



**P&A**  
**Grant Thornton**

**FOR BSP FILING**

Financial Statements and  
Independent Auditors' Report

**BDO Unibank, Inc.**

Trust and Investments Group  
BDO PERA Short Term Fund  
of the Unit Investment Trust Fund

December 31, 2024 and 2023



## Report of Independent Auditors

### The Board of Directors

#### **BDO Unibank, Inc.**

BDO Towers Valero  
8741 Paseo de Roxas, Salcedo Village  
Makati City, Philippines

### *Opinion*

We have audited the financial statements of BDO PERA Short Term Fund of the Unit Investment Trust Fund (UITF – BDO PERA Short Term Fund) managed by the Trust and Investments Group (BDO Trust and Investments Group) of BDO Unibank, Inc. (the Bank), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income and statements of changes in accountabilities for the years then ended, and notes to the financial statements, including a summary of significant accounting policies. These financial statements were prepared from the transactions recorded in the books of accounts maintained by BDO Trust and Investments Group for UITF – BDO PERA Short Term Fund.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the UITF – BDO PERA Short Term Fund as at December 31, 2024 and 2023, and its financial performance for the years then ended in accordance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions issued by the Bangko Sentral ng Pilipinas (BSP) as described in Note 2 to the financial statements.

### *Basis for Opinion*

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

***Emphasis of Matter***

We draw attention to Note 2 to the financial statements, which describes the basis of preparation of the financial statements. The financial statements are prepared to assist the BDO Trust and Investments Group in complying with the requirements of BSP. As a result, the accompanying financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Board of Directors and management of the Bank and should not be used for any other purpose without our consent.

Our opinion is not modified in respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions issued by the BSP as described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing BDO Trust and Investments Group's financial reporting process.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA 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.

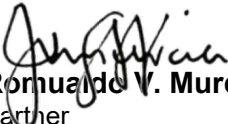
As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 BDO Trust and Investments Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

## **PUNONGBAYAN & ARAULLO**

  
**By: Romualdo V. Murcia III**  
Partner

CPA Reg. No. 0095626  
TIN 906-174-059  
PTR No. 10465910, January 2, 2025, Makati City  
BIR AN 08-002511-022-2022 (until October 13, 2025)  
BOA/PRC Cert. of Reg. No. 0002/P-001 (until August 12, 2027)

April 25, 2025

**BDO UNIBANK, INC.**  
**TRUST AND INVESTMENTS GROUP**  
**BDO PERA SHORT TERM FUND**  
**OF THE UNIT INVESTMENT TRUST FUND**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	Notes		2024		2023
<b><u>RESOURCES</u></b>					
DUE FROM BANKS	6	<b>P</b>	2,613,022	P	502,142
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	7		36,806,251		26,220,409
<b>TOTAL RESOURCES</b>		<b>P</b>	<b>39,419,273</b>	P	26,722,551
<b><u>ACCOUNTABILITIES</u></b>					
PRINCIPAL	2	<b>P</b>	36,005,037	P	24,966,854
ACCUMULATED INCOME	2		3,366,527		1,722,945
OTHER ACCOUNTABILITIES	8		47,709		32,752
<b>TOTAL ACCOUNTABILITIES</b>		<b>P</b>	<b>39,419,273</b>	P	26,722,551

*See Notes to Financial Statements.*

**BDO UNIBANK, INC.**  
**TRUST AND INVESTMENTS GROUP**  
**BDO PERA SHORT TERM FUND**  
**OF THE UNIT INVESTMENT TRUST FUND**  
**STATEMENTS OF COMPREHENSIVE INCOME\***  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b>INCOME</b>			
Interest income	6, 7	<b>P 1,503,788</b>	P 521,739
Net gain on sale of financial assets at fair value through profit or loss (FVTPL)	7	<b>452,328</b>	-
Net fair value gains on financial assets at FVTPL	7	-	675,819
Others		-	5
		<u><b>1,956,116</b></u>	<u>1,197,563</u>
<b>EXPENSES</b>			
Trust fees	9, 13	<b>168,834</b>	110,607
Net fair value losses on financial assets at FVTPL	7	<b>34,542</b>	-
Others	10	<b>24,756</b>	12,322
		<u><b>228,132</b></u>	<u>122,929</u>
<b>NET PROFIT</b>		<b><u>P 1,727,984</u></b>	<b><u>P 1,074,634</u></b>

\* The Fund has no other comprehensive income (loss) transactions in 2024 and 2023.

