



ANNUAL REPORT

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A Decade of Unity:
Celebrating Our Strength,
Shaping Our Future



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TEN YEARS. ONE PURPOSE. **LIMITLESS** POSSIBILITIES.

TOGETHER,
WE CAN!



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Shaping Our Future



TEN YEARS. ONE PURPOSE. **LIMITLESS** POSSIBILITIES.



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VISION

We envision MCCB to be the bank of choice of cooperatives, farmers, fishermen, small entrepreneurs, and other clients, helping them fulfill their dreams and aspirations.

MISSION

We commit ourselves to provide efficient, responsive, and innovative financial services to institutional and individual clients, achieve a reasonable return of investment for our shareholders, promote the professional growth and well-being of our officers and staff, and contribute to the development of the communities we serve.

CORE VALUES

In accomplishing our mission, we adopt as our guiding light, the universal cooperative values of self-help, self-responsibility, democracy, equality, equity, and solidarity. We shall run our business in accordance with the ethical values of honesty, openness, social responsibility, and caring for others.

CORPORATE PROFILE

Mindanao Consolidated Cooperative Bank (MCCB) is a leading financial institution that offers a wide range of banking services to individuals and businesses, especially cooperatives, farmers, fisherfolks, and microentrepreneurs. It was established in 2016 through the consolidation of Cooperative Bank of Agusan Norte (COBAN), Bukidnon Cooperative Bank (BCB), and the lead bank, Cooperative Bank of Misamis Oriental (CBMO). It has since grown to become one of the most trusted and reputable cooperative banks in the country.

MCCB has a strong capital base and a highly skilled workforce that is dedicated to providing quality service to customers. Banking services offered by MCCB include personal and business banking, loans, and investments. It has invested heavily in technology to ensure that its services are secure and efficient. It also has an online banking platform that allows customers to access their accounts from anywhere.

At present, MCCB has 21 branches and 2 branch-lite units, scattered in strategic locations in Mindanao. These branches are supported by twenty-nine (29) automated teller machines (ATMs).

At MCCB, customer satisfaction is a top priority. The Bank has a team of experienced customer service representatives who are always available to assist customers with any banking needs they may have. The Bank also offers personalized banking services that cater to the unique needs of each customer.

As part of its commitment to giving back to the community, MCCB has an active Corporate Social Responsibility (CSR) program that supports various charitable causes. It also sponsors educational and cultural events that benefit the wider community.

In summary, MCCB remains a trusted and customer-oriented financial institution committed to delivering accessible, reliable, and innovative banking services. With its strong financial foundation, dedicated workforce, expanding network, and commitment to community development, the Bank continues to be a preferred banking partner for individuals, businesses, and cooperatives across Mindanao.

Brief Discussion of the Bank's Vision

The mandate of a cooperative bank is to support the marginalized sectors of the community by providing them access to a wide range of banking services offered by MCCB. This aligns with the Bangko Sentral ng Pilipinas' (BSP) financial inclusion agenda by reaching out to unbanked individuals and extending financial services through the bank's diverse financial products.

Brief Discussion of the Bank's Mission

The bank's mission is anchored on delivering fulfillment and satisfaction to its customers, shareholders, and employees. It remains responsive and innovative in ensuring that these stakeholders benefit from its operations and overall performance. Additionally, the bank provides credit and other essential banking services that contribute to the socio-economic development of the communities it serves.

Introduction of the Bank's Brand

MCCB offers a wide range of loan products, including SME, agricultural, and salary loans, as well as various savings options such as ATM savings, time deposits, and regular savings accounts. Over the years, MCCB has played a vital role in bridging the financial gap by empowering individuals and communities through reliable and accessible financial services. The bank remains committed to meeting the evolving needs of both depositors and borrowers, serving as a trusted partner for their financial goals and investments. Looking ahead, MCCB will introduce innovative products and services aligned with sustainable development goals, including environmental, social, and green loans.

MCCB Business Model

As a cooperative bank, MCCB engages in traditional banking operations, primarily deposit-taking and loan services. The Bank accepts public deposits by offering competitive interest rates and lends these funds to borrowers at higher lending rates — an approach that reflects the fundamental business model shared by commercial, universal, thrift, development, and rural/cooperative banks alike. MCCB is also licensed as a receiver and sender of Instapay fund transfers, enabling seamless real-time transactions between MCCB and other Instapay-enabled financial institutions. In line with its commitment to provide accessible and customer-centric services, MCCB offers a variety of digital and conventional banking solutions, including ATM services, a mobile banking application, and GCash-enabled loan payment, ensuring that clients enjoy convenient, secure, and innovative banking experiences.



PRODUCTS & SERVICES

Loan and Credit Services



AGRI LOAN



TRAVEL LOAN



AUTO LOAN

- Truck Loan
- Motorcycle Loan
- Consumer's Loan
- Pension Loan
- OFW's & Seaman's Loan

- Salary Loan
- Loan Against Deposit
- Revolving Credit Line
- Solar Energy Loan **NEW**



SME LOAN



HOME LOAN



JEWELRY LOAN

Deposit Products



Savings Deposit
0.375% per annum



ATM Account
0.375% per annum



Checking Account
0.125% per annum



Payroll Servicing
Facility



Time Deposit
Minimum deposit of P10,000
Earns up to 5.50% per annum

BRANCHES & BRANCH-LITE UNITS

- | | | |
|---------------------------------|--------------------------|------------------------|
| 1. Cagayan de Oro - Main Branch | 7. Davao Branch | 15. Panabo Branch |
| • Carmen Moneyshop BLU | 8. General Santos Branch | 16. Prosperidad Branch |
| 2. Villanueva Branch | 9. Gingoog Branch | 17. Puerto Branch |
| • Balingasag BLU | 10. Iligan Branch | 18. Quezon Branch |
| 3. Alae Branch | 11. Kibawe Branch | 19. Surigao Branch |
| 4. Alubijid Branch | 12. Malaybalay Branch | 20. Tagum Branch |
| 5. Butuan Branch | 13. Manticao Branch | 21. Valencia Branch |
| 6. Calinan Branch | 14. Maramag Branch | |

Message from the CDA Chairperson

Warmest greetings to the Officers, Board of Directors, Management, Staff, and Member-Owners of the Mindanao Consolidated Cooperative Bank (MCCB) as you celebrate your 10th Annual General Assembly.

It is with great pride and solidarity that we join you in commemorating a decade of unity under the inspiring theme, “A Decade of Unity: Celebrating Our Strength, Shaping Our Future.”

Your journey is a testament to the transformative power of cooperation. From your historic consolidation in 2012 — bringing together the Cooperative Bank of Misamis Oriental, Bukidnon Cooperative Bank, and Cooperative Bank of Agusan del Norte — MCCB has exemplified how unity can create stronger, more resilient institutions capable of serving broader communities.

Over the years, you have steadily grown into one of the country’s leading cooperative banks, now serving tens of thousands of members and supported by hundreds of cooperative stakeholders, with a robust network of branches and financial services across Mindanao. This achievement reflects not only sound governance and financial stewardship, but also your unwavering commitment to cooperative values — self-help, democracy, equity, and solidarity.

We commend MCCB for its vital role in advancing financial inclusion—particularly among farmers, fisherfolk, and small entrepreneurs—sectors that are often underserved yet essential to national development. Your continued expansion of accessible banking services, innovative financial products, and community-oriented programs demonstrates your dedication to uplifting lives and strengthening local economies.

The Cooperative Development Authority stands with you in this journey. Together, let us continue to champion a cooperative sector that is inclusive, resilient, and future-ready.

Congratulations on your 10th Annual General Assembly, and may your unity continue to be your greatest strength in shaping a brighter and more prosperous future for all.

Mabuhay ang MCCB! Mabuhay ang Kilusang Kooperatiba!


USEC. ALEXANDER B. RAQUEPO
Chairperson



Message from the City Mayor

My warmest greetings to the Board of Directors, Management, Shareholders, and the entire membership of the Mindanao Consolidated Cooperative Bank (MCCB) as you gather for your 10th Annual General Assembly.

Reaching a decade of service is a milestone that speaks volumes about your integrity and heart. It is a testament to the resilience of every cooperator who understands that we are always stronger together than we are alone. Your theme, “A Decade of Unity: Celebrating Our Strength, Shaping our Future,” resonates deeply with us here in Cagayan de Oro, as it mirrors our own spirit of bayanihan and shared growth.

As you look back on the successes of 2025 and lay the groundwork for 2026, I want to thank MCCB for being more than just a financial institution. You have been a steady hand for our local entrepreneurs and a bridge to better opportunities for many Kagay-anon and Mindanaoan families. By keeping the “cooperative” spirit at the center of your operations, you ensure that progress is felt by everyone, not just a few.

May this assembly be a time of meaningful reflection and bold planning. I look forward to seeing MCCB continue to flourish, helping us build a more inclusive and prosperous future for our city and the whole of Mindanao.

Congratulations and Mabuhay!

HON. ROLANDO UY
City Mayor



Message from the Governor

Warm greetings to the officers, members, and partners of the Mindanao Consolidated Cooperative Bank (MCCB) as you gather for your 10th Annual General Assembly carrying the theme, “A Decade of Unity: Celebrating Our Strength, Shaping Our Future.”

Ten years of service is something truly worth celebrating. It reflects years of trust earned, relationships built and communities strengthened through cooperation and shared responsibility.

MCCB's journey over the past decade is proof that when people choose unity over individualism, progress becomes possible even in challenging times. Cooperatives have always played an important role in helping ordinary families move forward; not through grand promises, but through steady and meaningful support that people can truly feel in their everyday lives.

Many of our small entrepreneurs, farmers, workers and community members rely on institutions like MCCB not only for financial assistance, but also for stability and hope. A small loan can help keep a negosyo alive. Access to savings can help parents prepare for their children's future. Support from cooperative banking allows communities to become more resilient and self-reliant. This is progress with a human face.

As the Governor of the uniquely celebrated Province of Misamis Oriental, I am guided by a vision we call BANGON! Mis. Or.; a call for our province to rise together through: Barangay empowerment and strengthening; Appropriate approach to agriculture development; Noble health and social services delivery; Good and transparent governance; Opportunity for all in livelihood and employment; and Notable programs for youth development. These priorities find natural allies in institutions like MCCB, whose work proves that development is strongest when people act collectively and with purpose.

This is why the role of cooperatives and cooperative banks remains very important. Organizations like MCCB help empower people at the grassroots level. You create opportunities in places where they are most needed. You strengthen local economies. You help families become more financially secure and more confident about their future.

Your theme this year speaks not only about celebrating past achievements, but also about preparing for what lies ahead. The next decade will bring new challenges, but also new opportunities to expand your reach and deepen your impact on the lives of the people you serve.

As you hold this General Assembly, may you continue to lead with integrity, protect the trust of your members and remain faithful to the cooperative spirit that brought MCCB this far.

Congratulations on your 10th Annual General Assembly and thank you for continuing to be partners in uplifting our communities and helping Misamis Oriental move forward together.

DAGHANG SALAMAT UG MABUHAY ANG MCCB.

GOVERNOR JULIETTE T. UY
Province of Misamis Oriental



Message from the LBP President and CEO

On behalf of LANDBANK, I extend my warmest congratulations to the Board of Directors, Management Team, and members of the Mindanao Consolidated Cooperative Bank (MCCB) as you celebrate your 10th Annual General Assembly.

Your decade of unity and shared purpose has transformed MCCB into a stronger and more responsive partner to your communities. What began as a strategic consolidation of cooperative banks in 2016 has grown into a solid and forward-looking institution.

Over the past ten years, MCCB has steadily expanded its reach across Mindanao, bringing accessible and responsive financial services closer to communities. Your continued support for agriculture, microenterprises, and local livelihoods underscores the vital role of cooperative banks in driving inclusive growth and strengthening regional economies.

At LANDBANK, we share your commitment to strengthening cooperative banking as a vital partner in countryside development. This shared foundation of collaboration and purpose positions MCCB to further expand its impact and reach in the years ahead.

