



63 YEARS OF A SHARED LEGACY. A UNITED FUTURE



Annual Report 2025



2025 ANNUAL REPORT



UCPB Savings Bank, Inc.

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A Shared Legacy. A United Future



About the cover

The cover follows a modern classic corporate design, combining deep green and gold to represent UCPB Savings Bank’s established identity, stability, and enduring legacy. The gold flowing lines symbolize continuity and progress, connecting the bank’s achievements of the past with its vision for the future.

The imagery of people working together represents collaboration and shared responsibility, emphasizing that the bank’s legacy is built collectively. The clean modern treatment, balanced with classic typography, reflects how we honor where we came from while continuing to move forward.

Overall, the design brings the theme “A Shared Legacy. A United Future.” to life by showing a bank grounded in its history, strengthened by its people, and united in moving toward the future.

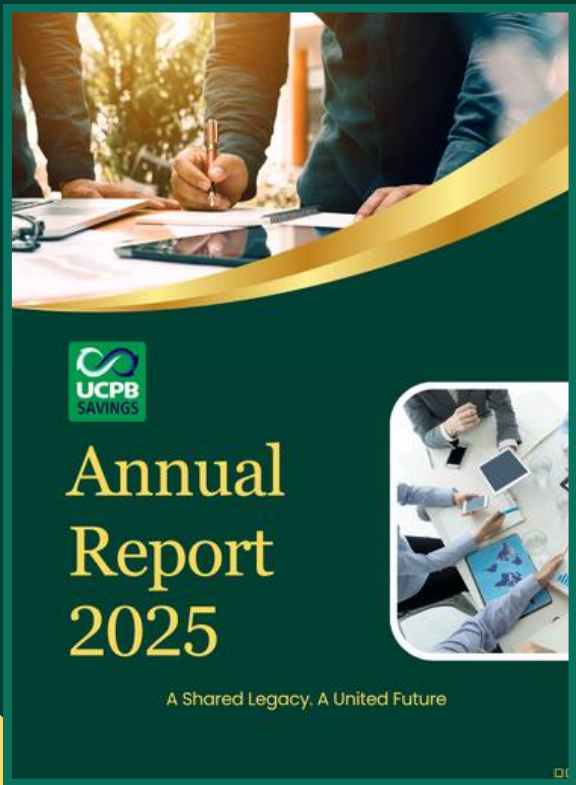


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Company Profile

UCPB Savings Bank, Inc. (UCPBS) started its operation on October 18, 1962, as then Savings Bank of Manila.

In 1984, 98% of its stocks was acquired by the United Coconut Planters Bank, and later merged with other UCPB-owned thrift banks.

In 2025, UCPB Rural Bank, another subsidiary of UCPB, was merged with the Savings Bank, with UCPBS as surviving entity, allowing it to further extend its financial products & services in rural areas; a partner in progress.

On January 4, 2021, UCPBS received its welcome letter from the Governance Commission for Government-Owned and Controlled Corporation (GCG), formally recognizing it as a Government Financial Institution (GFI).

In June 25, 2021, with the enactment of Executive Order No. 142, UCPB was merged with the Land Bank of the Philippines, making UCPBS its subsidiary effective March 1, 2022, further bolstering its vision of being a catalyst for financial inclusion, strengthening its resolve to expand the communities it serves.

As of December 2025, the Bank operates 49 Branches, 12 Branch Lites, and 3 Lending Offices across the Philippines. Its registered principal address at 7F Robinsons Cybergate Magnolia, Aurora Blvd., corner Doña Hemady St., New Manila, Quezon City.

Our Vision

To be the Bank of CHOICE in the communities we serve and be a CATALYST for financial inclusion.

Our Mission

Customer

- We continue to strengthen our partnership with our customers by innovating products that suit their needs and providing effective and efficient personalized services that exceed their expectations.

Employees

- We nurture a culture of integrity, professional discipline, excellence, leadership, and foster social responsibility among our associates.

Shareholders

- We exercise prudence in managing the Bank’s resources and deliver proper financial returns to our shareholders.

Our Core Values

Our Core Values serve as our guiding pillars and hold us together to achieve our Mission and Vision. ILLEAPP defines our aspirations, core, way of banking and communication with our customers.

Integrity

- Having and upholding moral uprightness in the conduct of business at all times without compromising ethical standards and in compliance with all the applicable banking laws, rules, and regulation.

