustee, pursuant to an amended trust agreement dated December 27, 2019.

The Plan's investment portfolio seeks to achieve regular income and long-term capital growth and consistent performance over its own portfolio benchmark. In order to attain this objective, the trustee's mandate is to invest in a diversified portfolio of bonds and equities, both domestic and international. The portfolio mix is kept at 90% for debt and fixed income securities while 5% is allotted to equity securities.

The Bank's plan/fund assets are carried at fair value by BPI Asset Management and Trust Group.

The following table sets forth the estimated fair values of the plan/fund assets as at December 31, 2023 and 2022:

	2023	2022
Government securities	P9,399,695	P3,590,252
Cash and cash equivalents	3,122,592	311,791
Equities	609,252	271,654
Other fixed income securities	585,659	1,643,303
Unit investment trust fund	160,988	-
	P13,878,186	P5,817,000

Government securities

Government securities include Philippine peso denominated bonds with fixed interest rates from 3.30% to 6.90% and 2.10% to 6.90% per annum in 2023 and 2022, respectively.

Other securities

Other securities include mutual funds which are invested in foreign currency treasury bills.

Equities

Equities include direct equity investments in common shares listed in the PSE and mutual funds managed by Wellington equity fund. These investments earn on stock price appreciation and dividend payments.

Cash and cash equivalents

This pertains to the fund's excess liquidity in Philippine peso and U.S. dollars including investments in time deposits, money market funds and other deposit products of banks with duration or tenor less than a year.

The asset allocation of the Plan is set and reviewed from time to time by the Plan Trustee taking into account the membership profile, the liquidity requirement of the Plan and the risk appetite of the Plan sponsor. This considers the expected benefit cash flows to be matched with asset durations.

The plan assets are primarily exposed to financial risks such as liquidity risk and price risk.

Liquidity risk pertains to the plan's ability to meet its obligation to the employees upon retirement. To effectively manage liquidity risk, the Plan Trustee invests at least the equivalent amount of actuarially computed expected compulsory retirement benefit payments for the year to liquid/semi-liquid assets such as treasury notes, treasury bills, savings and time deposits with commercial banks.

Price risk pertains mainly to fluctuations in market prices of equity securities listed in the PSE. In order to effectively manage price risk, the Plan Trustee continuously assesses this risk by closely monitoring the market value of the securities and implementing prudent investment strategies.

The allocation of the fair value of plan assets is as follows:

	2023	2022
Investments in debt and fixed income securities and others	96%	95%
Investments in equity securities	4%	5%
	100%	100%

The plan assets have diverse investments and do not have any concentration risk.

20. Financial assets and liabilities

The following table sets forth the comparison by category of financial assets and liabilities at their carrying values as at December 31, 2023 and 2022:

	Financial Assets	Financial Liabilities	Total Financial Assets and Liabilities
As at December 31, 2023			
Financial Assets			
Due from BSP (Note 4)	₱4,048,308,888	₱-	₱4,048,308,888
Due from other banks (Note 5)	799,610,292	-	799,610,292
Securities at amortized cost (Note 6)	17,805,757,637	-	17,805,757,637
Securities purchased under resale agreements (Note 7)	1,817,305,277	-	1,817,305,277
Loans and receivables, net (Note 8)	2,673,180,958	-	2,673,180,958
Other assets, net* (Note 11)	22,420,431	-	22,420,431
	₱27,166,583,483	₱-	₱27,166,583,483
Financial Liabilities			
Deposit liabilities (Note 12)	₱-	₱24,810,801,807	₱24,810,801,807
Due to related parties (Note 18)	-	93,451,641	93,451,641
Accrued expenses (Note 13)	-	245,650,597	245,650,597
Other liabilities** (Note 14)	-	181,517,470	181,517,470
	₱-	₱25,331,421,515	₱25,331,421,515

*Excluding prepaid expenses (see Note 10 – Other assets)