As MCCB continues to grow, LANDBANK remains a committed partner in advancing financial inclusion and countryside development. Together, we can broaden opportunities, empower more Filipinos, and help build a more inclusive and progressive Philippines.

We wish you continued success as you carry forward this momentum toward even greater achievements in the years ahead.

Congratulations on a decade of purposeful service, and on the many milestones yet to come.

Mabuhay ang MCCB!


LYNETTE V. ORTIZ
LBP President and CEO



STATE OF

THE BANK

As of December 31, 2025

NAVIGATING OUR 2025 FOOTPRINTS

The year 2025 became another testament to the resilience of our institution.

Despite economic headwinds, MCCB continued to pursue stability and responsible growth. We strengthened our operational discipline, enhanced compliance initiatives, and continued our commitment to prudent banking practices. Our branches remained committed to serving clients efficiently while balancing risk management and customer service.

This year also highlighted the increasing importance of digital transformation and regulatory adaptability. As banking regulations become more technology-driven, institutions like ours are continuously challenged to modernize systems, improve reportorial mechanisms, and strengthen cybersecurity and data integrity. In this regard, our network of twenty-nine (29) ATM terminals, along with our mobile banking application, has continued to provide reliable and convenient access to financial services — serving our members not only within the locality but also wherever they may be in the world.

We acknowledge that these transitions are not always easy, especially for a community-based bank operating within limited resources compared to larger commercial institutions. The implementation of new reportorial requirements, evolving compliance expectations, and technology integration efforts required extraordinary dedication from our officers and employees.

Still, MCCB chose progress over hesitation.

We continued to invest in system improvements, strengthen coordination with regulatory agencies, and enhance our internal controls to ensure that our operations remain compliant, transparent, and sustainable. While there were operational challenges along the way, what mattered most was our willingness to respond proactively, improve continuously, and move forward collectively.

Throughout the years, one of the values that has continuously sustained MCCB is our belief that banking is more than just numbers and transactions. Every account we handle represents a story, a purpose, and a responsibility.

Behind every deposit account is a family seeking security and peace of mind. Behind every loan is a dream — a livelihood to sustain, an education to pursue, a farm to cultivate, a business to expand, or a future to build. Behind every transaction is trust. And it is this same trust, nurtured through years of service, integrity, and commitment, that continues to be the true foundation of MCCB's strength, stability, and enduring relevance in the communities we serve.

2026 OPERATIONS OUTLOOK: RISKS, RESILIENCE, AND OPPORTUNITIES

As we move forward, we recognize that the future of banking will demand greater adaptability.

The years ahead will require stronger digital capabilities, faster operational responsiveness, stricter compliance standards, and deeper financial inclusion efforts. Competition within the banking sector will continue to intensify, while economic and geopolitical uncertainties may remain unpredictable.

Looking ahead to 2026, emerging global risks—including renewed energy market volatility and potential oil supply pressures—may contribute to inflationary trends and higher operating costs. While these developments are external to our control, they underscore the importance of proactive risk management, operational efficiency, and financial resilience.

At the same time, the evolving political and economic landscape in the Philippines will continue to shape regulatory priorities, fiscal policies, and overall market confidence. MCCB must remain vigilant, compliant, and adaptive in responding to these developments.

However, the future also presents opportunities.

Opportunities to modernize. Opportunities to strengthen community partnerships. Opportunities to expand financial literacy. Opportunities to empower local entrepreneurs, farmers, workers, and families. Opportunities to redefine what a community-centered bank can achieve.

MCCB's future will not simply depend on technology or financial capital. It will depend on our unity.

Unity in leadership. Unity in purpose. Unity in accountability. Unity in service.

As we shape the future of MCCB, we must continue building a culture anchored on integrity, professionalism, innovation, and compassion. We must remain disciplined in governance, responsible in decision-making, and responsive to the changing needs of our communities.

This is our challenge and our responsibility.

The global economy may continue to experience uncertainty. Fuel prices and energy markets may remain volatile. Political dynamics may continue to influence markets and public confidence. Regulatory demands may continue to evolve.

But MCCB has already proven throughout the years that resilience is part of our identity.

And now, as we celebrate our strength, we also prepare to shape our future.

For a decade, we stood together.
For a decade, we remained steadfast in our commitment to serve.
For a decade, we transformed challenges into opportunities for growth and progress.

And now, as we begin a new chapter for MCCB, we reaffirm our commitment to continue building on that legacy — with the same unity, resilience, and dedication that have carried this institution through the years. We move forward with confidence, determined to serve our communities better, strengthen our institution further, and shape a future founded on trust, stability, and shared purpose.

A future where MCCB becomes even more responsive, more innovative, more inclusive, and more resilient. A future where our institution continues to be a trusted financial partner of our cooperatives, fisherfolks, farmers, small entrepreneurs as well as the local community. A future where our unity becomes the foundation of sustainable growth.



To our valued MCCB Stakeholders:

As we reflect on another meaningful year in the life of MCCB, we do so with pride, gratitude, and renewed determination. Our theme for this year, *"A Decade of Unity: Celebrating Our Strength, Shaping Our Future,"* is more than a commemorative statement. It is a recognition of the journey we have taken together — a decade marked by resilience, sacrifice, collaboration, and unwavering commitment to our mission as a cooperative bank.

Over the past ten years, MCCB has grown not merely in numbers, but more so in character. We have weathered economic slowdowns, natural calamities, operational transitions, changing regulations, and unprecedented global disruptions. Yet despite every challenge, we remained standing because our foundation has always been anchored on unity — unity among our Board, management, employees, depositors, borrowers, and the communities who continue to trust us.

As we look back on our 2025 operations, we recognize that this year has not been easy for the banking industry, particularly for cooperative and rural financial institutions operating in increasingly uncertain economic conditions. Rising fuel prices and global energy market volatility during 2025 continued to place inflationary pressure on basic commodity prices and household budgets. These conditions directly affected our borrowers, depositors, and the broader communities that we serve.

At the same time, the political environment in the Philippines remained dynamic and, at times, uncertain. National discussions surrounding governance, fiscal policy, regulatory reforms, inflation management, and public accountability influenced investor confidence and overall economic sentiment. Businesses remained cautious, consumers remained price-sensitive, and financial institutions continued to navigate heightened regulatory expectations.

Yet, amidst these external pressures, MCCB remained focused on its responsibility: to stay financially sound, operationally responsive, and socially relevant.



Acknowledgement

In recognizing this decade of continued growth and success, we honor the people who made this institution strong.

To our Board of Directors, thank you for your guidance, stewardship, and commitment to sound governance.

To our management team and employees, thank you for your hard work, sacrifices, and perseverance. Your dedication — often beyond regular hours and under challenging conditions — continues to sustain the operations of this institution.

To our clients, depositors, borrowers, and stakeholders, thank you for your confidence in MCCB. Your trust motivates us to keep improving and to remain worthy of the responsibility entrusted to us.


Mansueto V. Dela Peña
Chairperson


Myrna A. Sescon
President

MCCB Financial and Operational Highlights

Overall Operational Performance



Our Bank continued to demonstrate stable financial growth and operational resilience in 2025, successfully navigating an evolving economic landscape.

Our total assets increased by 6% compared to the previous year, posting an ending balance of ₱3.58 billion.

Meanwhile, our deposit generation posted a strong 19% growth, closing a year-end Deposit Liabilities of ₱2.56 Billion — a clear

indication of the enduring confidence and trust of our valued depositors and stakeholders.

At the same time, MCCB achieved a total loan generation of ₱1.44 billion bringing the total Loan Portfolio to ₱2.15 Billion for the year ending 2025. This reflects our continuing commitment to address the financial needs of our 35,688 members and patrons composed of cooperatives, small entrepreneurs, farmers, fishermen, and workers.

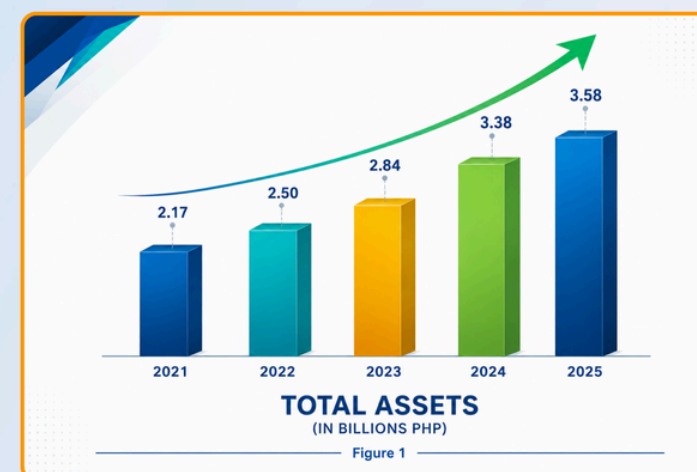
Our share capital likewise increased by 6%, further strengthening the Bank's capital foundation and reinforcing the collective participation and ownership of our members in its growth. Behind these accomplishments stands our workforce of 311 dedicated employees whose hard work, professionalism, and commitment ensured the smooth delivery of operations and transformed our mission of service into meaningful realities for our clients and stakeholders.

As a result of these combined efforts, MCCB posted a Net Surplus of ₱23.29 Million for the year ended 2025. These figures are more than indicators of performance; they represent lives empowered, opportunities created, and communities strengthened through accessible and responsible banking services.

Total Liabilities had increased against the previous year due to the increase of Deposit Liabilities, despite paying off some of the bills payable rediscount with LandBank and the other liabilities. Equity had also rose due to the impact of increase in Capital Shares and the Net Surplus gained for the year.

Particulars	2025	2024	VAR	% INC (DEC)
ASSETS				
Cash and Other Cash Items	799.59	769.89	29.71	4%
Loans and other receivables - net	2,325.82	2,146.87	178.95	8%
Investment Properties-net	242.82	244.67	(1.85)	(1%)
BPFEE-net	133.17	138.67	(5.50)	(4%)
Goodwill	7.66	7.66	0.00	0%
Other Assets	73.24	69.76	3.48	5%
TOTAL ASSETS	3,582.30	3,377.52	204.78	6%
LIABILITIES				
Deposit Liabilities	2,563.64	2,152.70	410.94	19%
Bills Payable	274.76	468.42	(193.67)	(41%)
Other Payables	368.96	403.25	(34.28)	(9%)
TOTAL LIABILITIES	3,207.36	3,024.37	182.99	6%
EQUITY				
Common Share	265.27	262.48	2.79	1%
Preferred Share	64.32	64.00	0.32	1%
Surplus Reserves	21.53	20.98	0.55	3%
Surplus Free	23.81	5.68	18.13	319%
TOTAL EQUITY	374.94	353.15	21.79	6%
TOTAL LIABILITIES & EQUITY	3,582.30	3,377.52	204.78	6%

Table 1



Over the past 5 years, the total Assets have climbed from ₱2.17 billion in 2021 to ₱3.58 billion in 2025, which is a ₱1.41 billion difference or an average yearly growth of ₱282 million, maintaining MCCB's status as one of the top 10 largest cooperative banks in the Philippines by asset size.

MCCB's strategic focus on optimizing core and non-core revenue streams allowed the institution to maintain solid profitability while aggressively managing inherent credit risks. As reflected in the Comparative Statement of Comprehensive Income (Table

2), the Bank maintained robust core operations, recording a Net Interest Income of ₱192.52 million. This stable baseline performance ensured that the Bank remained financially resilient, even as it dramatically increased its defensive credit provisions and addressed operational challenges during the year.

The Bank allocated a total of ₱57.08 million in provisions for credit losses to align with the Bank's own loan loss methodology.

As part of its commitment to conservative risk management, MCCB recognized ₱57.08 million in provisions for credit and impairment losses during the fiscal year. Offsetting these provisions was a strong performance in non-interest operations, where other operating income grew by 29% to close at ₱159.82 million. Total operating expenses experienced a modest 7% upward adjustment (₱17.42 million), a variance largely attributed to one-time charges recognized from cyber losses and the capital expenditures aimed at mitigating cyber risks.