*See Notes to Financial Statements.*

**BDO UNIBANK, INC.**  
**TRUST AND INVESTMENTS GROUP**  
**BDO PERA SHORT TERM FUND**  
**OF THE UNIT INVESTMENT TRUST FUND**  
**STATEMENTS OF CHANGES IN ACCOUNTABILITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b>PRINCIPAL FUND BALANCE</b>	2		
<b>Principal</b>			
Balance at beginning of year		<b>P 24,966,854</b>	P 15,380,086
Net contributions		<u>11,038,183</u>	<u>9,586,768</u>
Balance at end of year		<u>36,005,037</u>	<u>24,966,854</u>
<b>Accumulated Income</b>			
Balance at beginning of year		1,722,945	661,141
Net profit		1,727,984	1,074,634
Withdrawals		( <u>84,403</u> )	( <u>12,830</u> )
Balance at end of year		<u>3,366,527</u>	<u>1,722,945</u>
<b>Total Principal Fund Balance</b>		<u>39,371,564</u>	<u>26,689,799</u>
<b>OTHER ACCOUNTABILITIES</b>	8		
Balance at beginning of year		32,752	19,278
Net accruals		<u>14,957</u>	<u>13,474</u>
Balance at end of year		<u>47,709</u>	<u>32,752</u>
<b>TOTAL ACCOUNTABILITIES</b>		<u><b>P 39,419,273</b></u>	<u><b>P 26,722,551</b></u>

*See Notes to Financial Statements.*

**BDO UNIBANK, INC.**  
**TRUST AND INVESTMENTS GROUP**  
**BDO PERA SHORT TERM FUND**  
**OF THE UNIT INVESTMENT TRUST FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

**1. CORPORATE MATTERS**

***1.1 Incorporation and Operations***

BDO Unibank, Inc. (BDO Unibank) was incorporated in the Philippines on December 20, 1967, to engage in the business of banking. BDO Unibank was authorized by the Bangko Sentral ng Pilipinas (BSP) to engage in foreign currency deposit operations on November 23, 1990. On August 5, 1996, BSP granted approval to BDO Unibank to operate as an expanded commercial bank. As of December 31, 2024, BDO Unibank had 1,224 branches (including two foreign branches), 2,962 on-site and 1,960 off-site automated teller machines, 411 cash accept machines, 481 branch universal machines, and 1 mobile automated teller machine, all located within and outside the Philippines.

BDO Unibank was authorized to engage in trust operations on January 5, 1988. Relative to its trust operations, BDO Unibank's Trust and Investments Group (the Group) was organized. One of the funds managed by the Group is the Unit Investment Trust Fund (UITF). The Group introduced the UITF in 2005. UITF is an investment vehicle managed by the trust department of a financial institution which pools together funds from various investors and places these in allowable investments. These allowable investments include bank deposits, government securities and marketable securities and such other investment outlets and categories as the BSP may allow.

One of the UITFs set up by the Group is the BDO PERA Short Term Fund (PSTF or the Fund), which was introduced on June 27, 2017. The Fund is a peso-denominated money market fund that aims for capital preservation, income generation and liquidity from low-risk investments. The Fund is suitable for investors with conservative risk appetite and has a recommended investment time horizon of at least six months. The minimum investment in the Fund is P1,000. The Net Asset Value per unit (NAV<sub>pu</sub>) of the Fund as at the last trading day in 2024 and 2023 is P126.5615 and P120.1533, respectively.

***1.2 Approval of Financial Statements***

The financial statements of the Fund managed by the Group as of and for the year ended December 31, 2024 (including the comparative financial statements as of and for the year ended December 31, 2023) were authorized for issue by the Board of Directors of BDO Unibank on April 25, 2025.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 *Basis of Preparation of Financial Statements*

#### (a) *Statement of Compliance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions*

The financial statements of the Fund have been prepared in accordance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions (the Guidelines) for the financial reporting period beginning January 1, 2008 as set out under BSP Circular No. 653.