**Excluding Due to PDIC and other government payables

	Financial Assets	Financial Liabilities	Total Financial Assets and Liabilities
As at December 31, 2022			
Financial Assets			
Due from BSP (Note 4)	₱13,349,499,522	₱-	₱13,349,499,522
Due from other banks (Note 5)	5,285,377	-	5,285,377
Securities purchased under resale agreements (Note 7)	1,659,140,202	-	1,659,140,202
Loans and receivables, net (Note 8)	707,668,926	-	707,668,926
Other assets, net* (Note 11)	52,902,781	-	52,902,781
	₱15,774,496,808	₱-	₱15,774,496,808
Financial Liabilities			
Deposit liabilities (Note 12)	₱-	₱14,705,907,828	₱14,705,907,828
Due to related parties (Note 18)	-	77,277,762	77,277,762
Accrued expenses (Note 13)	-	155,013,064	155,013,064
Other liabilities** (Note 14)	-	60,166,424	60,166,424
	₱-	₱14,998,365,078	₱14,998,365,078

Fair Value of Financial instruments

The following tables provide the fair value hierarchy of the assets and liabilities of the Bank measured at fair value and those for which fair values should be disclosed:

Due from BSP, due from other banks and securities purchased under resale agreements
Carrying amounts approximate fair values considering that these accounts consist mostly of overnight deposits.

Securities at amortized cost
The fair value of securities at amortized cost is ₱17,952,473,467 as at December 31, 2023.

Loans and receivables, net
The estimated fair value of loans and receivables represent the discounted amounts of estimated future cash flows expected to be received. Expected cash flows are discounted using current market rates of similar or comparable instruments to determine fair value.

Other assets, net
The carrying amounts of other assets approximate their fair values as at December 31, 2023 and 2022.

Deposit liabilities
The estimated fair value of deposit liabilities is the amount repayable on demand.

Due to related parties, accrued expenses and other liabilities
The carrying amounts of due to related parties, accrued expenses and other liabilities approximate their fair values as at December 31, 2023 and 2022.

21. Financial risk management objectives and policies

The Bank is committed to uphold its corporate responsibilities by maintaining an effective enterprise risk management process designed to implement a holistic and systematic approach in identifying, assessing, managing, monitoring, and reporting risks. It shall ensure that an

appropriate risk management system is in place, aligned to its business strategy, taking into consideration the target returns of its shareholders and the needs of its stakeholders.

Risk Management Structure

The BOD is responsible for the overall risk management approach and for approving the risk management strategies and principles. It sets out the strategic direction of the Bank to create an environment and structure for risk management to function effectively through the Board-level Risk Oversight & Compliance Committee (ROCCOM), which is ultimately responsible for oversight of the risk management system of the Bank. The ROCCOM is in charge of setting the risk appetite of the Bank through various limits and metrics, examining and determining the sufficiency of internal processes for reporting and managing key risk areas, and ensuring that the Bank is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

The Risk Management is led by the Chief Risk Officer (CRO) and has the overarching responsibility for formulating the Bank's risk strategy and implementing principles, frameworks, policies, and limits. The Risk team is accountable for managing risk decisions and monitoring risk levels and reports to the ROCCOM. Additionally, it is responsible for ensuring that independent control processes are in place by implementing and maintaining risk-related procedures. The team ensures that procedures adhere to the overall Framework, while also monitoring compliance with risk principles, policies, and limits across the Bank.

The Bank's policy mandates that risk management processes across the Bank are audited by the Internal Audit team, which assesses the adequacy of the procedures and the Bank's adherence to them. Internal Audit then discusses the results of all assessments with the concerned unit and reports its findings and recommendations to the Audit Committee.

The main risks arising from the Bank's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees on the policies for managing these risks.

Credit Risk

The Bank takes on credit risk, which is the risk that the Bank will incur a loss arising from its customers, clients or counterparties that fail to discharge their contractual obligations. It is the biggest risk of the Bank which is managed through sound lending practices and the establishment of controls to mitigate risks arising from its lending activities.