Particulars	2025	2024	VAR	% INC (DEC)
INTEREST INCOME				
Loans and other receivables	2,325.82	2,146.87	178.95	8%
Due from other banks	2.92	1.08	1.84	171%
Investment securities	242.82	244.67	(1.85)	(1%)
TOTAL INTEREST INCOME	2,571.56	2,392.62	178.94	7%
INTEREST EXPENSE				
Deposit liabilities	(2,563.64)	(2,152.70)	(410.94)	19%
Bills Payable	(274.76)	(468.42)	193.67	(41%)
Other Payables	(368.96)	(403.25)	34.28	(9%)
TOTAL INTEREST EXPENSE	(3,207.36)	(3,024.37)	(182.99)	6%
NET INTEREST INCOME	(635.80)	(631.75)	(4.05)	1%
Provision for Credit and Impairment Losses	(57.08)	(29.01)	(28.07)	97%
NET INTEREST INCOME AFTER PROVISIONS	(692.88)	(660.76)	(32.12)	5%
Other Operating Income	159.82	123.48	36.35	29%
Other Operating Expenses	(271.98)	(254.56)	(17.42)	7%
TOTAL COMPREHENSIVE INCOME	(805.04)	(791.84)	(13.20)	2%

Table 2

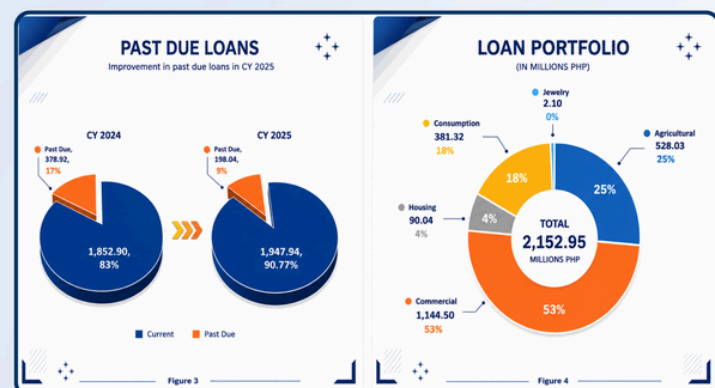
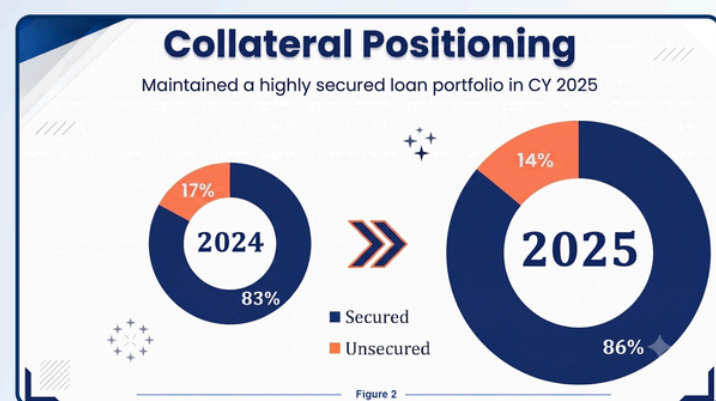
Regardless, the Bank's net income for the year stood at ₱23.29 million, showing a marginal decline of ₱4.72 million compared to the previous year's ₱28.01 million.

Lending Operations

The Lending operations also continued to expand with a proactive approach in enhancing strategies to battle the market pressures and various operational challenges in 2025.

For the fiscal year ended December 31, 2025, MCCB achieved a total accumulated loan release of ₱1.44 billion, effectively deploying critical capital and financial needs across 4,646 accounts.

The continued strategic shift toward secured lending resulted in a more protected loan portfolio. Driven by a disciplined approach to risk-mitigated growth, the bank increased its concentration in asset-backed credit. Secured loans rose to 86% of the total loan portfolio—marking a 3% expansion from the 83% recorded in 2024. This left unsecured exposures at a highly manageable 14%, creating a robust buffer against unexpected credit losses.



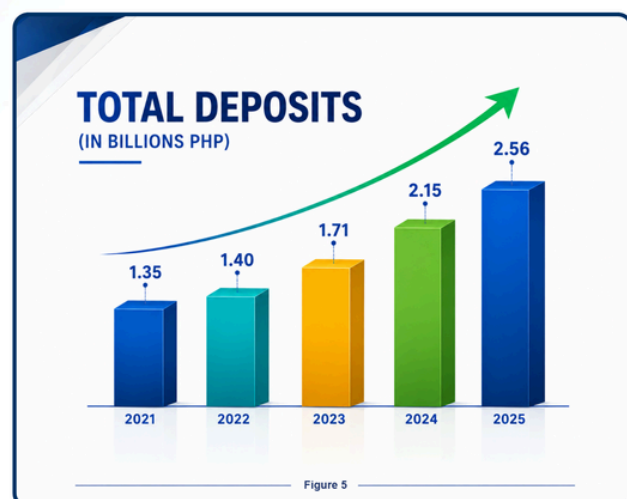
The loan portfolio still largely focused on commercial loans for the Micro, Small, and Medium Enterprise (MSMEs) which made up 53% of the loan pie, followed by agricultural loans at 25%, consumption loans at 18% and the rest of the type of loan at 4%.

As a direct consequence of enhancing underwriting criteria, credit risk assessment matrices, and intensive collection efforts, asset quality experienced a remarkable

turnaround. MCCB's Past Due Ratio declined sharply from 16.82% in 2024 to 9.23% in 2025. This successful single-digit migration demonstrates the efficacy of MCCB's enhanced credit risk management framework in addressing inherent operational uncertainties and legacy non-performing assets.

Branch Banking Operations and Deposit Generation

As shown in Figure 5, the 5-year deposit trend of the Bank can be credited to the extensive marketing strategy and action plans of the Branch Banking Group, which resulted to a significant increase in deposit mobilization in 2025. Total deposit liabilities rose by ₱410.94 million, representing a 19% growth against the previous year. This noteworthy increase in new deposit placements continuously boosted the Bank's overall deposit base, with total deposit liabilities reaching to ₱2.56 billion in the span of 5 years, with a total accumulated increase of ₱1.27 billion or an equivalent of ₱243 million average per year.



This positive trajectory is expected to continue, fueled by MCCB's strategic expansion into neighboring provinces. The Bank's long-term vision includes establishing new branches across the Mindanao archipelago, further reinforcing its presence and deepening its reach within key markets.



The continued enhancement of the Bank's operation and the stringent adherence to regulatory requirements have strengthened the marketability of MCCB's products and services. In 2025, the introduction of the new features and the strengthening of security measures in its mobile banking platform have boosted the confidence and trust of the Bank's patrons in this facility. Over the years, since its implementation, the MCCB Online mobile app has facilitated a total of 217,725 InstaPay transactions; intra and interbank transfers, and bills payments. The Bank's ATM services have also

continued to grow with an accumulated withdrawals of 6 million, an implication of our dedication to serve our clients, who can easily visit any of the 21 branches and 2 branch lite units scattered in strategic locations in Mindanao.

Asset Recovery

The Bank's Collection and Asset Recovery Department played a pivotal role in enhancing MCCB's non-core banking operational performance in 2025. Of the total other operating income of ₱159.82 million (Table 2: Comparative Income Statement), 21% was generated from the disposal of Real and Other Properties Acquired (ROPA) or an equivalent amount of ₱34.36 million, representing an ₱8.40 million increase from the previous year. Additionally, a total of ₱19.83 million was earned from recovery of previously written-off accounts or an equivalent of 12% in percentile of the overall other operating income.

These accomplishments were achieved through the continued effort and initiative of the Bank to strengthen its marketing efforts and implement incentive-driven programs to accelerate the sale of acquired assets and improve recoveries on non-performing accounts. These actions not only improved liquidity but also contributed to the overall financial health of the institution.

Corporate Services and Support

The Corporate Services Group continued to serve as a vital pillar in supporting MCCB's core operations in 2025, ensuring that the Bank continuously remains responsive, scored, and operationally resilient amid an evolving banking environment.

In line with MCCB's continuing digital transformation initiatives, MCCB further strengthened its technology-driven services through the sustained operations of its 29 ATM terminals and mobile banking application, providing members with more accessible, reliable, and convenient banking services both within the locality and anywhere in the world. These milestones were made possible through the dedicated efforts of the Information Technology Department, whose commitment played a critical role in enhancing customer service delivery and operational efficiency.

To reinforce system integrity, operational reliability, and regulatory compliance, the Information Technology Department has continuously upgraded the Bank’s core servers, improved network and physical infrastructure, and strengthened cybersecurity measures and data protection controls. These initiatives reflect MCCB’s unwavering commitment to safeguarding customer information, ensuring service continuity, and maintaining the trust and confidence of its stakeholders.

Recognizing that institutional strength is built not only through systems, but also through people, MCCB likewise has continued investing in its human capital by implementing employee development and management programs designed to cultivate a skilled, adaptive, and security-conscious workforce capable of responding to the growing demands of the banking industry.

As part of this continued commitment, MCCB has sponsored and conducted trainings, seminars, and capability-building programs for its directors, officers, and employees in 2025. Different learning initiatives were implemented to further equip its people on regulatory compliance, risk management, operational efficiency, leadership development, customer service, information security, and digital banking readiness — ensuring that personnel remain updated with the competencies necessary to support MCCB’s strategic objectives and long-term sustainability.

Summary of Selected Financial Data

 Profitability (In Millions)	2025	2024	VAR	INC (DEC)
Total Net Interest Income	192.52	188.10	4.42	2.35%
Total Non-Interest Income	159.82	123.48	36.35	29.44%
Total Non-Interest Expense	271.98	254.56	17.42	6.84%
Pre-provision Profit	80.37	57.02	23.35	40.95%
Allowance for Credit Losses	57.08	29.01	28.07	96.78%
Net Income	23.29	28.01	(4.72)	-16.86%

 Selected Balance Sheet Data (In Millions)	2025	2024	VAR	INC (DEC)
Liquid Assets	799.59	729.14	70.46	9.66%
Gross Loans	2,325.82	2,231.82	94.00	4.21%
Total Assets	3,582.30	3,377.52	204.78	6.06%
Deposit Liabilities	2,563.64	2,152.70	410.94	19.09%
Bills Payable	274.76	468.42	(193.67)	-41.34%
Other Liabilities	368.96	403.25	(34.28)	-8.50%
Capital	374.94	353.15	21.79	6.17%

 Selected Ratios	2025	2024	VAR	INC (DEC)
Minimum Liquidity Ratio	31.26%	28.60%	2.66%	9.30%
Past Due Ratio	9.23%	16.82%	-7.59%	-45.12%
Return on Assets	0.67%	0.90%	-0.23%	-25.60%
Return on Equity	6.40%	7.68%	-1.28%	-16.65%
Capital Adequacy Ratio	12.10%	12.73%	-0.63%	-4.95%
Earnings per Share	8.78	10.67	(1.89)	-17.71%
Book Value per Share	117.09	110.16	6.93	6.29%

On the other hand, the bank’s Capital Adequacy Ratio (CAR) had decreased from 12.73 % to 12.10% for the year 2025, however, it remains well above the Bangko Sentral ng Pilipinas (BSP) minimum requirement of 10%. This indicates that the bank still maintains a solid capital buffer and strong financial stability, providing resilience against potential risks. Despite current financial challenges, MCCB continues to meet regulatory standards, positioning the bank favorably for future growth and sustained compliance.

MCCB Sustainable Finance Framework

The Bank adopted its Sustainable Finance Framework in April 2022, which was designed to align with its existing practices in lending to sustainable activities of its clients as outlined in the Sustainable Development Goals (SDGs). The MCCB Board provides sustainability directions and policies that serve as a guide in decision-making at all levels, providing a frame of reference for its contributions to sustainable development while managing risks and opportunities in a changing world. MCCB is committed to:

- Uphold, protect, and respect the environment, human rights, and labor standards;
- Contribute to enhancing positive social and environmental impact;
- Provide products and services that contribute to the well-being of people, the environment, and the economy, reduce or avoid unsustainable practices, and demonstrate a positive impact to the most important issues of the business;
- Implement inclusive business programs and initiatives;
- Engage internal and external stakeholders for continuous improvement and to promote Cooperation;
- Foster in-house learning, management capacity, and leadership on sustainability issues; and
- Comply with all national laws and regulations; and Communicate transparently about our sustainability performance.

