

FINANCE AND RISK OVERSIGHT COMMITTEE (formerly Risk Oversight Committee)

Major Initiatives and Accomplishments for 2019

The Finance and Risk Oversight Committee convened five (5) meetings in 2019. Its major initiatives and accomplishments for the year are as follows:

- A. Discussed and endorsed to the Governing Board for approval/consideration the following:
1. 2018 Loan Classification and Provisioning (by ERM Group)
 2. 2018 Loan Provisioning and 2019 Targets for Remedial Collection and for ROPA Disposal (by President/CEO)
 3. Definition of Technical Past Due
 4. Account Management System
 5. Amended Retail Lending Guidelines and Procedures
 6. Framework on IT Risk Management
 7. ARCO Charter
 8. Initial 2019 Loan Loss Provisioning Estimate (Inclusive of new past due accounts for 2019)
 9. As of 30 April 2019 status update and recommendation on loan recovery relative to P80.0 Million collection target
 10. Portfolio Performance Report (as of 31 May 2019)
 11. Revised Business Continuity Plan
 12. Loan Portfolio Performance Analysis (as of 31 July 2019)
 13. July 2019 Financial Report
 14. Portfolio Catch Up Plan
 15. Proposed Amended Dividend Policy
 16. Management Response to Incident Report of Mindanao Group on P3 Retail Loan Applicant
 17. Risk Management Committee Analysis and Recommendations on 2019 Loan Loss Provisioning, based on CRO reports:
 - a. 2019 Loan Loss Provisioning (LLP) Requirement (as of 30 September 2019)
 - b. LLP Requirement for the PhP50.0 million LLP balance in 2018
 18. As of November 2019 SBCorp Financial Statements and projected December 2019 Income Statement net of the proposed 2019 LLP endorsed by RMC
 19. Status and Findings on Venture Capital accounts originated between 2011 and 2014
 20. RMC instructions and recommendations relative to update of Legal Action and Investment Recovery Team:
 - a. Reg Supreme Power Trading Inc.
 - b. Starlight Homessences, Inc.
 - c. Epifanie Ventures, Inc.
 - d. AIC Philippines
 - e. Greentop Seaweeds Production Corporation
 21. RMC instructions and recommendations relative to findings of Documentation and Project Audit Team:
 - a. Epifanie Ventures, Inc. (with separate RMC resolution)
 - b. Reg Supreme Power Trading Inc (with separate RMC resolution)
 - c. Starlight Homessences, Inc. (with separate RMC resolution)
 22. RMC instructions and recommendations on CRO's report on possible breach of the 20% risk limit under P3 Retail
- B. Discussed and noted the following:
1. Status Report on SBCorp's Portfolio Balance as of 31 March 2019
 2. Status Report on 2019 Remedial Collection and ROPA Disposal Targets
 3. List of Technical Past Due Accounts under Retail Lending Program
 4. Venture Capital portfolio status
 5. Clarification on Definition of ROPA book value
 6. Status of P3 Funds as of 02 December 2019