Credit risk is primarily managed by the Lending Unit with the assistance of the Credit Operations team and the Credit and Portfolio Management team, whereas the Credit Risk team has oversight on the management of the overall credit risk of the Bank. Through its policies and procedures, the team holds risk at a reasonable level, well within its credit risk appetite, by directing its lending activities towards the development of productive, revenue producing, and mutually rewarding long-term relationship with the clients.

Credit risk exposures

The following table shows the maximum exposure to credit risk of the Bank as at December 31, 2023 and 2022:

	2023	2022
Due from BSP	₱4,048,308,888	₱13,349,499,522
Due from other banks	799,610,292	5,285,377
Securities at amortized cost	17,805,757,637	–
SPURA	1,817,305,277	1,659,140,202
Loans and receivables, net ⁽¹⁾	2,673,180,958	707,668,926
Other assets ⁽²⁾	22,420,431	52,902,781
Undrawn loan commitments ⁽³⁾	1,544,747,263	545,711,561
	₱28,711,330,746	₱16,320,208,369

⁽¹⁾ Net of allowance for impairment on loans and receivables (see Note 8 – Loans and receivables, net)

⁽²⁾ Excluding prepaid expenses and net of allowance for impairment on other assets (see Note 11 – Other assets)

⁽³⁾ Excluding expected credit loss on undrawn loan commitments (see Note 14 – Other liabilities)

There are no collaterals held as security or other credit enhancements attached to the Bank's financial assets.

Credit quality per class of financial assets

Impairment Assessment

The Bank's impairment process involves grouping its credit exposure into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1 - those that are considered current and up to 30 days past due and based on delinquencies and payment history do not demonstrate SICR.

Stage 2 - those that, based on change in delinquencies and payment history, demonstrate SICR, but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

Definition of default

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL when it reaches more than 90 days past due.

The Bank identifies a financial asset as impaired if the financial asset has defaulted based on its definition, or the borrower is unlikely to pay in full for the credit obligations to the Bank.

At each reporting date, the Bank assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Bank compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The ECL calculation of the Bank is a function of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default. EAD represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts to be drawn at the time of default. LGD is the amount that may not be recovered in the event of default.

The Bank incorporates forward-looking information such as GDP growth into its measurement of ECL. A broad range of forward-looking information were considered for the economic inputs. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To address this, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The table below shows the gross exposure of loans per stage.

	2023	2022
Stage 1	₱2,597,917,896	₱618,557,255
Stage 2	157,990,934	130,326,971
Stage 3	204,010,089	48,118,943
	₱2,959,918,919	₱797,003,169

As of December 31, 2023, and 2022, the Bank's financial assets other than loan are classified under Stage 1.

The table below shows the Bank's ECL per stage in accordance with PFRS 9.

	2023	2022
Stage 1	₱162,898,603	₱82,377,665
Stage 2	98,255,694	17,372,515
Stage 3	204,010,089	41,072,355
	₱465,164,386	₱140,822,535

The Bank's Treasury has the primary responsibility of managing its assets and liabilities and the overall financial structure. It handles the market and liquidity risks of the Bank.

Market Risk

The Bank has not yet engaged in any trading activities. In preparation for future trading deals, the BOD has approved a model for Value-at-Risk (VaR), which uses a historical simulation approach. Additionally, Management Action Trigger (MAT) and stop loss limit methodologies have been approved by the BOD.

VaR is the worst probable loss (at a given confidence level) that could be incurred the following day. The Bank uses historical simulation as the methodology to compute VaR. In this method, daily changes in the market value of each security for the past year are obtained to calculate the worst simulated profit or loss of the portfolio. The model's parameters are as follows: confidence level = 99%, holding period = 1 day, horizon = past 1 year.