MCCB Dividend Policy

The Bank recognizes the right of its cooperative shareholders as stipulated in its By-laws, which is to receive dividends, either in the form of stock or cash. The Bank’s declaration of dividends is subject to compliance with certain rules and regulations prescribed by the BSP, as outlined in Item 5, Section 2 of Article VIII of the Bank’s By-laws.

Dividends for common and preferred shareholders of the Bank are declared by the Board of Directors and authorized by the BSP. The release of the cash and stock dividends follows Board-approved guidelines.

In 2025, the Bank did not declare dividends due to pending issues noted by the BSP. Thus, the rate of the dividends declared for 2025 cannot be identified and computed.

Financial Consumer Protection

The Bank upholds the rights of consumers to secure and reliable banking services and provides appropriate channels for feedback, complaints, and concerns regarding its financial products and services. In support of the BSP advocacy on Financial Consumer Protection, the Bank has integrated consumer protection practices across the organization.

The Bank has approved its Financial Consumer Protection Framework Manual to ensure the protection of customers transacting with the Bank. The Board oversees the approval and regular review of consumer assistance policies, while Senior Management ensures their effective implementation across the organization.

To further strengthen consumer protection, the Bank has established mechanisms to properly address complaints, including at the branch level. Branch Managers coordinate with the Compliance Department in handling and resolving complaints, while the Compliance Department regularly reports escalated concerns to the Board for monitoring and appropriate action.

MCCB Corporate Social Responsibility

The Corporate Social Responsibility (CSR) of MCCB reflects its unwavering commitment to becoming the bank of choice for cooperatives, farmers, fisherfolks, small entrepreneurs, and other clients — those whose dreams and aspirations fuel the nation's progress. Through a year filled with purposeful initiatives, MCCB has continued to turn this vision into reality, uplifting lives and communities it proudly serves.



On June 9, 2025, MCCB provided brand-new printers, monitors, and bond papers to Indahag National High School in Cagayan de Oro City to help capacitate teachers in delivering quality instruction and preparing essential learning resources.



On June 9, 2025, MCCB provided brand-new printers, monitors, and bond papers to Pedro "Oloy" N. Roa Sr. National High School in Cagayan de Oro City to help capacitate teachers in delivering quality instruction and preparing essential learning resources.



On October 17, 2025, MCCB conducted an outreach activity at the Leukemia Parents and Patients Organization, Inc. (LEUPAPO) in Bulua, Cagayan de Oro City, donating essential goods to help ease the daily needs of patients and their families residing in the organization's care home.



On October 24, 2025, MCCB conducted a donation and meal distribution activity at Batinay Elementary School in Sitio Batinay, Tagpangi, Cagayan de Oro City, providing school supplies to support students' learning needs and serving lunch to students and teachers to foster camaraderie.



On October 24, 2025, MCCB extended assistance to families affected by a fire incident in Consolacion, Cagayan de Oro City through a donation drive aimed at providing immediate support and relief during their recovery.



On October 28, 2025, MCCB conducted a donation drive for the House of Hope in Lumbia, Cagayan de Oro City, providing essential goods to support the well-being and daily needs of their beneficiaries.

MCCB Risk Management Framework

Risk Management stands as a foundational strategy to navigate the complexities of financial operations. Much like a compass that guides a traveler, a bank's risk management framework directs its course through potential hazards while optimizing opportunities for growth and compliance.

MCCB has developed and adopted its Risk Management Framework to structure and formalize the risk management activities across the organization's business units. It outlines the risk management functions, conceptual framework, management implementation, levels of risk management, and the risk management approaches of the Bank.

MCCB takes risks inherent to its strategy to achieve its corporate and business units' objectives and to deliver better shareholder returns. Thus, managing these risks forms an essential part of the Bank's business. The aim of risk management is to provide reasonable assurance that the risks associated with achieving the business objectives are understood and that these risks are addressed appropriately at all levels within the organization. This is achieved by ensuring that at all times;

- Risks are properly identified, assessed, managed, and reported;
- Risk ownership is taken and communicated;
- Resources are effectively and efficiently allocated to manage risks;
- Risks that could significantly affect the employees, the Bank, the suppliers or the clients are suitably managed; and
- The Bank is compliant with regulatory and legal requirements.

The general functions of Risk Management are the following:

- Develop and implement a risk management framework and program;
- Review the Bank's risk profile and identify new and emerging risks;
- Assess and measure risks;
- Recommend policies, systems and procedures to control risks and address risk management effectiveness gaps;
- Evaluate the effectiveness of risk mitigation strategies; and
- Monitor risks based on external and internal conditions and continually enhance the risk management process.

The Risk Management process and practices of MCCB are anchored on its mandates, taking into consideration its vision, mission, strategies, business objectives, organizational structure, policies, and overall risk management framework. These are aligned with the guidelines and regulatory expectations prescribed under Sections 141 to 156 of the Manual of Regulations for Banks (MORB) issued by the BSP. Risk reporting provides MCCB Top Management with timely and relevant information on the material risks confronting the Bank and supports sound decision-making, particularly in identifying appropriate and viable measures to address such risks.

The Risk Management objectives serve as a guide in designing the Risk Management Framework and Program, while the execution of the Risk Management Program is manifested by the Risk Management action plans. Regular risk monitoring and reporting are done and an annual risk assessment determines the effectiveness of risk control measures and the relevance of remaining risks. The assessment ensures continuous improvement of the risk management process and practices.

Overall Risk Management Culture and Philosophy

Central to effective risk management is the cultivation of a strong risk management culture and philosophy within the organization. MCCB emphasizes a culture of integrity, accountability, and transparency, reflected in its organizational values and leadership approach. The Board of Directors sets the tone at the top by championing a risk-aware culture and fostering open communication channels regarding risk-related matters. Senior Management prioritizes risk management as a strategic imperative, embedding risk considerations into decision-making processes and promoting a culture of continuous improvement.

Institutionalizing the risk management culture emphasizes at all levels the importance of managing risk as part of each person's daily activities. The goal of creating a risk management culture in MCCB is to create a situation where staff and group/unit heads instinctively look for the risks and consider their impacts when making effective operational decisions.

Risk culture consists of norms, attitudes and behavior related to risk awareness, risk-taking and risk management, and the controls that affect decisions on risks. The Board of Directors, Senior Management and all members of staff contribute to the creation of a sound risk culture at MCCB. Clear governance structure, policies and procedures support the creation of a sound risk culture. Ultimately, the risk culture is created by day-to-day actions and the way key decisions are made and communicated. Cooperation and constructive dialogue are part of the sound risk culture, as they foster an environment of open communication to reach common goals. A sound risk culture enables the organization to do the right thing, even in challenging circumstances.

MCCB has implemented a three-lines-of-defense model:

The first line consists of risk-taking business functions that are responsible for day-to-day risk management in line with their tasks and duties and the Bank's policies and procedures. The guiding principle is that those responsible for risk-taking are also accountable for managing the associated risks.

The second line consists of internal control functions, providing oversight over the first line, and monitoring the risk-taking in the Bank. The third line consists of an independent internal audit function.

The second and third-line functions have an important risk monitoring and control role in the Bank, yet risk identification and adherence to the Bank's values and principles of high ethical standards are everyone's responsibility.

We promote a culture of integrity and high ethical standards. We aim for a high level of competence, and support each other by sharing information, skills and experiences. We have strong risk awareness, and we critically review and challenge existing practices. We foster an atmosphere where constructive challenging is a natural part of discussions and decisions on risk-taking, risk awareness, and risk culture. We respect our mission as a cooperative bank, and we follow sound banking principles. We comply with internal policies, regulations and procedures, and we respect their spirit. All individuals are expected to contribute to and promote a sound risk culture.

Risk Appetite and Strategy

Risk is part of doing business and risk management is therefore part of day-to-day business management. MCCB aims to formalize risk management to the extent that business units are able to apply best-practice techniques, share knowledge and experience, and make the key risks transparent to the shareholders.

MCCB strives to be risk-aware, but not overly risk-averse, and to actively manage risks to protect and contribute to the growth of the Bank. To achieve its objectives, MCCB recognizes that it will take on certain risks. Moreover, it aims to take risks in an informed and proactive manner, such that the level of risk is consistent with the potential rewards and that it understands and is able to manage or absorb the impact of the risk in the event that it materializes. Management establishes such risk responses as are required to achieve the objectives in accordance with the acceptability of the risk. Quantified risk tolerances are then formulated.

MCCB recognizes that the Bank is exposed to various material risks arising from its operations, strategic initiatives, products and services, delivery channels, and external operating environment. These significant risk areas include credit risk, liquidity risk, market risk, operational risk, compliance risk, legal risk, reputational risk, information security and cyber risk, outsourcing and third-party risk, money laundering and terrorist financing (ML/TF) risk, strategic risk, and emerging risks.

Credit risk remains one of the Bank's primary risk exposures due to its lending activities and is managed through prudent underwriting standards, portfolio monitoring, concentration management, and credit review mechanisms. Liquidity and market risks are managed through asset-liability monitoring, funding management strategies, and regular monitoring of liquidity positions and interest rate exposures. Operational risk is managed through internal controls, risk assessments, incident reporting, and process improvement initiatives. Compliance, legal, reputational, and ML/TF risks are managed through established governance structures, policies, monitoring activities, and regulatory compliance programs. Information security, cyber, outsourcing, and emerging risks are continuously monitored in consideration of evolving technological, operational, and regulatory developments.

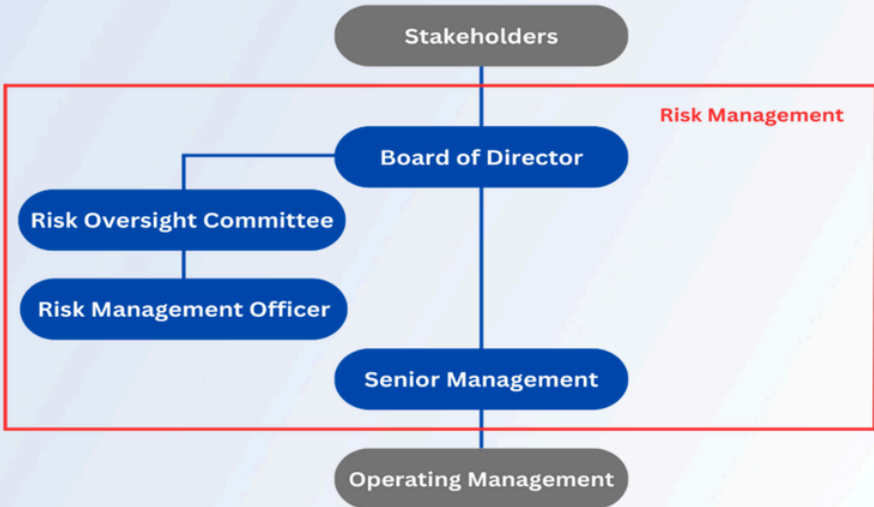
The Bank adopts an enterprise-wide approach to risk management to ensure that material risks are identified, assessed, monitored, controlled, and reported within Board-approved risk appetite and tolerance levels.

Bank-wide Risk Governance Structure and Risk Management Process

MCCB's Risk Governance Structure is composed of the Board of Directors, the Risk Oversight Committee, the Risk Management Officer and the Senior Management. Risk Management starts at the top and pervades the entire organization to create a strong culture of risk assessment. The idea is to improve risk-taking ability by pushing decision-making to the lowest level, without losing centralized oversight and control. Continuous communication between different levels of the organization must be implemented to ensure that the risk management process is effective.

The charts below illustrate the structure of MCCB's risk governance, the reporting lines within the structure and the roles and responsibilities within the Bank's risk management.