The Guidelines have adopted Philippine Financial Reporting Standards (PFRS Accounting Standards) except for the following:

- Presentation of statement of cash flows which is required as part of the basic financial statements under PFRS Accounting Standards but is not required under the Guidelines;
- Presentation of each component of income and expense recognized in other comprehensive income in the statements of changes in accountabilities which is no longer allowed to be presented per PFRS Accounting Standards but is required by the Guidelines; and,
- Application of provisions of PFRS Accounting Standards only to trust accounts still outstanding as of the end of reporting period.

PFRS Accounting Standards are adopted by the Financial Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.

Pursuant to the Guidelines, the audited financial statements shall comprise of the following:

- Statements of financial position as of the end of the period;
- Statements of comprehensive income for the period;
- Statements of changes in accountabilities, which shall show a reconciliation of the net carrying amount at the beginning and end of the period of the following accounts: (i) principal, (ii) accumulated income or loss, and (iii) other accountabilities, separately disclosing the changes in each of the foregoing accounts; and,
- Notes to the financial statements, which shall comprise of a summary of significant accounting policies and other disclosure requirements provided under PFRS Accounting Standards.

The financial statements were prepared from the transactions recorded in the books of accounts maintained by the Group for the Fund.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards as prescribed for adoption by a trust institution under the Guidelines for each type of asset, accountability, income and expense. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial and non-financial assets. The measurement bases are more fully described in the accounting policies that follow.

*(b) Presentation of Financial Statements*

The financial statements of the Fund are presented in accordance with PAS 1, *Presentation of Financial Statements*, as modified by the Guidelines. The Fund presents all items of income, expenses and other comprehensive income (loss), if any, in a single statement of comprehensive income.

The Fund presents a third statements of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statements of financial position at the beginning of the preceding period. The related notes to the third statements of financial position are not required to be disclosed.

*(c) Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Fund's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Fund are measured using the Fund's functional currency. Functional currency is the currency of the primary economic environment in which the Fund operates.

**2.2 Adoption of Amended Standards**

*(a) Effective in 2024 that are Relevant to the Fund*

The Fund adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
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Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Fund's financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Fund's financial statements.

(b) *Effective in 2024 that are not Relevant to the Fund*

Among the amendments to PFRS Accounting Standards which are mandatorily effective for annual periods beginning on or after January 1, 2024, the following are not relevant to the Fund's financial statements:

- (i) PFRS 16 (Amendments), *Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)
- (ii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(c) *Effective Subsequent to 2024 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the Fund's financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

## 2.3 *Financial Instruments*

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial instrument.

### (a) *Financial Assets*

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

#### (i) *Classification, Measurement and Reclassification of Financial Assets*

The classification and measurement of financial assets are described below.

##### *Financial Assets at Amortized Cost*

Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (SPPI). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 3.1(a)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Fund's financial assets at amortized cost are presented in the statements of financial position as Due from Banks, which include accrued interest receivables.

##### *Financial Assets at Fair Value Through Profit or Loss (FVTPL)*

The Fund's financial assets at FVTPL include government securities which are held for trading purposes or designated as at FVTPL.

The fair values of these financial assets are determined by reference to active market transactions or using a valuation technique where no active market exists.

Interest earned on these investments is reported under Interest Income account in the statements of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

(ii) *Impairment of Financial Assets*

The Group assesses its expected credit losses (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost and other contingent accounts. Recognition of credit losses is no longer dependent on the Group's identification of a credit loss event. Instead, the Group considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following financial instruments which are measured as 12-month ECL:

- all current loan accounts, except restructured loans;
- debt securities that are identified to have 'low credit risk' at the reporting date; and,
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

For these financial instruments, the allowance for credit losses is based on 12-month ECL associated with the probability of default of a financial instrument in the next 12 months (referred to as 'Stage 1' financial instruments). Unless there has been a significant increase in credit risk subsequent to the initial recognition of the financial asset, a lifetime ECL (which are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial asset) will be recognized (referred to as 'Stage 2' financial instruments).

'Stage 2' financial instruments also include the following characteristics:

- performing accounts but with occurrence of loss event;
- accounts with missed payments but not yet classified as defaulted;
- current restructured loans; and,
- current loans that are rated as Especially Mentioned based on the Internal Credit Risk Rating System (ICRRS) of the Group.

A lifetime ECL shall be recognized for 'Stage 3' financial instruments, which include financial assets considered as credit-impaired, purchased or originated credit-impaired assets, and those classified as Past Due and Items in Litigation based on the ECL methodology of the Bank.

The Group's definition of credit risk and information on how credit risk is mitigated by the Group are disclosed in Note 4.4.