The Bank's financial assets have fixed interest rates and are not subject to interest rate risks.

Liquidity Risk

Liquidity risk arises from the Bank's inability to meet its financial obligations as they become due without incurring unacceptable losses or costs which could affect its daily operations and or its financial condition. The risk also includes the Bank's inability to manage unplanned decreases or changes in its funding sources.

Liquidity management requires a continuing measurement of daily to long-term liquidity positions. The Bank employs a range of metrics or tools, against which internal limits may be set for measuring, monitoring, and controlling liquidity risks.

The Bank's current financial assets comprise of due from BSP and other banks, securities at amortized cost, SPURA, loans and receivables and other assets. Securities at amortized cost consist of BSP bills and government securities. On the other hand, the Bank's current financial liabilities are deposit liabilities, due to related parties accrued expenses and other liabilities.

The tables below show the maturity profile of the Bank's financial assets and financial liabilities based on contractual undiscounted cash flows:

	2023				
	Current to three months	Over three months to six months	Over six months to one year	Beyond one year	Total
Financial Assets					
Due from BSP	₱4,053,093,541	₱-	₱-	₱-	₱4,053,093,541
Due from other banks	799,907,087	-	-	-	799,907,087
Securities at amortized cost	9,292,788,981	83,065,400	221,411,225	11,196,956,025	20,794,221,631
Securities purchased under resale agreements	1,818,337,183	-	-	-	1,818,337,183
Loans and receivables, net	2,881,096,418	180,208,367	26,328,528	21,040,515	3,108,673,828
Other assets, net ⁽¹⁾	20,420,431	-	-	2,000,000	22,420,431
	₱18,865,643,641	₱263,273,767	₱247,739,753	₱11,219,996,540	₱30,596,653,701
Financial Liabilities					
Deposit liabilities to related parties	₱20,194,240,276	₱4,621,795,386	₱114,899,742	₱13,791,602	₱24,944,727,006
	93,451,641	-	-	-	93,451,641

	2023				
	Current to three months	Over three months to six months	Over six months to one year	Beyond one year	Total
Accrued expenses	228,195,688	-	-	-	228,195,688
Other liabilities ⁽²⁾	194,198,775	-	-	-	194,198,775
	₱20,710,086,380	₱4,621,795,386	₱114,899,742	₱13,791,602	₱25,460,573,110

	2022				
	Current to three months	Over three months to six months	Over six months to one year	Beyond one year	Total
Financial Assets					
Due from BSP	₱13,362,452,855	₱-	₱-	₱-	₱13,362,452,855
Due from other banks	5,285,377	-	-	-	5,285,377
Securities purchased under resale agreements	1,659,545,770	-	-	-	1,659,545,770
Loans and receivables, net	713,470,667	-	-	-	713,470,667
Other assets, net ⁽¹⁾	51,902,781	-	-	1,000,000	52,902,781
	₱15,792,657,450	₱-	₱-	₱1,000,000	₱15,793,657,450
Financial Liabilities					
Deposit liabilities	₱14,705,907,828	₱-	₱-	₱-	₱14,705,907,828
Due to related parties	77,277,762	-	-	-	77,277,762
Accrued expenses	155,013,064	-	-	-	155,013,064
Other liabilities ⁽²⁾	60,166,424	-	-	-	60,166,424
	₱14,998,365,078	₱-	₱-	₱-	₱14,998,365,078

⁽¹⁾Excluding prepaid expenses (see Note 11 - Other assets)

⁽²⁾Excluding government payables (see Note 14 - Other liabilities)

Liquidity Coverage Ratio (LCR)