MCCB Risk Governance Structure



Risk Management Governance Roles and Responsibilities



Risk Management Process



Risk Reporting and Measurement Systems

MCCB maintains an enterprise-wide risk reporting and measurement system designed to provide the Board of Directors, the Risk Oversight Committee (ROC), Senior Management, and relevant Management Committees with timely, accurate, and relevant information on the Bank's material risk exposures.

The Risk Management Department is primarily responsible for consolidating enterprise-wide risk information, facilitating risk assessments, monitoring key risk indicators (KRIs), and preparing periodic risk reports for Management and the Board. Business Units and Risk Owners are responsible for identifying, assessing, monitoring, and reporting risks within their respective operational areas, while Compliance, and other control functions provide specialized monitoring and oversight over their respective risk domains.

Risk reporting covers the Bank's significant risk areas, including credit, liquidity, market, operational, compliance, legal, reputational, information security and cyber, outsourcing and third-party, ML/TF, strategic, and emerging risks. Reports may include risk assessment results, residual risk ratings, KRI monitoring, policy exceptions, operational loss events, limit breaches, control weaknesses, compliance issues, incident reports, and status of mitigation or corrective action plans.

Risk monitoring and reporting activities are conducted periodically based on the nature, complexity, and materiality of the risk exposures. Enterprise-wide risk assessments are performed annually, while monitoring activities and management reporting for material risks, incidents, KRIs, operational losses, and regulatory compliance matters are conducted quarterly or more frequently, as necessary. Significant risk exposures, breaches of risk appetite or tolerance thresholds, and emerging risk concerns are escalated to the appropriate Management Committees, the ROC, and the Board of Directors in accordance with established escalation and reporting protocols.

The Bank continuously enhances its risk measurement and reporting methodologies to strengthen risk visibility, support informed decision-making, and ensure alignment with the Bank's Enterprise Risk Management Framework and applicable BSP regulations.



MCCB's Overall ML/TF Risk Management

The Board of Directors of MCCB is ultimately responsible for the Bank's anti-money laundering (AML), countering financing of terrorism (CFT), and countering proliferation of financing (CPF) compliance and is tasked to ensure that ML/TF/PF risks are identified and effectively managed. The Senior Management is charged to ensure the effective implementation of AML/CFT/CPF policies and to align activities with the strategic objectives, risk profile and corporate values set by the Board.

In compliance with the Anti-Money Laundering Act (AMLA), the Bank adopted the MCCB Risk-Based Money Laundering and Terrorist Financing Prevention Program (MTPP) as approved by the Bank's Board of Directors. This policy applies to all Bank offices, and its officers and employees. Each office has implemented risk-based procedures reasonably expected to prevent, detect and cause the reporting of transactions required under the Anti-Money Laundering Council (AMLC). It is the policy of the Bank to prohibit and actively pursue the prevention of money laundering and any activity that facilitates money laundering (ML) or the funding of terrorist (TF) or criminal activities, and proliferation financing (PF). The Bank is committed to AML compliance in accordance with applicable law and requires its officers and employees to adhere to these standards in preventing the use of its products and services for money laundering/terrorist financing and proliferation financing activities.

Finally, MCCB adheres to the reporting requirement and guidelines on Suspicious Transactions set out by the AMLC, and uses the 2022 MCCB Institutional Risk Assessment (IRA) to effectively prevent money laundering and combat the financing of terrorism, an assessment mechanism that adopts the risk-based approach on Institutional Risk Assessment (IRA) designed and consistent with the Bank's risk profile, size and complexity of operation.

MCCB Corporate Governance

AML Governance

It is the policy of the Bank to prohibit and actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. MCCB is committed to AML compliance in accordance with applicable laws and requires its officers and employees to adhere to these standards to prevent the use of its products and services for money laundering purposes.

The Bank seeks to combat money laundering by applying the following principles:

- Conduct business in conformity with high ethical standards in order to protect the Bank's interest of being use as a money laundering/terrorist financing activity;
- Safety and soundness as well as the integrity of the national banking and financial system;
- Know sufficiently the customer at all times and ensure that the financially or socially disadvantaged are not denied access to financial services while at same time prevent suspicious individuals or entities from opening or maintaining an account or transacting with the Bank by himself or otherwise;
- Adopt and effectively implement a sound MTPP and terrorist financing risk management system that identifies, assesses, monitors and controls risks associated with money laundering and terrorist financing;
- Comply fully with these rules and existing laws aimed at combating money laundering and terrorist financing by making sure that officers and employees are aware of their respective responsibilities and carry them out in accordance with superior and principled culture of compliance; and
- Fully cooperate with the Anti-Money Laundering Council (AMLC) for the effective implementation and enforcement of the AMLA, as amended, and its IRR.

MCCB Corporate Governance

MCCB's Corporate Governance fosters the achievement of the Board and Management's corporate goals with the highest level of performance. This includes promoting the interests of stockholders and furthering the Bank's commitment to transparent and good corporate governance.

Selection Process of the Bank's Board of Directors

The members of the Board of Directors are elected by secret ballot, by the affiliates who are duly authorized representatives, and entitled to vote during the Annual General Assembly meeting or Special General Assembly meeting called for the purpose. The directors so elected shall hold office for a term of two (2) years until their successors shall have been elected or qualified, unless they are earlier removed for cause, or have resigned or become incapable due to illness or death; Provided, that majority of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, while the remaining directors shall serve for one (1) year. Thereafter, all directors shall serve for a term of two (2) years; the term of the cooperating directors shall expire upon the election of their successors in the first regular general assembly after registration.

Board’s Overall Responsibility

The primary responsibility of the Board is to provide effective governance over the Bank’s affairs for the benefit of its shareholders, employees, customers, creditors and other stakeholders. It is also the duty of the Board to foster the long-term success of the Bank and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which is exercised in the best interest of the Bank, its shareholders, its depositors and creditors, its management and employees, the government regulators, and public in general.

Board Composition

NAME OF DIRECTORS	TYPE OF DIRECTORSHIP	SHAREHOLDER REPRESENTED	NO. OF SHARES HELD BY THE COOP (DIRECT)	% SHARES HELD BY THE COOPERATIVE
Mr. Mansueto V. Dela Peña	Chairperson	Oro Integrated Cooperative (OIC)	329,194	12.41%
Mr. Edgardo T. Gamolo	Vice-Chairperson	Misamis Oriental Micro Banker Coop (MICROBANCO)	110,390	4.16%
Col. Benjamin N. Baquiano Jr., PAF (Ret)	Regular Director	ACDI Multipurpose Cooperative (ACDI)	606,566	22.87%
Mr. Noel D. Raboy	Regular Director	CLIMBS Life and General Insurance Cooperative (CLIMBS)	250,102	9.43%
Engr. Roger S. Cabunoc	Regular Director	Del Monte Philippines, Inc. Employees and Community Credit Cooperative (DMPI-ECCC)	51,558	1.94%
Atty. Isidro Q. Lico	Regular Director	Gabayan sa Kaugmaon Multipurpose Cooperative (GASAKA MPC)	27,943	1.05%
Engr. Calanico R. Chamen III	Regular Director	Philippine International Travel Assistance Center – Multi-Purpose Cooperative (PITAC-MPC)	2,008	0.08%
Atty. Proculo T. Sarmen	Independent Director	San Isidro Calacapan Indahag Farmers Association - Multipurpose Cooperation Incorporated (SICIFA-MPC)	939	0.04%
Ms. Delia M. Ladao, CPA	Independent Director	Countryside Builders Multi-Purpose Cooperative (CBMPC)	1,196	0.05%
Engr. Jaime B. Balansag, Sr.	Independent Director	Alubijid Municipal Federation Of Cooperatives (AMFEDCO)	3,133	0.12%
Ms. Doris B. Calapiz	Board Secretary	N/A	N/A	N/A
Ms. Claudine A. Malanog	Board Treasury	N/A	N/A	N/A



MCCB Board Committee Meetings Attendance for 2025

COMMITTEE	TOTAL NO. OF MEETINGS	MEMBERS PRESENT
Asset and Liability Committee	3	Engr. Jaime B. Balansag, Sr. – 3/3 Ms. Delia M. Ladao, CPA – 3/3 Engr. Calanico R. Chamen III – 2/3
Corporate Governance Committee	1	Atty. Proculo T. Sarmen – 1/1 Engr. Jaime B. Balansag, Sr. – 1/1 Engr. Roger S. Cabunoc – 1/1 Ms. Delia M. Ladao, CPA – 1/1 Ms. Myrna A. Sescon – 1/1
Election Committee	1	Engr. Roger L. Ocaya – 1/1 Mr. Mario F. Jaraula – 1/1 Engr. Rolando R. Jardiolin – 1/1
Executive Committee	2	Mr. Mansueto V. Dela Peña – 2/2 Mr. Edgardo T. Gamolo – 2/2 Atty. Proculo T. Sarmen – 1/1 Atty. Isidro Q. Lico – 1/1 Ms. Myrna A. Sescon – 2/2 Ms. Doris B. Calapiz – 1/2
Information Technology Oversight Committee	5	Mr. Noel D. Raboy – 5/5 Mr. Edgardo T. Gamolo – 4/5 Mr. Mansueto V. Dela Peña – 2/3 Col. Benjamin N. Baquiano Jr., PAF Ret. – 2/2
Risk Oversight Committee	4	Engr. Jaime B. Balansag, Sr. – 4/4 Engr. Calanico R. Chamen III – 4/4 Ms. Delia M. Ladao, CPA – 4/4
Human Resource Oversight Committee	2	Atty. Proculo T. Sarmen – 2/2 Mr. Noel D. Raboy – 1/1 Ms. Claudine A. Malanog – 1/1 Ms. Doris B. Calapiz – 1/1 Mr. Mansueto V. Dela Peña – 1/1 Mr. Edgardo T. Gamolo – 1/1
Audit Committee	8	Ms. Delia M. Ladao, CPA – 8/8 Ms. Claudine A. Malanog – 4/4 Atty. Proculo T. Sarmen – 8/8 Col. Benjamin N. Baquiano Jr., PAF Ret. – 4/4
Credit Committee	9	Atty. Isidro Q. Lico – 9/9 Mr. Edgardo T. Gamolo – 4/4 Ms. Myrna A. Sescon – 9/9 Engr. Roger S. Cabunoc – 5/5
Compliance Committee	6	Ms. Delia M. Ladao, CPA – 6/6 Ms. Claudine A. Malanog – 2/3 Atty. Proculo T. Sarmen – 6/6 Col. Benjamin N. Baquiano Jr., PAF Ret. – 3/3

MCCB Board of Directors’ Attendance for 2025 Regular and Special Board Meeting

COMMITTEE	TYPE OF DIRECTORSHIP	TOTAL NO. OF MEETINGS	NO. OF MEETINGS ATTENDED	% OF ATTENDANCE
Mr. Mansueto V. Dela Peña	Chairperson	There were 15 total meetings, consisting of 12 Regular Board Meetings and 3 Special Board Meetings.	15	100%
Mr. Edgardo T. Gamolo	Vice-Chairperson		15	100%
Col. Benjamin N. Baquiano Jr., PAF Ret*	Regular Director		8	100%
Mr. Noel D. Raboy	Regular Director		14	93.33%
Engr. Roger S. Cabunoc	Regular Director		15	100%
Atty. Isidro Q. Lico	Regular Director		15	100%
Engr. Calanico R. Chamen III	Regular Director		14	93.33%
Atty. Proculo T. Sarmen	Independent Director		15	100%
Ms. Delia M. Ladao, CPA	Independent Director		15	100%
Engr. Jaime B. Balansag, Sr.	Independent Director		15	100%
Ms. Doris B. Calapiz	Board Secretary		15	100%
Ms. Claudine A. Malanog**	Board Treasury		15	100%
*Col. Benjamin N. Baquiano Jr., PAF (Ret.) was elected as a member of the MCCB Board of Directors on June 14, 2025, replacing Ms. Claudine A. Malanog as Director. **Following her replacement as Director, Ms. Claudine A. Malanog was appointed as MCCB Board Treasurer on June 20, 2025.				