(iii) *Measurement of ECL*

The measurement of the ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and, (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Fund's detailed ECL measurement as determined by the Group is disclosed in Note 4.4.

(iv) *Reclassification of Financial Assets*

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

A change in the objective of the Fund's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(v) *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) *Classification and Measurement of Financial Liabilities*

Financial liabilities, which include other accountabilities (except tax-related payables), are recognized when the Fund become a party to the contractual terms of the instrument.

## **2.4 Other Income and Expense Recognition**

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised services to the customer. A contract with a customer that results in a recognized financial instrument in the Fund's financial statements may be partially within the scope of PFRS 9, *Financial Instruments*, and partially within the scope of PFRS 15, *Revenue from Contracts with Customers*. In such case, the Group first applies PFRS 9 to separate and measure the part of the contract that is in-scope of PFRS 9, and then apply PFRS 15 to the residual part of the contract. Expenses and costs, if any, are recognized in profit or loss upon utilization of the assets or services or at the date these are incurred. All finance costs are reported in profit or loss on accrual basis.

## **2.5 Principal Fund Balance**

Principal consists of the pooled contributions of investors, after deducting principal drawings.

Accumulated income includes all current and prior period results of operations as reported in the statements of comprehensive income and statements of changes in accountabilities, reduced by the amount of income withdrawals.

## **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

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

### **3.1 Critical Management Judgments in Applying Accounting Policies**

#### *(a) Application of ECL to Financial Assets at Amortized Cost*

The allowance for impairment for financial assets carried at amortized cost is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since organization of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

#### *(b) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion.

The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

If more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in the Fund's business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Fund's objective for the business model.

(c) *Recognition of Provisions and Contingencies*

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Funds that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Funds can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant contingencies are disclosed in Note 12.

### **3.2 Key Sources of Estimation Uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of resources and accountabilities within the next reporting period:

(a) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour (e.g., likelihood of other party defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Notes 2.3(a)(iii) and 4.4.

(b) *Fair Value Measurement for Financial Instruments*

The Group applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. Valuation techniques are used to determine fair values which are validated and periodically reviewed. To the extent practicable, models use observable data, however, areas such as counterparty credit risk, volatilities and correlations require management to make estimates. Changes in assumptions could affect the reported fair value of financial instruments. The Group uses judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The carrying values of the Fund's financial assets at FVTPL and the amounts of fair value changes recognized during the reporting periods on those assets are disclosed in Note 7.

## **4. RISK MANAGEMENT POLICIES AND OBJECTIVES**

The objective of the Group in risk management is to establish and maintain a sound system that will enable the Group to identify, measure, control and monitor the various risk exposures arising from its business activities. The Group believes that, as there are opportunities, there are associated risks and the objective is not to totally avoid risks, but to adequately and consistently evaluate, manage, control, and monitor the risks and ensure that the Group is adequately compensated for all the risks taken. Good risk management involves making informed and rational decisions about the level of risks the institution wants to take, in the pursuit of its objectives, but with consideration to return commensurate with the risk-taking activity.

For the successful implementation of the risk management process, the Group has established clearly defined risk policies, effective organization and limit structures, appropriate systems and technology support, a good management information reporting system and model/system revalidation.

The risk management methodologies are mainly focused on market (including interest rate), liquidity and credit risks, which are described in greater detail in the succeeding pages.

#### **4.1 Market Risk**

Market risk is the risk of loss, immediate or over time, due to adverse fluctuations in the price or market value of instruments, products, and transactions in the overall portfolio of the Fund. While market risk activities are pursued for profit, inevitably these activities create occasional losses. The Group's Market Risk Management aims to determine what is actually at risk so that the Fund and the Group's clients can avoid losses from risks that were ignored or misunderstood. The Fund, through the Group, manages this risk through the process of identifying, analyzing, measuring, and controlling relevant market risk factors, and establishing appropriate limits for various exposures.

Market risk factors are independent variables that cause changes in the value of an investment. These risks can occur in isolation or in combination with other risk factors such that an investment or transaction may have several market risk factors which need to be measured and managed. These include:

- the term structure of interest rates;
- spot foreign exchange rates;
- equity prices; and,
- foreign exchange, interest rate and equity price volatility.