Leadership

- Taking initiative and selflessly driven to achieve optimum results in all aspects of banking through personal and proactive service, while inspiring employee morale.

Loyalty

- Willingness and readiness to act in the interest of the Bank and its customers by temporarily setting aside personal time and needs when work responsibilities call, especially in pressing situations.

Esprit de Corps

- Demonstrating a good team spirit; taking in more leadership responsibilities to encourage others to work together effectively to attain productivity

Altruism

- Thriving in the presence of selflessness makes UCPB Savings Bank humanely successful. A selfless act of help creates an internal support structure to the existing healthy culture of well-being that reflects the Bank’s signature service to all of its customers

Professional Discipline

- Projecting a pleasing and professional stance, especially amidst crises, and carries self with dignity and respect that reflect the Bank and its values.

Passion for Excellence

- Incorporating the value of excellence to the products or services accompanied with its employees’ quality customer service clearly defines passion. This is to continuously provide and genuinely stay true to our tagline – Kasama Mo.

Message from the Chairman of the Board



Liduvino S. Geron
Chairman of the Board

A Shared Legacy. A United Future.

2025 demonstrated what UCPB Savings Bank can achieve through disciplined management, committed people, and a clear sense of purpose. The Bank strengthened its financial position, continued to enhance governance and operations, and began laying the groundwork for greater efficiency and innovation.

These accomplishments are important milestones, but they are also a responsibility. As stewards of an institution with 63 years of history, we must ensure that the legacy entrusted to us remains relevant and continues to create value for the customers, employees, and communities we serve.

The future will bring its share of changes and challenges. We face them with a clear understanding of where we came from and a strong commitment to where we want to go.

UCPBS will continue to build on its strengths, embrace opportunities for improvement, and remain focused on responsible and sustainable growth. With our people and stakeholders moving forward with a shared purpose, we are confident in the Bank's ability to meet the opportunities ahead.

The legacy we inherited is shared. The future we build will be, too.

Message from the President & CEO

Lizette Margaret Mary J. Racela
President & CEO

2025 was a banner year for UCPB Savings Bank (UCPBS). After 5 years of modest income growth, the Bank finally got back to a 9-figure bottom line. Receiving, consistently, an unmodified opinion from the Commission on Audit (COA), 2025 reports a P145.48MM Net Income (NI) in its Audited Financial Statement (AFS). That's 129.64% higher than the 2024 NI of P63.35MM and 45.48% over the committed target of P100MM to stakeholders.

Interest Income has been showing a steady growth post-pandemic; the focus on generating quality loans, expediting remediation of non-performing accounts and instituting proactive collection strategies are panning out. Improved monitoring and refined prioritization on ROPA disposal contributed the much-needed boost to the Bank's bottom-line figure. Working purely on the Bank's limited resources, expenses were well-managed. Majority of the increase, salaries and employee benefits, were for the most valuable asset of the Bank, its people. Behind these numbers are the men and women of UCPBS who continued to deliver, despite the challenges and uncertainties faced by the Bank. From our branches and lending units to our operations and support teams, everyone played a part in keeping the Bank moving forward. The 2025 results are therefore not only a reflection of improved financial performance, but also of the collective effort, discipline, and commitment of our people.

UCPBS received from the GCG the Authority to Implement (ATI) CPCSII on June 24, 2026, and successfully implemented it based on the Bank's current capacity to afford the incremental increases, retroactive January 2025. The workforce of UCPBS remains committed to deliver utmost output; fully implementing the CPCS2 serving as one of its inspirations.



Furthering its commitment to its employees, the Bank successfully implemented a tie-up with Kaiser August 4, 2026 to provide HMO privileges for all its officers and staff, ensuring not just their financial, but physical and mental well-being as well.

At the heart of these efforts are the customers we continue to serve. For 63 years, UCPBS has been part of the financial journeys of individuals, families, workers, and communities. Our responsibility is not only to remain financially sound, but to ensure that the Bank continues to provide relevant products, dependable service, and opportunities that respond to the needs of the customers who place their trust in us.

Being mindful of the pillars of good governance and risk management over-arching sustainability objectives has allowed UCPBS to earn a SaFR rating of 3 (stable) during BSP's last Report on Examination. The Bank has been consistently improving its policies and guidelines, streamlining processes and systems, and adapting best practices as resources allow, to ensure compliance with all its supervisory bodies. As can be gleaned from the 2025 highlights, the Bank continues to operate business-as-usual; with everyone working towards bringing forth the institution's optimum value, even with uncertainties due to its pending privatization. The theme "A Shared Legacy. A United Future." aptly describes the bedrock on which every man and woman of UCPBS conducts business.