Board Qualifications

Any person who desires the position of the Bank’s director must possess certain qualifications. He or she:

- Shall be at least twenty-five (25) years of age at the time of election or appointment;
- Shall be at least a college graduate or have at least five (5) years of experience in business;
- Must have attended a special seminar on corporate governance for Board of Directors;
- Must be fit and proper for the position;
- Must have a practical understanding of the business of the Bank;
- Must be a member of good standing in the relevant industry, business or professional organizations; and
- Shall possess the qualifications required or prescribed under R.A. No. 8791 and other existing applicable laws and regulations.

Board Level Committees

The Board is assisted by ten (10) committees to ensure the effective performance of its roles and functions. Each of the following board committees has its own terms of reference that clearly define the composition, duties, and responsibilities.

Executive Committee

The Executive Committee has been created to act on matters that need urgent and immediate action, as determined by the Board. However, the actions of this committee on the delegated matters have to be reported to the Board for final consideration.

Credit Committee

The Credit Committee is responsible for the supervision and control of the Bank’s lending services. It processes, evaluates, and acts on loan applications and ascertains that no loans granted are violative of the Bank’s credit policies and the rules and regulations of the BSP and CDA. The committee meets once a month primarily to deliberate on loan applications that are within its authority.

Audit Committee

The internal audit function plays a crucial role in ensuring that the Bank operates effectively, ethically, and within legal boundaries. The primary responsibility of the internal audit is to evaluate and improve risk management, control, and governance processes, thus ensuring reliability of financial reporting and identifying operational efficiencies. Additionally, it is authorized by the Board and the Audit Committee to access records, interview personnel, and investigate issues. At the helm of the internal audit is the Internal Audit Department which reports directly to the Board’s Audit Committee. It provides reasonable assurance to the Board and Management that the Bank’s internal control, risk management, and governance systems and processes are effective. This involves providing assurance that the Bank’s key operational and procedural controls are effective, appropriate, and complied with.

The Internal Audit Department conducts audits at frequencies commensurate with the assessed level of risk in specific banking areas comprising its audit universe. The department has its own Board-approved charter, which directs the performance of its functions. It reports directly to the Audit Committee the violations and the common audit findings committed by the branches, thus permitting the necessity of creating policies for protecting the Bank against recurring violations committed.

Compliance Committee

The Compliance Committee is responsible for ensuring that the Bank complies with all the relevant laws, regulations, and policies that apply to its operations. The committee is an internal body that oversees and monitors bank activities to ensure that they are in line with the compliance framework. Working closely with this committee is the Compliance Department, which is vested with the role of designing the Bank’s compliance program and overseeing and coordinating its effective implementation towards the sound management of business and compliance risks. This department, which reports directly to the Board’s Compliance Committee, is responsible for the propagation of the right compliance culture across the organization while avoiding an overly risk-averse environment that inhibits business growth. In addition, it ensures adherence to laws, regulations, policies, and standards, monitoring and mitigating compliance risks to prevent legal and regulatory violations. As an organization regulated by the Bangko Sentral, it is mandated by regulatory requirements, with authority to interpret regulations, establish compliance programs, and enforce policies and procedures.

In addition to the above, the compliance function facilitates the effective management of compliance risk by:

Advising the Board of Directors and senior management on relevant laws, rules and standards, including keeping them informed on developments in the area; Advising Bank personnel on compliance issues, and acting as a contact point within the Bank for compliance queries from Bank personnel; Establishing written guidance to staff on the appropriate implementation of laws, rules and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines; and Identifying, documenting, and assessing the compliance risks associated with the Bank’s business activities, including new products and business units.

Risk Oversight Committee

The Risk Oversight Committee is composed of three members of the Board of Directors, the majority of whom are independent directors, including the Chairperson. It advises the Board on the Bank's overall current and future risk appetite, oversees senior management's adherence to the risk appetite statement, and reports on the state of risk culture of the Bank. It is tasked to oversee the risk management framework, ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans, oversee adherence to the risk appetite of the Bank, ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite and finally to oversee the risk management function, ensuring that the risk management function has adequate resources and effectively oversees the risk-taking activities of the Bank.

IT Oversight Committee

The IT Oversight Committee is responsible for overseeing the Bank's information technology strategy and operations. This committee ensures that IT initiatives are aligned with the Bank's business objectives, regulatory requirements, and security standards. It provides governance over IT projects, monitors IT risk management practices, and evaluates the performance and effectiveness of IT systems. The committee also plays a critical role in guiding the Bank through technological advancements and ensuring the integrity and reliability of its IT infrastructure, ultimately supporting the Bank's mission of delivering efficient and secure financial services to its members.

Corporate Governance Committee

The Corporate Governance Committee is responsible for promoting and upholding strong governance practices within the Bank. This committee ensures that the Board and its committees are properly composed and operate in accordance with established charters, regulatory requirements, and Fit and Proper standards. It oversees the evaluation and succession planning of Board members and key officers, while also ensuring that directors receive appropriate orientation and continuing education programs. The committee monitors the effectiveness of Board and committee performance evaluations and supports continuous improvement initiatives. In addition, it oversees the Bank's remuneration and incentive systems to ensure alignment with the Bank's culture, risk appetite, and regulatory expectations. The committee also ensures compliance with the Code of Conduct, including the management of whistleblower concerns and conflicts of interest, while promoting ethical practices, operational resilience, cybersecurity preparedness, and sustainability initiatives aligned with ESG principles and regulatory guidelines. Through these responsibilities, the Corporate Governance Committee strengthens accountability, transparency, and the overall integrity of the Bank's governance framework.

Human Resource Oversight Committee

The Human Resource Oversight Committee is responsible for ensuring that the Bank's human capital strategies, policies, and programs are aligned with organizational goals, culture, and regulatory requirements by overseeing senior management selection and succession planning, compensation and benefits, organizational structure, and employee development, while also monitoring recruitment, retention, performance management, and remuneration practices to maintain a competent, motivated, and sustainable workforce; through these responsibilities, the Committee promotes fairness, transparency, and competitiveness in compensation, strengthens leadership effectiveness, enhances employee engagement, and supports organizational growth in line with sound corporate governance principles.

Gender and Development Committee

The Gender and Development Committee is tasked with promoting gender equality and ensuring that gender-responsive principles are integrated into the Bank's policies, programs, and operations by overseeing the development and implementation of GAD initiatives, conducting gender analysis of projects, addressing emerging gender-related concerns, and promoting awareness through training, workshops, and seminars, while also supporting branches and business units on inclusive practices; in addition, the Committee ensures proper documentation, regular reporting to the Board, and continuous improvement of its policies and programs to strengthen the Bank's commitment to diversity, inclusivity, and equal opportunity.

Investment Committee

The Investment Committee is responsible for overseeing the Bank's investment activities and ensuring that investment decisions align with the Bank's strategic objectives, investment policies, and risk appetite. The committee evaluates and reviews investment proposals, monitors the performance and risk profile of the investment portfolio, and ensures compliance with applicable laws, regulations, and internal policies before endorsing investments to the Board. It may also seek additional information or external expert advice to support informed decision-making and strengthen the quality of investment evaluations. Through these responsibilities, the committee helps safeguard the Bank's financial resources while supporting sustainable growth and sound governance practices.

Senior Management

The senior management team of MCCB comprises individuals at the highest level of management who handle the day-to-day tasks of running the Bank. The team includes the President, Senior Vice President for Business Generation Group, Vice President for Support and Administrative Group, Compliance Officer, Internal Auditor, Risk Management Officer, Controller, and Treasury Manager.

The **President/Chief Executive Officer (CEO)** is responsible for the overall leadership, strategic direction, and management of the cooperative bank, ensuring safe, sound, and profitable operations consistent with the policies of the Board of Directors and the regulations of the Bangko Sentral ng Pilipinas (BSP), Cooperative Development Authority (CDA), and other applicable laws and regulatory bodies.

The President/CEO oversees all banking operations, including lending, treasury, finance, risk management, compliance, branch operations, human resources, information technology, and business development. The position is accountable for achieving organizational goals, maintaining effective internal controls and corporate governance, ensuring regulatory compliance, and promoting sustainable growth while upholding cooperative principles and protecting the interests of members, depositors, and stakeholders.

The **Senior Vice President for Business Generation Group** is responsible for providing executive leadership and strategic direction over the Bank's Business Generation and Revenue Units. The role oversees frontline banking operations, lending, deposit generation, business development, and other revenue-generating functions to drive sustainable growth, profitability, operational excellence, and regulatory compliance.

The **Vice President for Support and Administrative Group** is responsible for providing administrative leadership, operational oversight, governance control, and strategic support across key support and control units of the Bank. The role serves as the institution's structural enabler and control stabilizer, ensuring operational efficiency, regulatory compliance, asset quality preservation, and alignment of support functions with the Bank's growth objectives.

The **Compliance Officer** is responsible for overseeing and ensuring the Bank's compliance with applicable laws, regulations, regulatory issuances, and internal policies, including those of the Bangko Sentral ng Pilipinas (BSP), Anti-Money Laundering Council (AMLC), Cooperative Development Authority (CDA), and other regulatory agencies. The position monitors compliance risks, conducts regulatory reviews, promotes ethical standards, provides compliance guidance to Management and staff, and ensures timely regulatory reporting and implementation of compliance programs across the Bank.

The **Internal Auditor** is responsible for independently evaluating the adequacy and effectiveness of the Bank's internal controls, risk management systems, governance processes, and compliance with policies, procedures, and regulatory requirements of the Bangko Sentral ng Pilipinas (BSP), Cooperative Development Authority (CDA), and other applicable laws. The position conducts audits of banking operations, financial activities, and internal processes, identifies control weaknesses and operational risks, and provides recommendations to safeguard assets, improve efficiency, and ensure sound banking practices.

The **Risk Management Officer** is responsible for identifying, assessing, monitoring, and managing the Bank's overall risk exposures, including credit, operational, market, liquidity, compliance, and reputational risks, in accordance with regulatory standards and the Bank's risk management framework. The position ensures that effective risk controls, monitoring systems, and risk mitigation strategies are implemented to support safe and sound banking operations and sustainable growth.

The **Controller** is responsible for overseeing the Bank's accounting operations, financial reporting, budgeting, and financial controls to ensure accuracy, integrity, and compliance with accounting standards, regulatory requirements, and internal policies. The position supervises the preparation of financial statements, regulatory reports, and management reports, ensures proper safeguarding of financial records and assets, and supports Management in financial planning and decision-making.

The **Treasury Manager** is responsible for managing the Bank's liquidity, funding, investments, cash flow, and treasury operations to ensure adequate financial resources and compliance with regulatory liquidity and reserve requirements. The position oversees cash management, investment activities, and treasury risk exposures while optimizing the Bank's financial position, maintaining prudent asset-liability management, and supporting overall financial stability and profitability.

Performance Assessment Program

MCCB adopts a Performance Assessment Program designed to promote accountability, productivity, operational excellence, and continuous improvement across all levels of the organization. The program serves as a systematic tool for evaluating employee performance based on established goals, key result areas (KRAs), competencies, compliance with policies, and contribution to the Bank's strategic objectives.

The program aims to ensure that individual and departmental performance aligns with the Bank's mission, regulatory standards, and cooperative principles while encouraging professionalism, efficiency, ethical conduct, and quality member service. Performance evaluations are conducted periodically and are used as basis for employee development, coaching, recognition, promotion, and other personnel actions, consistent with the policies of the Bank and applicable regulations of the Bangko Sentral ng Pilipinas (BSP), Cooperative Development Authority (CDA), and labor laws.

Learning and Development Program

MCCB remains committed to the continuous growth and professional development of its Board of Directors, Management, and employees through its Learning and Development Program. The program is designed to strengthen leadership capabilities, enhance technical competencies, promote regulatory compliance, and uphold sound corporate governance and cooperative principles.

Through seminars, trainings, certifications, workshops, and capacity-building activities, participants are equipped with updated knowledge and skills in banking operations, risk management, compliance, customer service, information technology, financial management, and other relevant areas essential to effective and responsible banking operations.