The market risk inherent to each of the Fund's managed portfolios is measured through Value-at-Risk (VaR). VaR is the maximum potential loss of a portfolio measured at a 99% level of confidence over a one-day period under normal market conditions.

VaR limits represent management's tolerance for a potential loss over a one-day time horizon, using a 99% level of confidence. The VaR limit system is designed to reduce risk when increases in market volatility are captured in the daily VaR measurement process. The limit is derived by considering the historical daily VaR movement of the Fund.

The Group uses a back testing framework to verify the accuracy of its VaR calculation system. This consists of a comparison of a portfolio's daily VaR estimates with actual and theoretical profit or loss, in line with the Basel methodology. Theoretical profit or loss is the profit and loss obtained from applying the day's price movements to the previous day's portfolio. It assumes that the composition remained fixed over the one-day holding period. The hypothetical profit or loss result is then compared to the VaR based on the previous day's portfolio.

Stress testing allows the Group to evaluate the market risk inherent to a portfolio under abnormal market conditions. It is used as a complementary approach to VaR since it helps capture sudden and dramatic changes in the portfolio's value given atypical market circumstances and provides the portfolio manager with the ability to assess performance based on these perceived worst-case scenarios.

Modified duration determines the effect that a one-percent change in interest rates will have on the price of a bond. It is useful in determining the sensitivity of a bond's price to interest rate movements. It also helps reduce bond risks by neutralizing price and reinvestment risks due to interest rates movements.

The following table sets out the Fund's VaR, stress test and modified duration as of the last trading day of each reporting period:

	<u>2024</u>	<u>2023</u>
VaR	<u><b>P 14,571</b></u>	<u>P 13,836</u>
Stress test	<u><b>P 660,319</b></u>	<u>P 428,172</u>
Modified duration	<u><b>0.75</b></u>	<u>0.57</u>

#### **4.2 Interest Rate Risk**

Interest risk refers to the sensitivity of fixed-income securities to interest rate fluctuations. The Group uses duration which measures the sensitivity of the price of a debt instrument to a change in interest rate to quantify and manage this risk (see Note 4.1). The Group controls the level of interest risk it undertakes by setting limits on duration of portfolios.

#### **4.3 Liquidity Risk**

Liquidity risk is the risk that the Fund will be unable to service any requested cash requirements, client withdrawals or investment-related expenses. Fund managers are required to maintain adequate liquidity at all times and must remain in a position, within the normal course of business, to meet all the liquidity requirements of clients in a timely manner. The Group's liquidity risk policies aim to ensure an adequate liquidity position by diversifying the investments of a trust fund, identifying and maintaining an appropriate level of highly marketable or liquid assets.

The Trust Committee has overall responsibility for ensuring that Group policies on liquidity management are adhered to on a continuing basis. Fund managers and account officers are responsible for executing the liquidity directives of their clients while operating within Group policies. Movements and redemptions on the Fund are monitored and reported to the Trust Committee on a regular basis to ensure that potential liquidity problems are timely captured and to mitigate any related risks. Further, stress scenarios indicated in the UITF Liquidity Contingency Plan are simulated on a regular basis to determine the impact of such conditions.

The maturity profile of the Fund's Due from Banks and financial assets at FVTPL are presented in Notes 6 and 7, respectively. The Fund's financial liabilities are expected to be settled in less than one year after the end of each reporting period (see Note 8).

#### 4.4 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default by failing to repay principal and interest in a timely manner.

The Group conducts credit analysis and review of issuers and investments in accordance with the guidelines prescribed in the Basic Standard in the Administration of Trust, Other Fiduciary and Investment Management Accounts. The Group ensures all prospective and existing investments are sound by regularly identifying, measuring, and monitoring counterparties, issuers, and credit exposures. It also manages and limits concentration risk to any single counterparty or group of related counterparties by setting exposure limits at the issuer level or group level. Such limits are monitored and reported regularly to the Trust Committee who is tasked to oversee all trust operations. Proper risk management of the exposures will ensure that the Fund can react to these credit risk concentrations in a timely manner.

Generally, the maximum credit risk exposure of financial assets as of December 31, 2024 and 2023 is the carrying amount of the financial assets as shown in the statements of financial position, as summarized below.