Our legacy is not measured only by the years we have been in service, but by the people and communities who have been part of the UCPBS journey. For 63 years, generations of employees have helped build an institution grounded in service, integrity, and commitment, while generations of customers have trusted UCPBS to be part of their financial journeys. Moving forward, we may face changes and uncertainties, but the values that have guided UCPBS through the years remain constant. These same values will continue to guide us as we strengthen the Bank, embrace opportunities for improvement and innovation, and find better ways to serve our customers and communities.

Our future will be shaped by how well we carry forward what has been built before us. With our people, customers, and stakeholders moving together, we remain committed to bringing forth the optimum value of UCPBS and fulfilling its purpose for the years ahead. Honed through 63 years of existence, the Bank's core values remain the driving force for growth and customer delight. And moving forward, the same core values will see every associate and this institution through.

A shared legacy. A united future.



Financial Highlights 2025

UCPB Savings Bank (UCPBS) delivered a strong financial performance in 2025, posting a net income of Php145.48 million, a 130% increase from the previous year. The Bank's improved results were driven by sustained growth in core revenues, continued business expansion, and disciplined risk management, despite a more challenging funding and operating cost environment.

Net Interest Income after Impairment increased by Php84.30 million, supported by higher interest earnings from expanding loan and investment portfolios, as well as lower credit impairment provisions resulting from improved asset quality. These gains were partially offset by higher funding costs arising from the Bank's strategic build-up of time deposits to support liquidity requirements.

Other Operating Income likewise posted strong growth, increasing by Php127.64 million, primarily driven by higher service fee income, gains on the sale and foreclosure of assets, and gains from the sale of financial assets.

Meanwhile, Other Operating Expenses increased due to investments in human capital through the implementation of CPCS I step increment and CPCS II compensation adjustments, as well as higher taxes and regulatory charges associated with increased business activity. Income Tax Expense also increased, mainly due to deferred tax adjustments arising from temporary differences.

The Bank's strong earnings performance reflects the combined impact of healthy revenue growth, improved asset quality, prudent balance sheet management, and sustained business expansion. These initiatives enabled UCPBS to strengthen its financial position while maintaining sound risk management and regulatory compliance.

This positive performance is further reinforced by the Bank's BSP Supervisory Assessment Framework Rating (SAFR) of 3.0, signifying that the Bank remains generally safe and sound, with manageable risk exposures and stable operating conditions. The rating reaffirms the Bank's operational viability and financial resilience, providing a solid foundation for pursuing strategic growth initiatives while maintaining compliance with regulatory expectations.