The program supports the Bank's goal of maintaining a competent, ethical, and high-performing workforce and leadership team capable of delivering quality service to members and stakeholders while ensuring compliance with the standards and regulations of the BSP, Cooperative Development Authority (CDA), and other governing agencies.

Retirement and Succession Planning Program

The Bank recognizes the importance of leadership continuity, organizational stability, and employee welfare through its Retirement and Succession Planning Program for the Board of Directors, Management, and employees. The program is designed to ensure a smooth and orderly transition of leadership and critical functions while preserving institutional knowledge, operational efficiency, and sound governance practices.

The Bank continuously identifies and develops qualified individuals for key positions through leadership development, training, mentoring, and career progression initiatives. At the same time, the program promotes financial security and recognizes the valuable contributions of retiring officers and employees through retirement benefits and transition support consistent with existing policies and applicable laws. This initiative reflects the Bank's commitment to sustainability, responsible governance, and long-term organizational growth in line with the standards of the BSP, Cooperative Development Authority (CDA), and cooperative banking best practices.

Compensation and Benefits Program

The Bank implements a Compensation and Benefits Program designed to attract, retain, and motivate competent, ethical, and high-performing employees and officers. The program provides fair and competitive compensation based on job responsibilities, qualifications, performance, and prevailing industry standards, while ensuring internal equity and compliance with applicable labor laws and regulatory requirements.

The Bank offers salaries, allowances, incentives, mandatory benefits, leave privileges, healthcare assistance, retirement benefits, and other employee welfare programs intended to support the financial security, well-being, and professional growth of its workforce. Performance-based rewards and recognition programs are likewise implemented to encourage productivity, accountability, and service excellence.

The program reflects the Bank's commitment to valuing its human resources and maintaining a productive work environment aligned with the standards of the BSP, CDA, Department of Labor and Employment (DOLE), and other applicable regulations.

Related Party Transactions (RPT) Disclosure

Pursuant to the regulations of the Bangko Sentral ng Pilipinas and the Bank's Related Party Transactions Policy, the Bank ensures that all RPTs are conducted on terms that are not less favorable to the Bank than those offered to non-related parties under similar circumstances.

Related parties include the Bank's Directors, Officers, Stockholders, their related interests, and other persons or entities as defined under applicable BSP rules and regulations.

All RPTs are subject to appropriate review, evaluation, approval, and monitoring processes in accordance with the Bank's internal policies, corporate governance standards, and existing regulatory requirements.

The Board and Management remain committed to maintaining transparency, fairness, accountability, and prudent risk management in all related party dealings consistent with sound corporate governance principles and BSP regulations.

Self-Assessment Functions

The Compliance Department

The Compliance Department of MCCB is responsible for ensuring that the Bank and its personnel, including the Board of Directors, and other officers follow all relevant laws, regulations and standards set by the government regulators. The main function of this department is to manage and mitigate the risks associated with financial crimes. It is also tasked to identify, monitor, and report any suspicious activities to authorities. Finally, it oversees the design of an appropriate compliance system, promote its effective implementation, and address breaches that may arise.

This department is headed by the Compliance Officer, who has regular status within the organization as established by the department's charter.

The Internal Audit Department

The Internal Audit Department (IAD), which reports directly to the Board's Audit Committee, provides reasonable assurance to the Board and management that the Bank's internal control, risk management, and governance systems and processes are effective. This involves providing assurance that the Bank's key operational and procedural controls are effective, appropriate, and complied with. The IAD conducts audits in frequencies commensurate with the assessed level of risk in specific banking areas comprising its audit universe. It also conducts special administrative investigations when required to do so pursuant to the Bank's code of conduct, and management advisory and consulting services when required. The department has its own Board-approved charter which directs performance of its functions.

The Risk Management Department

The Risk Management Department monitors the risk environment of the Bank and provides direction for the activities to mitigate, in an acceptable level, the risks that may adversely affect the Bank's ability to achieve its goals. The department facilitates continuous improvement of the Bank's capabilities around managing its risks. It monitors and evaluates the risk management process of the Bank and undertake enhancement when needed.

AUDITED FINANCIAL STATEMENTS

December 31, 2025 and 2024

with Independent Auditor's Report by



Financial Statements of Mindanao Consolidated Cooperative Bank

December 31, 2025 and 2024

And Report of Independent Auditors



LOPE LARANJO BATO & Co.

Certified Public Accountants

(A Member Firm of the Leading Edge Alliance Global)

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Website: www.llbandcocpas.com



Firm's Accreditations:

BOA Accreditation No. 6358
Valid until September 13, 2027
BIR Accreditation No. 16-006925-000-2023
Valid until September 29, 2026
SEC Group C Accreditation No. 6358-SEC
Valid until financial audit 2025
BSP Group B Accreditation No. 6358-BSP
Valid until financial audit 2025
CDA CEA Accreditation No. 120-AF
Valid until November 19, 2029
NEA Accreditation No. 2023-00097
Valid until December 10, 2026

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Mindanao Consolidated Cooperative Bank

Capitol Compound, Antonio Luna St.
Cagayan de Oro City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mindanao Consolidated Cooperative Bank, which comprise the statements of financial position as at December 31, 2025 and 2024, and the related statements of profit or loss, statements of changes in equity, and statements of cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mindanao Consolidated Cooperative Bank, as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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

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

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

Auditors' Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material 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; and
- 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.

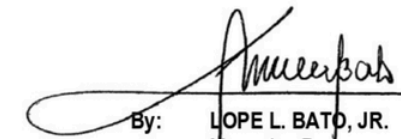
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Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the years ended December 31, 2025 and 2024 required by the Bangko Sentral ng Pilipinas and by the Bureau of Internal Revenue as disclosed in Notes 28 and 29, respectively, to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In compliance with Revenue Regulations V-20, we are stating that we are not related by consanguinity or affinity to the President, Manager, or any shareholder of the Bank.

LOPE LARANJO BATO & Co.

By: 

LOPE L. BATO, JR.

Managing Partner

CPA Cert. No. 73964

TIN 102-081-516

BOA Accreditation No. 6358/P-001, valid until September 13, 2027

BIR Accreditation No. 16-006925-001-2023, valid until September 29, 2026

SEC Group C Accreditation No. 73964-SEC, valid until Financial Audit 2025

BSP Group B Accreditation No. 73964-BSP, valid until Financial Audit 2025

PTR No. 6525550-A, January 5, 2026, Cagayan de Oro City, Philippines

March 25, 2026

Cagayan de Oro City, Philippines

LLB-0053-2025-CDO

STATEMENTS OF FINANCIAL POSITION

Mindanao Consolidated Cooperative Bank
Amounts in Philippine Peso

December 31	Notes	2025	2024
ASSETS			
Cash	4	799,593,961	769,885,110
Loans and Receivables	5	2,325,823,866	2,146,873,373
Bank Premises, Furniture and Equipment	6	133,172,490	138,674,943
Investment Properties	7	242,815,207	244,665,893
Goodwill	8	7,655,984	7,655,984
Other Assets	9	73,239,197	69,763,312
Total Assets		3,582,300,705	3,377,518,615
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposit Liabilities	11	2,563,643,368	2,152,703,226
Bills Payable	12	274,756,089	468,423,034
Retirement Benefits Obligation	13	9,115,104	7,931,714
Finance Lease Liability	14	12,951,849	10,394,107
Other Liabilities	15	346,895,879	384,921,208
Total Liabilities		3,207,362,289	3,024,373,289
Shareholders' Equity	16	374,938,416	353,145,326
Total Liabilities and Shareholders' Equity		3,582,300,705	3,377,518,615

See Notes to Financial Statements.

STATEMENTS OF PROFIT OR LOSS

Mindanao Consolidated Cooperative Bank
Amounts in Philippine Peso

Years Ended December 31	Notes	2025	2024
INTEREST INCOME			
On loans and receivables	17	275,385,429	257,387,033
On bank deposits and investments	17	3,590,949	1,716,563
Total Interest Income		278,976,378	259,103,596
INTEREST EXPENSE	18	86,454,672	70,999,124
NET INTEREST INCOME		192,521,706	188,104,472
OTHER INCOME	19	159,822,980	121,508,668
INCOME BEFORE IMPAIRMENT LOSS		352,344,686	309,613,140
LESS IMPAIRMENT LOSS	10	57,077,083	29,005,637
INCOME AFTER IMPAIRMENT LOSS		295,267,603	280,607,503
OPERATING EXPENSES	20	271,978,291	254,562,564
INCOME BEFORE SUBSIDY		23,289,312	26,044,939
SUBSIDY	6	-	1,968,633
PROFIT FOR THE YEAR		23,289,312	28,013,572
EARNINGS PER SHARE	22	8.78	10.67
DISTRIBUTION			
General reserve fund (10%)	16	2,328,930	2,801,357
Education and training fund (CETF – local) (5%)	16	1,164,466	1,400,679
Education and training fund (CETF – apex) (5%)	16	1,164,466	1,400,679
Community development fund (3%)	16	698,679	840,407
Optional fund (7%)	16	1,630,252	1,960,950
Surplus free (70%)	16	16,302,519	19,609,500
		23,289,312	28,013,572

See Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

Mindanao Consolidated Cooperative Bank
Amounts in Philippine Peso

December 31	Notes	2025	2024
SHARE CAPITAL	16	329,591,800	326,480,800
SURPLUS FREE			
Balance at beginning of year		5,680,220	30,626,472
Allocation from net surplus	16	16,302,519	19,609,500
Prior period adjustments	16	(450,577)	(44,555,752)
Balance at end of year		21,532,162	5,680,220
STATUTORY FUNDS			
General Reserve Fund			
Balance at beginning of year		7,216,005	4,414,648
Adjustment	5	-	-
Allocation from net surplus	16	2,328,930	2,801,357
Balance at end of year		9,544,935	7,216,005
Community Development Fund			
Balance at beginning of year		3,467,463	3,518,358
Allocation from net surplus	16	698,679	840,407
Disbursement		(1,591,498)	(891,301)
Balance at end of year		2,574,644	3,467,464
Optional Fund			
Balance at beginning of year		8,900,158	8,907,841
Allocation from net surplus	16	1,630,252	1,960,950
Subsidy	6	-	(1,968,633)
Balance at end of year		10,530,410	8,900,158
Cooperative Educational and Training Fund			
Balance at beginning of year		1,400,679	2,490,199
Allocation from net surplus	16	1,164,466	1,400,679
Disbursement		(1,400,679)	(2,490,199)
Balance at end of year		1,164,465	1,400,679
STATUTORY RESERVE	16	23,814,454	20,984,306
		374,938,416	353,145,326