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Due from banks	6	<b>P 2,613,022</b>	P 502,142
Financial assets at FVTPL	7	<b><u>36,806,251</u></b>	<u>26,220,409</u>
		<b><u>P 39,419,273</u></b>	<b><u>P 26,722,551</u></b>

The Group recognizes allowance for ECL on financial assets at amortized cost [see Note 2.3(a)(ii)]. The Group analyzes the credit quality of counterparties based on internal and external factors that affect its performance.

As of December 31, 2024 and 2023, the Fund's Due from Banks are held with financial institutions that are rated at least with very strong and satisfactory credit ratings, based on internal rating system of the Group.

The Fund does not have any financial assets that are individually or collectively impaired, nor does it have any significant balances that are past due but not impaired.

Collateral is usually not held against financial assets at FVTPL, and no such collateral was held as of December 31, 2024 and 2023.

## 5. FAIR VALUE MEASUREMENT AND DISCLOSURES

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which an asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Fund uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

### 5.1 *Financial Instruments Measured at Fair Value*

The Fund's financial assets at FVTPL, measured at fair value in the statements of financial position on a recurring basis as of December 31, 2024 and 2023, are shown below:

	<u>2024</u>	<u>2023</u>
Government securities		
Level 1	<u>P 33,076,787</u>	<u>P 17,089,382</u>
Level 2	<u>P 3,496,946</u>	<u>P 8,936,437</u>
Level 3	<u>P 232,518</u>	<u>P 194,590</u>

In 2024 and 2023, fair values of peso-denominated government debt securities issued by the Philippine government, are determined based on the reference price per Philippine Dealing and Exchange Corporation (PDEX) which used Bloomberg Valuation Service (BVAL). These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparable.

Interest receivable on debt securities is classified under Level 3 hierarchy.

The Fund has no financial liabilities measured at fair value as of December 31, 2024 and 2023.

There were no significant transfers between Levels 1, 2 and 3 in both years.

### ***5.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed***

The following table summarizes the fair value hierarchy of the Fund's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed as of December 31, 2024 and 2023:

	<u>Notes</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
<b><u>December 31, 2024</u></b>				
<b><i>Resources</i></b>				
Financial assets at amortized cost –				
Due from banks	6	P <u>2,612,098</u>	P <u>924</u>	P <u>2,613,022</u>
<b><i>Accountabilities</i></b>				
Financial liabilities at amortized cost –				
Other accountabilities	8	P <u>-</u>	P <u>47,709</u>	P <u>47,709</u>
<b><u>December 31, 2023</u></b>				
<b><i>Resources</i></b>				
Financial assets at amortized cost –				
Due from banks	6	P <u>500,852</u>	P <u>1,290</u>	P <u>502,142</u>
<b><i>Accountabilities</i></b>				
Financial liabilities at amortized cost –				
Other accountabilities	8	P <u>-</u>	P <u>32,752</u>	P <u>32,752</u>

As of December 31, 2024 and 2023, the Fund does not have financial assets and financial liabilities at amortized cost under the Level 2 fair value hierarchy.

For financial assets with fair values at amortized cost included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

Due from Banks pertains to deposits with various banks and accrued interest income on such deposits. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity, which for short term deposits approximate the nominal value.

Interest receivable on due from banks are classified under Level 3 fair value hierarchy.

The Fund considers the carrying amounts of Other Accountabilities recognized in the statements of financial position to be reasonable approximation of their fair values due to their short-term duration.

## 6. DUE FROM BANKS

This account consists of the following:

	<u>2024</u>	<u>2023</u>
Special savings deposits	<b>P 2,000,924</b>	P 491,290
Savings deposits	<u>612,098</u>	<u>10,852</u>
	<b><u>P 2,613,022</u></b>	<b><u>P 502,142</u></b>

The foregoing deposits are maintained by the Fund with the following:

	<u>2024</u>	<u>2023</u>
Regular bank	<b>P 2,613,022</b>	P 110,852
Other banks	<u>-</u>	<u>391,290</u>
	<b><u>P 2,613,022</u></b>	<b><u>P 502,142</u></b>

Annual interest earned on these deposits ranges from 0.06% to 5.20% from 0.06% to 6.20%, gross of tax, in 2024 and 2023, respectively, and is recognized as part of Interest Income in the statements of comprehensive income.

The Fund's special savings deposits will mature in less than one year.

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As of December 31, 2024 and 2023, the balance of this account consists of government securities issued by the Philippine government, with an aggregate fair value of P36,806,251 and P26,220,409, respectively, which have been determined directly by reference to published prices quoted in an active market.