Pursuant to Section 145 of the Manual of Regulations for Banks (MORB), the Bank is required to have an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash without significant loss of value to support the net cumulative cash outflow for a 30-day period under stressed conditions. Under a normal situation, the Bank is required to maintain an LCR, ratio of HQLAs to total net cash outflows, not lower than 100% on a daily basis. The stock of unencumbered HQLAs is intended to maintain short-term resilience of the Bank's liquidity risk profile to withstand the significant liquidity shocks that may last over 30 calendar days. To defend against potential onset of liquidity stress, the Bank's HQLAs consist mainly of regulatory reserves (including excess reserves) and overnight and term deposits with the BSP (including reverse repurchase agreements). Since its adoption in March 2022, the main drivers of the Bank's LCR comprise the changes in the total stock HQLA as well as changes in the net cash outflows related to movements in deposits, cash inflows from maturing unsecured microenterprise and retail loans.

Net Stable Funding Ratio (NSFR)

In compliance with the Section 145 of the MORB, the Bank adopted the NSFR requirement. It is the ratio of the Bank's Available Stable Funding (ASF) to its Required Stable Funding (RSF). Its objective is to reduce the Bank's funding risk over a longer-term period by maintaining a stable funding profile in terms of its assets and off-balance sheet activities which shall complement the LCR as it takes longer view of the Bank's liquidity risk profile. The Bank maintains a NSFR well-above the regulatory minimum of 100% at all times. The Bank's capital, retail and wholesale deposits are considered its ASF whereas due from other banks – Nostro, consumer loans, loans to non-financial corporates and other microenterprise, including other assets comprise its RSF.

The Bank's liquidity position is being managed through asset – liability management activities supported by well-developed liquidity strategies and practice paralleled with sound risk management system. Aligned with this, the Bank maintains sufficiently diversified funding base in order to avoid undue concentrations by counterparty and maturity. Liquidity risk monitoring is performed on a daily basis in terms of single currency – i.e., Philippine Peso. This practice is to ensure that the Bank's operation is within the risk appetite set and to evaluate ongoing compliance with the minimum regulatory requirement of the liquidity ratios. In any case of a breach, the Bank has set up a set of policies and escalation procedures to oversee its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the Bank as at December 31:

	2023	2022
LCR	5,345%	3,118%
NSFR	641%	1,682%

From March to December 2022, less than a year of operations, the Bank's HQLAs consist purely of regulatory reserves (including excess reserves) and overnight and term deposits with the BSP (including reverse repurchase agreements). These placements are considered low risk and are of a short-term in duration, enabling the Bank to effectively manage its liquidity.

The table below shows the actual placements of the Bank with the BSP as at December 31:

	2023	2022
BSP bills	₱9,051,265,248	₱-
Term deposit	2,225,000,000	10,000,000,000
Securities purchased under resale agreements	1,817,305,277	1,659,140,202
Overnight deposit	325,000,000	2,220,000,000
	₱13,418,570,525	₱13,879,140,202

Capital Management

Capital Adequacy Ratio (CAR)

Section 102 of the MORB requires digital banks to follow set of guidelines on risk-based capital adequacy framework stipulated in Appendix 59 of the MORB, in accordance with the provisions in Basel III. Such guidelines aim to strengthen the composition of the Bank's capital by increasing the level of core capital and regulatory capital. The guidelines define the risk-based CAR of the Bank as a measure of the amount of its capital expressed as a percentage to its risk weighted assets (RWA). The CAR of digital banks, similarly for universal banks (UBs) and commercial banks (KBs) and their subsidiary banks and quasi-banks, is expressed as a percentage of qualifying capital (QC) to RWA, shall not be less than 10%.

In line with this, the Bank maintains sufficient capital to absorb unexpected losses, grow the business for it to stay stronger while satisfying regulatory requirements. The Bank aims to generate recurring acceptable returns to its shareholders' capital by setting in place policies, business strategies and activities are directed towards the generation of cashflows that are in excess of its fiduciary and contractual obligations to its depositors, various funders and stakeholders. From its first months of operations, the Bank maintains its CAR well-above 10% at all times which includes the capital conservation buffer.