KEY HIGHLIGHTS

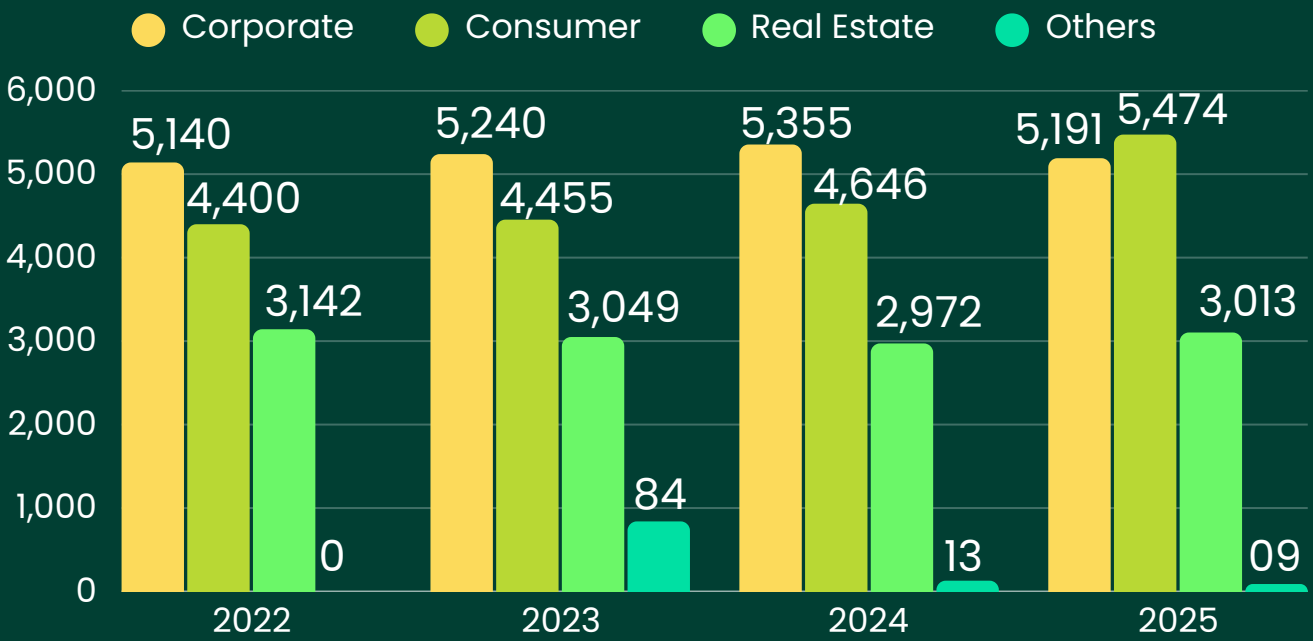
1. STRONG REVENUE MOMENTUM

UCPBS sustained strong revenue growth in 2025, with Interest Income increasing by Php77.42 million year-on-year, driven by the continued expansion of its lending and investment activities. These growth drivers contributed to a 9.1% increase in total assets, which reached Php19.11 billion as of year-end 2025, reflecting the Bank's continued business expansion and effective deployment of earning assets.

The net loan portfolio expanded by 6% to Php12.05 billion, supported by sustained growth across its core lending businesses. Salary Loans increased by Php948.40 million to Php4.69 billion, while Commercial Loans grew by Php424.00 million to Php2.52 billion, reflecting healthy credit demand and the Bank's continued focus on expanding its lending operations.

The investment portfolio grew significantly by 135% to Php2.79 billion, primarily driven by higher placements in Bangko Sentral ng Pilipinas (BSP) Reverse Repurchase (RRP) facilities, which increased by Php1.38 billion. The expansion of the investment portfolio enhanced the Bank's interest-earning assets, strengthened liquidity management, and further contributed to the growth in interest income.

TOTAL LOANS AND RECEIVABLES



KEY HIGHLIGHTS

2. IMPROVED ASSET QUALITY

The Bank continued to strengthen its asset quality in 2025, recording a significant Php478.42 million reduction in non-performing loans (NPLs). The improvement reflects the Bank’s sustained collection and recovery efforts, strengthened credit discipline, and enhanced account resolution strategies.

Key initiatives included the successful reclassification of major accounts from non-performing to current status, more effective foreclosure execution through the timely issuance of Certificates of Sale, and the efficient transfer of foreclosed properties to Real and Other Properties Acquired (ROPA). These initiatives reinforced the Bank’s credit risk management framework and contributed to the overall improvement in portfolio quality.

The improvement in asset quality was reflected across the Bank’s major lending segments:

- **Commercial Lending.** Non-performing commercial loans declined by a net Php359.55 million, primarily due to a Php373.55 million reduction in Commercial Loans, partly offset by a Php14.00 million increase in Small Business Loans.
- **Consumer Lending.** The consumer loan portfolio improved by Php124.92 million, driven by lower non-performing balances in Real Estate Loans (Php69.65 million) and Auto Loans (Php55.27 million).
- **Branch Loan Portfolio.** Branch-managed loan segments posted mixed results. GUCS loans recorded a Php0.46 million reduction in non-performing accounts, while GESL registered a Php6.89 million increase.