Government securities earn annual interest ranging from 2.63% to 6.00% and from 2.38% to 6.25%, gross of tax, in 2024 and 2023, respectively. Interest earned from financial assets at FVTPL is recognized as part of Interest Income in the statements of comprehensive income.

Interest receivable on government securities presented as part of Financial Assets at FVTPL amounted to P232,518 and P194,590 as of December 31, 2024 and 2023, respectively.

The Fund recognized net fair value losses of P34,542 in 2024 and net fair value gains of P675,819 in 2023, on its investments in financial assets at FVTPL, which are presented as Net Fair Value Losses on Financial Assets at FVTPL and Net Fair Value Gains on Financial Assets at FVTPL, respectively, in the statements of comprehensive income.

The sale of government securities with total carrying value of P453,290,558 in 2024 resulted in net gains of P452,328, which are presented as Net Gain on Sale of Financial Assets at FVTPL in the statements of comprehensive income. There is no similar transaction in 2023.

The maturity profile of the Fund's financial assets at FVTPL is presented below.

	<u>2024</u>	<u>2023</u>
Government Securities		
Within one year	<b>P 28,320,145</b>	P 20,141,571
One to five years	<u>8,486,106</u>	<u>6,078,838</u>
	<b><u>P 36,806,251</u></b>	<b><u>P 26,220,409</u></b>

## 8. OTHER ACCOUNTABILITIES

The balance of this account represents accrued trust fees payable which are expected to be settled within one year from reporting period. The carrying amount of other accountabilities is a reasonable approximation of its fair value due to its short duration.

## 9. TRUST FEES

Trust fees are charged at the rate of 0.50% per annum of the net asset value of the Fund.

## 10. OTHER EXPENSES

The balance of this account is composed of the following:

	<u>2024</u>	<u>2023</u>
Custodianship fees	<b>P 13,276</b>	P 5,237
Broker's commission	<b>11,217</b>	6,996
Professional fees	<u>263</u>	<u>89</u>
	<b><u>P 24,756</u></b>	<b><u>P 12,322</u></b>

The sales and purchases of fixed income investments are subject to broker's commission of 0.02% of the purchase prices.

## 11. TAXES

Interest income generated by the Fund from due from banks and government securities and income from sale of financial assets were recorded net of applicable final taxes; thus, no taxes were reported in the statements of comprehensive income.

## 12. COMMITMENTS AND CONTINGENT ACCOUNTABILITIES

In the normal course of the operations of the Fund through the Group, there are various outstanding commitments and contingent liabilities which are not reflected in the financial statements. The Fund recognizes in the books any losses and liabilities incurred in the course of operations as soon as these become known and quantifiable. The Group believes that as of December 31, 2024 and 2023, no additional material losses or liabilities are required to be recognized in the financial statements of the Fund as a result of these commitments and contingencies.

## 13. RELATED PARTY TRANSACTIONS

In the normal course of the Group's trust operations, the Fund's certain bank deposit accounts which are presented as part of Due from Banks in the statements of financial position include transactions with related parties amounting to P2,612,098 and P110,853 as of December 31, 2024 and 2023, respectively (see Note 6).

The trust fees charged by the Group which amounted to P168,834 and P110,607 for the years ending December 31, 2024 and 2023, respectively as presented in the statements of comprehensive income, are remitted to BDO Unibank.

## 14. OTHER MATTERS

### *14.1 Russia – Ukraine Conflict*

On February 24, 2022, Russia started its invasion of Ukraine which caused far-reaching impact for economies, markets, and businesses. The ongoing military conflict has introduced a wide range of sanctions against Russia, including certain Russian entities and individuals, and led to significant casualties, dislocation of population, damage to infrastructure, slowdown of business operations in both countries, disruption of supply chains and commodity flows that impact commodity prices such as gas, petrol, cereals, iron, and steel.

The Group being in the trust industry was heavily affected by the spur of inflationary pressures leading to slower global growth due to the ongoing conflicts. With this, the Group maintains exposure due to the heightened global market volatility leading to fluctuations in asset prices across various financial markets. Hence, the Group remains committed to proactive risk management practices to mitigate the potential impact of the geopolitical event in its financial statements.