The risk-based CAR of the Bank based on audited figures as at December 31 is shown in the table below:

	2023	2022
Total Qualifying capital	₱1,899,332,323	₱841,470,778
Common Equity Tier 1 capital / Tier 1 capital	1,873,355,609	835,290,883
Tier 2 Capital	25,976,714	6,179,895
Total risk-weighted assets	3,433,047,761	833,265,459
Credit risk-weighted assets	3,157,310,780	833,265,459
Operational risk-weighted assets	275,736,981	0

Common Equity Tier 1	54.57%	100.24%
Tier 1 Capital Ratio	54.57%	100.24%
Total CAR	55.32%	100.98%

Basel Leverage Ratio (BLR)

The Bank adopted the Basel Leverage Framework in compliance with Appendix 116 of the MORB. The BLR shall act as credible supplementary measure to the risk-based capital requirements. It is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), expressed as a percentage. Its monitoring was implemented as a Pillar 1 minimum requirement. The Bank maintained a regulatory ratio that is above the 5% minimum on solo basis. The BLR report is submitted quarterly along with the CAR report on solo basis. It is also being monitored monthly for internal purposes.

The BLR of the Bank based on audited figures as at December 31 is shown in the table below:

	2023	2022
Total Tier 1 capital	₱1,873,355,609	₱835,290,883
Total exposures	27,489,560,983	15,943,555,569
Basel III leverage ratio	6.81%	5.24%

22. Income tax

There is no provision for corporate income tax in 2023 and 2022 because the Bank has no taxable income subject to either the regular corporate income tax (RCIT) or minimum corporate income tax (MCIT).

Based on the National Internal Revenue Code Section 27, an MCIT is imposed on a corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operation when the MCIT is greater than the RCIT. The Bank will be subject to MCIT starting 2025.

Current tax regulations provide that the RCIT rate is 25.00%. Meanwhile, the MCIT rate is 1.00% until June 30, 2023. Any excess of the MCIT over the RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, NOLCO is allowed as a deduction from taxable income in the next three years from the date of inception.

The reconciliation between the provision for income tax at the applicable statutory income tax rate and the actual provision for income tax is as follows:

	2023	2022
Provision for income tax at statutory rate	(₱139,162,934)	(₱171,324,100)
Income tax effect of:		
Movement in unrecognized deferred tax asset	404,458,411	213,931,708
Non-deductible expenses	71,991,331	12,989,182
Income subject to final tax	(67,104,435)	(11,120,929)
Effective income tax	₱270,182,373	₱44,475,861

Meanwhile, the Bank recognized provision for final tax amounting to ₱270,182,373 and ₱44,475,861 which pertains to the final withholding tax withheld on its interest income for 2023 and 2022, respectively.

The Bank recognized deferred income tax liability amounting to ₱44,799 and ₱66,878 in 2023 and 2022 on remeasurement gains and losses from its pension plan, respectively. The deferred tax benefit amounting to ₱22,078 is recognized in other comprehensive income for 2023.

The following are the deductible temporary differences as at December 31, 2023 and 2022 for which no DTA is recognized in the statements of condition as it is not probable that the future taxable income will be sufficient against which these can be utilized:

	2023	2022
NOLCO	₱1,938,166,700	₱689,483,925
Provision for credit losses	492,388,802	149,612,447
Accrued expenses	49,639,471	23,255,128
Unrealized foreign exchange losses	-	9,828
	₱2,480,194,973	₱862,361,328

Deferred income tax asset on NOLCO of ₱36,690 and ₱8,082 was recognized in 2023 and 2022 to offset against deferred income tax liability amounting on remeasurement gains and losses from its pension plan.