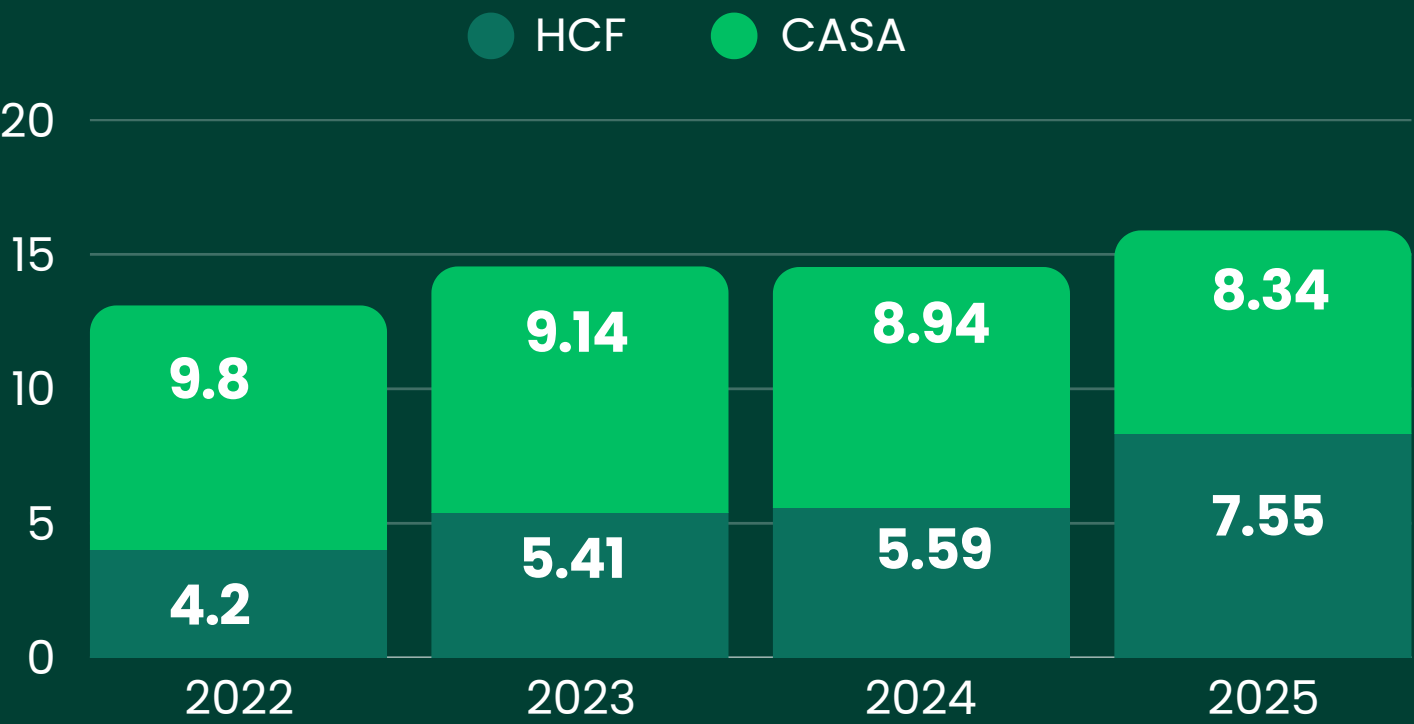
Overall, the branch portfolio remained broadly stable, supported by the Bank’s continued collection and account management initiatives.

3. SUSTAINED FUNDING AND LIQUIDITY POSITION

UCPBS maintained a strong and stable funding base in 2025, with total deposits increasing by 9.3% to Php15.89 billion as of year-end. Deposit growth was primarily driven by an increase in high-cost funds (HCF), which grew by Php1.96 billion to Php7.55 billion, reflecting the Bank’s strategic funding initiatives to support business expansion and maintain compliance with regulatory liquidity requirements. Meanwhile, low-cost funds (LCF) stood at Php8.34 billion, providing a solid foundation for the Bank’s core funding base.

To further strengthen its liquidity position, the Bank maintained higher Certificate of Time Deposit (CTD) volumes to ensure continued compliance with the Liquidity Coverage Ratio (LCR) requirement. While this strategy increased the proportion of interest-bearing deposits, the Bank preserved a balanced funding mix, with a Current and Savings Account (CASA) ratio of 52.5%, demonstrating the Bank’s ability to effectively balance liquidity, funding stability, and funding costs.