However, as of December 31, 2023, the Group, whose business is primarily in the Philippines, has not been affected in a material way by the Russia-Ukraine conflict, despite its inflationary impact on commodity prices and disruption in supply chains. The Philippines remains a domestically focused, import-dependent consumption economy, and Philippine Gross Domestic Product (GDP) numbers remained strong and resilient in 2023. The reopening of the economy, the lifting of mobility restrictions and the resurgence in consumption spending all contributed to this strong GDP performance. This in turn has spurred price increases which necessitated the increase in policy rates to temper inflation. Consequently, it affected the fixed income and equities market negatively. However, the increase in interest rates benefited investors investing in low-risk assets such as time deposits and money market funds which contributed to the AUM and income growth of the Group.

Moreover, the management assessed that the impact of this event is not continuing and therefore will not affect the ability of the Group to continue as going concern.

#### ***14.2 Israel vs. Hamas Conflict***

On October 7, 2023, Hamas militants from Gaza commenced simultaneous incursions into several areas in neighboring Israel, damaging housing and infrastructure, inflicting casualties and taking hundreds of hostages. Israel Defense Forces responded by turning back the attackers and mounting an invasion of Gaza, with the objective of addressing the Hamas threat and rescuing the hostages. The conflict resulted in significant destruction of Gaza and fatalities from both sides, including non-combatants.

A wider conflict in the Middle East (ME) poses a major risk to the Philippine economy, resulting from energy supply disruptions involving major oil-producing countries. In such a situation, the Philippines, which is a net energy importer, would be negatively impacted by higher oil prices and increased inflation, reduced consumer purchasing power, and overall uncertainties in the economic growth outlook. A wider ME conflict may also negatively impact OFW remittances from the region, which accounts for approximately 17% of the total. OFW remittances are a significant contributor to domestic consumption.

The Israel-Hamas conflict expanded beyond Gaza when Houthi rebels in Yemen, in solidarity with the Palestinians, began attacking merchant ships passing through the Red Sea. This forced shipping companies to suspend or re-route their vessels' operations on threat of being attacked. Vessels passing through the Red Sea account for an estimated 11% of global trade and 30% of global container shipping volume.

On January 15, 2025, a three-stage ceasefire agreement between Israel and Hamas to halt Gaza conflict was announced. The ceasefire arrangement included provisions for the release of captives, the withdrawal of Israeli forces and the return of Palestinians to their homes in northern Gaza. However, the ceasefire's success remains uncertain amid allegations by Hamas that Israel has not adhered to the agreement's terms.

The conflict's impact on the Philippine economy and the Group has been negligible so far, and the Group continues to closely monitor developments on this issue.

#### ***14.3 Impact of Trump Executive Orders on Tariffs and Immigration***

After assuming office last January 20, 2025, US President Donald Trump started imposing tariffs on imports from Canada, Mexico and China, and intensified mass deportations of illegal immigrants through a series of Executive Orders (EO).

The EOs are foreseen to directly affect the global economy, and indirectly the Philippine economy, via foreign exchange and interest rates. Import tariffs and tighter labor supply may translate to higher US inflation and interest rates as well as a stronger US dollar (USD), all else equal.

However, the potential impact on the Philippine economy may be relatively minimal as the Philippines is not a major player in the global supply chain with goods exports being a relatively low contributor to GDP. The country also has a well-diversified migrant work force that is not dependent on the US. While the US officially accounts for 40% of all remittance inflows as most remittances are coursed through global banks, actual worker deployment is much more diversified.

The Group believes that its established market position and strong financial condition will mitigate risks relating to the Trump administration's policies.

#### **15. TRUST RESERVES**

Under BSP Circular No. 447, *Regulations Governing the Creation, Administration and Investment/s of Unit Investment Trust Funds*, the provision for statutory and liquidity reserves applicable to trust funds in general shall not be required for UITF.

#### **16. SUPPLEMENTARY INFORMATION REQUIRED BY THE BSP**

This section is required by the BSP under Circular No. 1074-2020, *Amendments to Regulations on Financial Audit for Banks*, to be disclosed as part of the notes to the financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards. As of reporting period, the Group has none to report on (a) *selected financial performance indicators*, (b) *capital instruments issued*, (c) *significant credit exposures for loans*, (d) *credit status of loans*, (e) *analysis of loan portfolio as to type of security*, (f) *information on related party loans*, (g) *secured liabilities and assets pledged as security*, and (h) *contingencies and commitments arising from off-balance sheet items*.