Details of movement of NOLCO which may be claimed as deduction against liability from regular corporate income tax and taxable income are as follows:

Period Incurred	Amount	Expired	Balance	Expiry Date
2021	₱6,634,497	₱-	₱6,634,497	2026*
2022	682,881,757	-	682,881,757	2025
2023	1,248,797,207	-	1,248,797,207	2026
	₱1,938,313,461	₱-	₱1,938,313,461	

*Pursuant to RR No. 25-2020

The Philippine Government and Bureau of Internal Revenue has extended to five years the carry-over period for net operating losses incurred for taxable years 2020 and 2021. This is pursuant to the provision to the Section 4 of the Republic Act 11494 or the Bayanihan To Recover As One or Bayanihan Act and implementation of Revenue Regulation 25-2020.

23. Events after the reporting period

On February 28, 2024, the Bank entered into a share subscription agreement with PFC, VFC, and Voyager amounting to a total of ₱600,000,000. The table below shows the details of this transaction.

	No. of Shares	Par Value	Amount
Voyager	2,400,000	₱100	₱240,000,000
PFC	1,800,000	100	180,000,000
VFC	1,800,000	100	180,000,000

The subscription price was fully settled on February 28, 2024.

Amendment to the articles of incorporation

Increase in authorized capital stock

On March 20, 2024, the BOD approved the increase in authorized capital stock from 68,000,000 common shares to 168,800,000 common shares, each with a par value of ₱100. The Bank shall file the application with the SEC upon obtaining the necessary approval from the BSP. The related share subscription agreements shall be finalized and approved in 2024.

24. Supplementary information required under Manual of Regulations for Banks

Presented below is the supplementary information for 2023 and 2022 as required by Manual of Regulations for Banks dated February 7, 2020 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Basic quantitative indicator of financial performance

The following basic ratios measure the financial performance of the Bank:

	2023	2022
Return on average equity	(39.40%)	(64.64%)
Return on average assets	(3.25%)	(8.40%)
Net interest margin	7.20%	1.72%

Description of capital instruments issued

As at December 31, 2023 and 2022, the Bank has common capital stock as follows:

	2023		2022	
	Shares	Amount	Shares	Amount
<i>Authorized</i> Common Stock – ₱ 100 par value	68,000,000	₱6,800,000,000	68,000,000	₱6,800,000,000
<i>Issued and outstanding</i> Balance at beginning of period	20,000,000	2,000,000,000	10,000,000	1,000,000,000
Issuance of stocks	22,000,000	2,200,000,000	19,000,000	1,900,000,000
	42,000,000	4,200,000,000	29,000,000	2,900,000,000
Subscription receivable	-	-	(9,000,000)	(900,000,000)
Balance at December 31	42,000,000	₱4,200,000,000	20,000,000	₱2,000,000,000

Significant credit exposures

The BSP considers that loan concentration exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. Breakdown by industry as at December 31 is as follows:

	2023		2022	
<i>Concentration by industry</i>	Amount	%	Amount	%
For household consumption	₱2,786,238,860	94.1%	₱769,744,419	96.6%
Other service activities	152,064,452	5.1%	27,258,750	3.4%
Wholesale and retail trade, repair of motor vehicles, motorcycles	11,805,472	0.4%	-	0.0%
Accommodation and food service activities	7,697,945	0.3%	-	0.0%
Professional, scientific and technical activities	833,334	0.0%	-	0.0%
Administrative and support service activities	620,093	0.0%	-	0.0%
Manufacturing	451,933	0.0%	-	0.0%
Human health and social work activities	206,830	0.0%	-	0.0%
Total	₱2,959,918,919	100.0%	₱797,003,169	100.0%

The Bank controls and manages identified concentration of credit risks.