TOTAL DEPOSITS



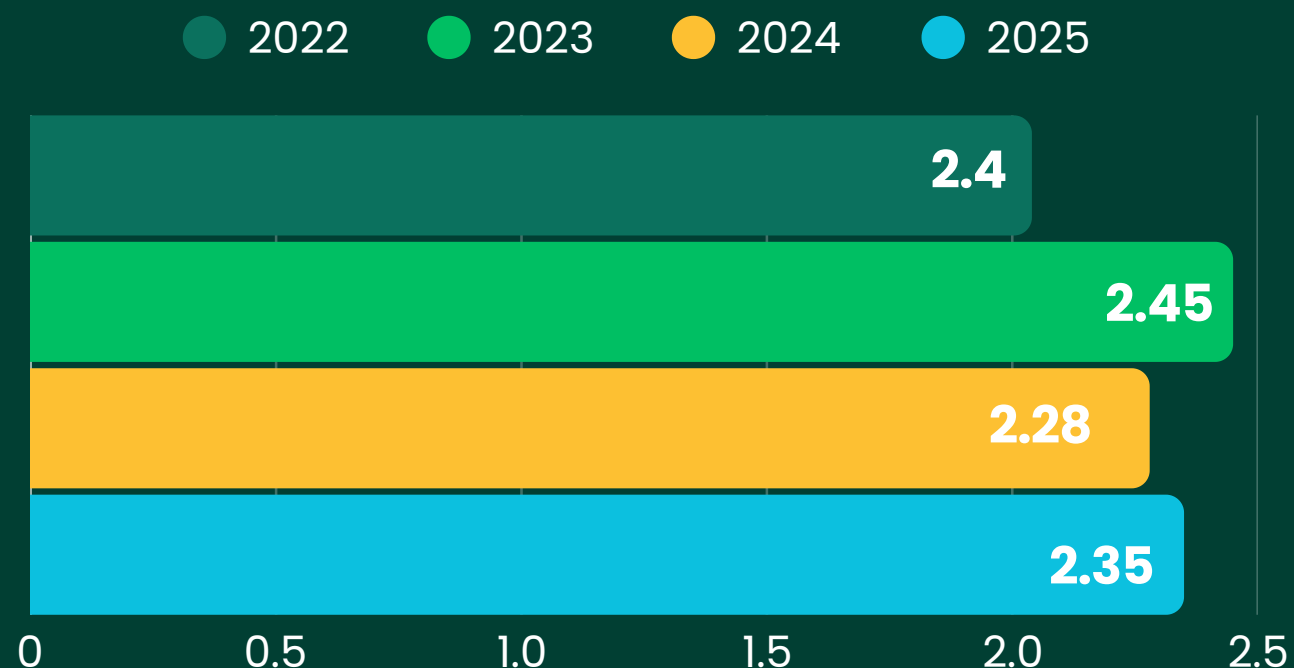
KEY HIGHLIGHTS

4. STRONG CAPITAL POSITION TO SUPPORT SUSTAINABLE GROWTH

The Bank's further strengthened its capital position in 2025, with total equity increasing by 6.2% to Php2.53 billion as of year-end. The growth was primarily driven by higher Surplus, which increased by Php69.60 million, and Reserves, which grew by Php73.19 million, reflecting the Bank's continued profitability, earnings retention, and prudent capital management.

UCPBS' Capital Adequacy Ratio (CAR) of 11.29%, comfortably above the Bangko Sentral ng Pilipinas (BSP) minimum regulatory requirement of 10%. The Bank's strong capital position provides sufficient buffers against potential risks, reinforces its financial resilience, and supports its capacity to sustain business growth, pursue strategic expansion initiatives, and meet evolving regulatory requirements

TOTAL EQUITY



FINANCIAL SUMMARY

PROFITABILITY	CURRENT YEAR 2025	PREVIOUS YEAR 2024
Total Net Interest Income	891,656,258	807,359,154
Total Non-Interest Income	410,935,930	283,296,323
Total Non-Interest Expenses	1,089,883,990	976,940,876
Net Income	145,483,309	63,350,306
SELECTED BALANCE SHEET DATA	CURRENT YEAR 2025	PREVIOUS YEAR 2024
Liquid Assets	4,574,729,346	4,083,728,709
Gross Loans and Discounts	12,049,109,762	12,985,370,661
Total Assets	19,108,313,310	17,594,651,979
Deposits	15,890,300,383	14,549,739,947
Total Equity	2,525,657,226	2,446,794,229
SELECTED RATIOS	CURRENT YEAR 2025	PREVIOUS YEAR 2024
Return on Equity	2.62%	3.28%
Return on Assets	0.38%	0.51%
Net Interest Margin	5.19%	5.78%
Capital Adequacy Ratio	11.29%	12.63%
HEAD COUNT	CURRENT YEAR 2025	PREVIOUS YEAR 2024
Officers	264	264
Staff	495	494



Listening to Our Customers, Learning from Their Experience



At the heart of every improvement is the voice of our customers.

In 2025, UCPBS successfully conducted the Harmonized Client Satisfaction Measurement (HCSM) across all banking services. Surpassing expectations, the survey achieved 135% of the required overall sample size under the Anti-Red Tape Authority (ARTA)- prescribed methodology, providing a robust and reliable representation of customer feedback.