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

Mindanao Consolidated Cooperative Bank
Amounts in Philippine Peso

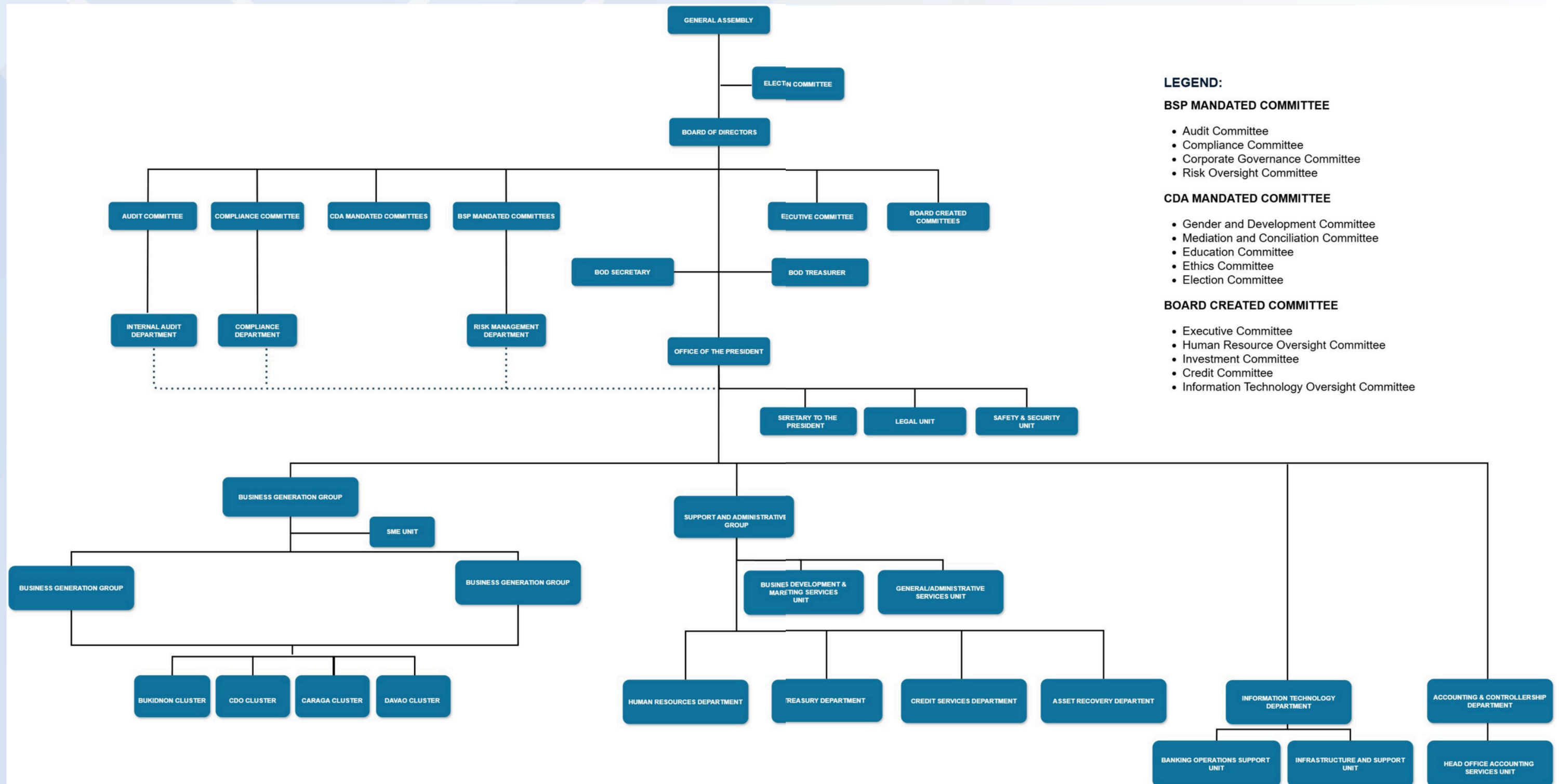
Years Ended December 31	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		23,289,312	28,013,572
Adjustments for:			
Depreciation	6	33,089,551	26,637,740
Interest income	17	(278,976,378)	(259,103,596)
Interest expense	18	86,454,672	70,999,124
Impairment losses	10	57,077,083	29,005,636
Retirement benefit expense		2,039,024	1,853,658
Prior period adjustments		(450,577)	(44,555,752)
Gain on sale of bank premises, furniture, fixtures and equipment		(5,100)	-
Gain on sale of real and other properties acquired		(34,361,078)	-
Changes in working capital:			
Increase in loans and receivables	5	(236,027,576)	(243,838,937)
Decrease in goodwill	8	-	47,376,412
Increase in other assets	9	(1,279,092)	(1,192,074)
Increase in deposit liabilities	11	410,940,142	443,366,994
Increase in retirement benefit obligation	13	(855,634)	-
(Increase) decrease in lease liability	11	-	(970,680)
(Increase) decrease in other liabilities	15	(27,431,199)	52,432,255
Cash generated from operating activities		33,503,150	150,024,353
Interest received	17, 9	276,779,585	229,922,966
Interest paid	10, 15	(97,048,802)	(60,059,472)
Net Cash from Operating Activities		213,233,933	319,887,847
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions of bank premises, furniture and equipment	6	(26,441,581)	(42,041,597)
Proceeds from sale of bank premises, furniture and fixtures		35,641	-
Additions of investment properties	7	(106,518,796)	(71,292,603)
Proceeds of investment properties		141,554,503	-
Net Cash Used in Investing Activities		8,629,767	(113,334,200)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Payments) proceeds of bills payable	12	(193,666,947)	49,283,990
Additions to finance lease liability		5,115,484	-
Payments on finance lease liability		(2,557,742)	-
Decrease from surplus reserve	16	2,830,149	1,653,262
Withdrawal of preferred shares	16	(990,000)	(9,581,500)
Issuance of ordinary shares	16	5,790,000	11,601,000
Withdrawal of ordinary shares	16	(3,000,000)	(2,601,000)
Issuance of preferred shares	16	1,311,000	173,700
Allocations during the year	16	(6,986,793)	(8,404,072)
Cash Generated (for) from Financing Activities		(192,154,84)	42,125,380
NET INCREASE IN CASH		29,708,851	248,679,026
CASH AT BEGINNING OF YEAR	4	769,885,110	521,206,084
CASH AT END OF YEAR	4	799,593,961	769,885,110

See Notes to Financial Statements.

TABLE OF

ORGANIZATION

As per Board Resolution No. 52-2026



Top 10 Shareholders

INSTITUTION NAME	NO. OF SHARES	% OF OWNERSHIP	CURRENT ADDRESS
ACDI Multipurpose Cooperative	606,566	22.87	BGen. Felix T. Pestana (Ret) Bldg., Diego Silang St., AFPOVAI Phase 1, Western Bicutan, Taguig City, NCR, Philippines
Oro Integrated Cooperative	329,194	12.41	OIC Building, Tiano Yacapin Street, Cagayan De Oro City, 9000 Misamis Oriental
CLIMBS Life and General Insurance Cooperative	250,102	9.43	CLIMBS Building, Upper Zone 5, National Highway, Bulua, Cagayan de Oro City
MICROBANCO (Misamis Oriental Micro Banker Coop)	110,390	4.16	MCCB Building, Gen. A. Luna St. corner Don A. Velez St., Provincial Capitol Compound, Barangay 27, Cagayan de Oro City
Del Monte Philippines, Inc. Employees and Community Credit Cooperative	51,558	1.94	Zone 3, Bugo, Cagayan de Oro City
GASAKA MPC (Gabayan sa Kaugmaon)	27,943	1.05	Tan Bldg., Zone 1, Bulua, Cagayan de Oro City
Macalajar Wharf Porters Ass'n Multi-Purpose Cooperative (MWPA MPC)	21,902	0.83	Cagayan de Oro City
Coop Life General Insurance & Financial Services Agency (CLIFSA)	20,091	0.76	CLIFSA Bldg., MH Del Pilar, Brgy. 17, Cagayan de Oro, Philippines, 9000
Income Credit Cooperative	20,000	0.75	84 Bonifacio St., Brgy 33-D, Poblacion District, Davao City
MFEDCO	15,468	0.58	Cagayan de Oro City

MCCB Board of Directors and the Management

Board of Directors



MANSUETO V. DELA PEÑA

CHAIRMAN
Oro Integrated Cooperative (OIC)



EDGARDO T. GAMOLO

VICE-CHAIRMAN
*Misamis Oriental Micro Banker
Coop (MICROBANCO)*



**COL. BENJAMIN N.
BAQUIANO JR., PAF (RET)**

REGULAR DIRECTOR
*ACDI Multipurpose Cooperative
(ACDI)*



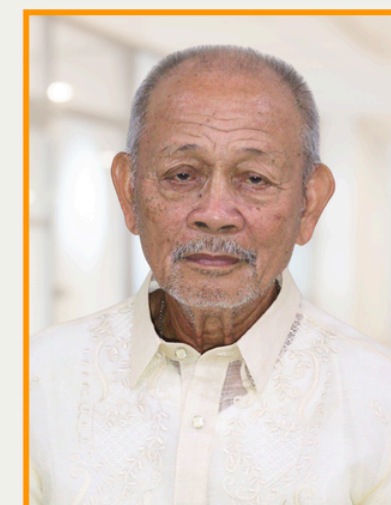
ENGR. ROGER S. CABUNOC

DIRECTOR
*Del Monte Philippines, Inc.
Employees and Community
Credit Cooperative
(DMPI-ECCC)*



ATTY. PROCULO T. SARME

INDEPENDENT DIRECTOR
*San Isidro Calacapan Indahag
Farmers Association -
Multipurpose Cooperation
Incorporated (SICIFA-MPC)*



ENGR. JAIME B. BALANSAG, SR.

INDEPENDENT DIRECTOR
*Alubijid Municipal Federation Of
Cooperatives (AMFEDCO)*



NOEL D. RABOY

REGULAR DIRECTOR
*CLIMBS Life and General
Insurance Cooperative (CLIMBS)*



ENGR. CALANICO CHAMEN III

REGULAR DIRECTOR
*Philippine International Travel
Assistance Center – Multi-Purpose
Cooperative (PITAC-MPC)*



ATTY. ISIDRO Q. LICO

DIRECTOR
*Gabayan sa Kaugmaon
Multipurpose Cooperative
(GASAKA MPC)*



DELIA M. LADAO, CPA

INDEPENDENT DIRECTOR
*Countryside Builders Multi-
Purpose Cooperative (CBMPC)*



CLAUDINE A. MALANOG

BOARD TREASURER



DORIS B. CALAPIZ

BOARD SECRETARY

Top Management



MYRNA A. SESCON

President



CALVIN M. AKUT JR.

Vice-President/
Officer-in-Charge
Business Generation Group (BGG)



WILMAN V. LAGDAMIN

Vice-President/
Officer-in-Charge
Support and Administrative Group (SAG)

Corporate Managers



Axl Ramil S. Macabudbud, CPA
Head - Internal Audit Department



Atty. Shaneen Ray M. Alfara
In-House Legal Counsel



Jezreel Jade T. Baruel, CPA
Compliance Officer



Kathrine May B. Valdez, CPA
Risk Management Officer



Rezil C. Mejorada, CPA
Controller



Amanda Marie B. Hora, CPA
Internal Auditor



Rosalette V. Banaynal
Human Resource Manager



Ronell A. Bacalan
Information Technology Manager



Jasmine Anthea M. Macose
Banking Operations Support Manager



Lutzie Marie E. Marfori
Treasury Manager



Libby Mario M. Abesamis
Asset Recovery Manager



Jorram M. Barrun
Credit Services Manager

Corporate Managers



Judy Mae T. Borres
Assistant Accounting Manager

Alcris Jo O. Camance
Lending Services Head Trainee

Orville S. Aspiras
Head - Asset Recovery
Management - Bukidnon

Hercris S. Bongbong
Liasion Officer

Cluster Heads - Davao and CARAGA



Kristine N. Valdevilla
OIC - Business Generation Group
(Davao & CARAGA)



Enrique T. Jamin
OIC - Davao Cluster



Marissa T. Achacoso
OIC - CARAGA Cluster

Cluster Heads - Cagayan de Oro and Bukidnon



Tessie S. Alamo
OIC - Business Generation Group
(CDO & Bukidnon)



Rowena T. Adame
OIC - CDO Cluster



Benjie L. Diagro
OIC - Bukidnon Cluster

Branch Heads



Rogelio F. Ang Jr.
ALAE



Fermin J. Bariquit Jr.
ALUBIJID



Elaine Grace A. Rosales
BUTUAN



Jemson D. Suico
CALINAN



Michelle G. Borromeo
CAGAYAN DE ORO-MAIN



Daisy Joy S. Ferolin
DAVAO



Elaine May A. Henry
GENERAL SANTOS



Dionefer P. Amolato
GINGOOG



Ernan C. Doriga
ILIGAN



Ramir Jay B. Gonzales
KIBAWÉ



Manuel V. Torregosa II
MALAYBALAY



Hedwig C. Samson
MANTICAO



Earl Kavin U. Sale
MARAMAG



Roy P. Batingal
PANABO



Randy R. Marababol
PROSPERIDAD



Mary Jane A. Aseniero
PUERTO



May Lady A. Leppago
QUEZON



John Ray L. Tacobo
SURIGAO



Anthony C. Cayabab
TAGUM



Arlyn D. Evangelista
VALENCIA



Michelle K. Labuanan
VILLANUEVA