Breakdown of total loans as to security

Breakdown of total loans as to security as at December 31 is as follows:

	2023		2022	
	Amount	%	Amount	%
Unsecured	₱2,959,918,919	100%	₱797,003,169	100%
Secured	-	0%	-	0%
Total	₱2,959,918,919	100%	₱797,003,169	100%

Breakdown of total loans as to status

Breakdown of performing and non-performing loans, net of allowance for impairment, as at December 31 is as follows:

	2023	2022
Performing loans	P2,755,908,830	P748,884,226
Non-performing loans (NPL)	204,010,089	48,118,943
	2,959,918,919	797,003,169
Allowance attributable to performing loans	261,154,297	99,750,180
Allowance attributable to NPL	204,010,089	41,072,355
	465,164,386	140,822,535
Net carrying amount	P2,494,754,533	P656,180,634

Information on related party loans

As required by the BSP, the Bank discloses loan transactions with its affiliates, investees and with certain directors, officers, stockholders and related interests (DOSRI). Under existing banking regulations, the limit on the amount of individual loans to DOSRI, of which 70.00% must be secured, should not exceed the regulatory capital or 15.00% of the total loan portfolio, whichever is lower. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations.

BSP Circular No. 423, dated March 15, 2004, amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to said Circular, and new DOSRI loans, other credit accommodations granted under said Circular:

	2023		2022	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	P0	P0	P573,846	P573,846
Percent of DOSRI/Related party loans to total loan portfolio	0.00%	0.00%	0.00%	0.00%
Percent of unsecured DOSRI/Related party loans to total loan portfolio	0.00%	0.00%	0.00%	0.00%
Percent past due DOSRI/Related party loans to total loan portfolio	0.00%	0.00%	0.00%	0.00%
Percent of non-performing DOSRI/Related party loans to total loan portfolio	0.00%	0.00%	0.00%	0.00%

In 2022, the total DOSRI loans includes fringe benefits amounting to

P567,186 that are excluded in determining the compliance with the individual ceiling under Section 344 of the MORB. Accordingly, this amount is excluded in the computation of percentage of unsecured DOSRI loans to total portfolio.

Amount of secured liabilities and assets pledged as security

As at December 31, 2023 and 2022, the Bank has no secured liabilities and none of the Bank's assets are pledged as security.

Commitments and contingencies arising from off-balance sheet items

The Bank has commitments to extend credit amounting to P1,547,720,019 and P551,289,190 as at December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Bank does not have outstanding contingent liabilities.

25. Supplementary information under RR-15-2010

On December 28, 2010, RR 15-2010 became effective and amended certain provisions of RR 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS.

Below is the additional information required by RR 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements.

The Bank reported the following under 'Taxes and licenses' in the statement of comprehensive loss for the year:

	2023
Documentary stamp tax	P123,723,636
Gross receipt tax	170,929,157
Business Tax	2,674,171
Fringe Benefit Tax	318,273
Other taxes and licenses	4,835
	P297,650,072

Documentary Stamp Tax

The Bank paid documentary stamp taxes on the following transactions during the year:

	2023
Loans, savings and time deposits	P137,249,557
Subscription agreements	22,501,700
	P159,751,257

Documentary stamp taxes paid include those borne by the borrowers amounting to P13,535,644 and P2,053,171 in 2023 and 2022, respectively, thus not recorded as expense by the Bank.

Gross Receipt Tax

The Bank's remittances of gross receipt taxes and amount outstanding as of year-end amounted to P168,332,744 and P58,462,398, respectively.

All Other Local and National Taxes

All other taxes, local and national, including other license and permit fees paid for the year ended December 31, 2023, consist only of registration and other license fees.

Withholding Taxes

The following table summarizes the withholding taxes paid, accrued and/or withheld as of and for the year ended December 31, 2023:

	Remittances	Outstanding balance
Final withholding tax	₱222,529,570	₱17,543,854
Withholding tax on compensation	39,281,337	5,475,031
Expanded withholding tax	17,049,884	2,626,005
Withholding VAT	466,531	39,672
Fringe benefit tax	318,273	77,084
Total	₱279,645,595	₱25,761,646

Tax Assessment

The Bank does not have any pending BIR Audit as of December 31, 2023.

Tax Cases

The Bank does not have any pending cases for deficiency taxes As of December 31, 2023.

Contact Information

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