The results reaffirm the Bank's unwavering commitment to delivering exceptional service.

The Bank achieved an Outstanding Overall Customer Satisfaction Rating of 99.54%, reflecting the proportion of customers whose expectations were consistently met or exceeded throughout their banking experience. Likewise, the overall Service Quality Rating (SQDs 1–8) reached 99.22%, highlighting excellence across key service dimensions such as responsiveness, reliability, communication, professionalism, and service outcomes.

Customer awareness of the Bank's Citizens Charter also remained remarkably high, with 97.65% of respondents indicating familiarity of the Charter.

These findings reinforce the Bank's commitment to transparency, service excellence and customer empowerment through accessible information.

Advancing a More Inclusive and Accessible Banking Experience

As part of its commitment to continuous improvement, UCPBS expanded its customer satisfaction framework in 2025 by introducing three additional Service Quality Dimensions focused on Inclusivity, Accessibility, and Consistency Across Branches.

The results demonstrate that these values are not merely reflected in policy but are consistently experienced by customers.

The newly introduced Inclusivity dimension recorded an outstanding 99.70% satisfaction rating, reflecting customers' confidence that they are treated with fairness, dignity, and respect regardless of age, appearance, ability, or personal circumstances. Customers recognized the patience, empathy, and professionalism demonstrated by employees in serving clients from diverse backgrounds, reaffirming inclusivity as an integral part of the Bank's culture.

Similarly, the Accessibility dimension achieved an exceptional 99.68% satisfaction rating, highlighting the Bank's sustained efforts to ensure that its branches remain welcoming and accessible to all customers. Respondents acknowledged the availability of accessible facilities, clear directional signage, priority service lanes, and employees who readily assist individuals requiring additional support. These results demonstrate that accessibility is an essential component of the Bank's commitment to delivering equitable financial services.

Meanwhile, Consistency Across Branches received an outstanding 99.27% satisfaction rating, affirming that customers experience the same high standards of professionalism, service quality, and operational excellence regardless of which UCPBS branch they visit. This consistency strengthens customer confidence and reinforces the Bank's reputation as a trusted financial institution committed to delivering reliable and high-quality service nationwide.





Building the Future Together

The achievements of 2025 demonstrated that customer trust is built not through policies alone, but through every interaction, every resolved concern, and every positive banking experience.

As UCPB Savings Bank continues to evolve, it remains steadfast in strengthening its consumer protection programs, embracing innovation, and continuously improving the quality of its services.

Guided by strong governance and inspired by the voices of its customers, the Bank remains committed to creating banking experiences that are fair, inclusive, accessible, and responsive to the changing needs of the communities it serves.

Putting customers at the heart of UCPBS's legacy means honoring the trust that has shaped its past while working together toward a stronger and more inclusive future. Through this shared commitment, the Bank continues to uphold customer confidence and deliver banking experiences that future generations trust and rely upon.





Operational Highlights

Branch Banking Division – Admin Department

STRENGTHENING THE BRANCH NETWORK THROUGH OPERATIONAL EXCELLENCE 2025

In 2025, the Branch Banking Division (BBD) continued to strengthen the Bank's nationwide branch network by ensuring that its facilities, infrastructure, and operational resources remained responsive to the evolving needs of customers and frontline operations. Guided by the principles of efficiency, reliability, and service excellence, the Division implemented key initiatives that enhanced operational capabilities, expanded service accessibility, and reinforced the Bank's commitment to financial inclusion.

Advancing Branch Expansion and Modernization

Despite manpower challenges brought about by the resignation of several associates, particularly in provincial branches, BBD successfully sustained uninterrupted branch operations. Through the dedication of branch officers and associates, newly hired employees were quickly trained and integrated into operations, enabling branches to maintain service quality and business continuity throughout the year.

In support of the Bank's expansion strategy and financial inclusion initiatives, BBD successfully completed several key branch projects:

- On February 3, 2025, the Pili Branch relocated to Brgy. Santiago, Pili, Camarines Sur, providing greater accessibility and broader service coverage within the municipality.

- On February 10, 2025, the San Jose Antique Lending Office was converted into a Branch-Lite Unit, expanding the Bank's presence and improving customers' access to banking services.
- On March 17, 2025, the Kalayaan Branch relocated to Metropolitan Avenue, Makati City and was renamed Metropolitan Branch, strengthening the Bank's presence in one of the country's key commercial districts.
- On December 15, 2025, the Iloilo Branch relocated to the Robinsons Place Carpark Building, Iloilo City, offering customers a more convenient and accessible banking location while supporting business growth.

Branch Banking Division – Operations

These initiatives reflect BBD's continued commitment to strengthening the Bank's physical presence while making banking services more accessible to the communities it serves.

By year-end, the Bank's branch network consisted of 63 banking units, comprising 48 full-service branches, 12 Branch-Lite Units, and 3 Lending Offices, supported by 68 Automated Teller Machines (ATMs) serving customers across 43 provinces nationwide.

Supporting Branch Operations Through Equipment Management

Beyond branch expansion, BBD continued to support day-to-day operations through the procurement, replacement, deployment, and transfer of essential operational equipment, including bill counters and other branch support resources. The Division also coordinated the allocation and transfer of equipment among branches to address operational requirements promptly and maximize resource utilization.

These initiatives enhanced operational readiness, minimized service disruptions, and enabled branches to consistently deliver efficient, reliable, and customer-focused banking services. To ensure the successful implementation of branch projects, BBD conducted regular coordination meetings, site monitoring, and progress reviews.

Close collaboration with project teams, contractors, and branch representatives enabled the timely resolution of implementation issues, strengthened accountability, and ensured that projects remained aligned with approved schedules, budgets, and operational requirements.

Collaboration for Operational Excellence

Throughout the year, BBD worked closely with the General Services Division (GSD), Information Technology Division (ITD), Legal Services Division (LSD), the Security Department, the Procurement Unit, contractors, lessors, and branch personnel to facilitate project implementation and address operational requirements.

This collaborative approach strengthened project execution, improved operational efficiency, and ensured that branch facilities remained safe, functional, and aligned with the Bank's service standards.

As the Bank continues to evolve to meet the changing needs of its customers and communities, the Branch Banking Division remains committed to providing responsive operational support, modernizing branch infrastructure, and promoting sustainable growth. Guided by the Bank's "Kasama Mo" culture, BBD will continue to strengthen the branch network, enhance the customer experience, and contribute to the Bank's long-term strategic objectives.

Branch Banking Division – Lending Department

The Branch Lending Department delivered another year of strong performance, marked by sustained portfolio growth, expanded market reach, strengthened governance, and continued support for our valued institutional partners. Through the collective efforts of our Branch Heads, Regional Lending Officers, Lending Officers, Marketing Specialists, and support units, the Department successfully exceeded its business objectives while maintaining sound portfolio quality and operational excellence.

EXPANSION OF MARKET BASE

The Department continued to strengthen its institutional partnerships through an aggressive accreditation and relationship management program. During the year, a total of 119 entities were successfully processed, consisting of:

- 27 Newly Accredited Entities
- 92 Renewed Entity Accreditations

These partnerships broadened our market coverage and reinforced the Bank's presence among government agencies, local government units, educational institutions, and other partner organizations.

The continued renewal of existing accreditations also reflects the confidence and trust of our institutional partners in the Bank's Salary Loan Program.

LOAN BOOKING PERFORMNACE

For the annual loan booking performance achieved ₱3.291 billion in total loan bookings against an annual target of ₱2.803 billion, translating to an impressive 117.4% achievement rate, or 17.4% above target.

This remarkable accomplishment was driven by proactive marketing initiatives, stronger collaboration with partner entities, enhanced client engagement, and the unwavering commitment of our sales and lending teams across all regions. The result demonstrates the Department's ability to capitalize on market opportunities while sustaining responsible lending practices.

STRONG PORTFOLIO GROWTH

The outstanding loan portfolio increased from ₱4.083 billion to ₱5.020 billion, representing a 22.95% growth over the previous year.

This significant increase reflects healthy business expansion, effective customer acquisition strategies, and sustained borrower confidence in the Bank's lending products. The growing portfolio further strengthens the Bank's recurring income base while supporting its strategic objective of expanding quality consumer lending.

Branch Banking Division – Lending Department

AUDIT PERFORMANCE

Operational excellence remained a key priority throughout the year. The Department successfully improved its audit rating from 81.39% to 94.10%, demonstrating substantial progress in compliance, internal controls, documentation standards, and process discipline. This achievement underscores the Department's commitment to good governance, risk management, and continuous process improvement, ensuring that business growth is supported by strong operational controls.

RENEWAL OF DepEd ACCREDITATION

A major milestone during the year was the successful renewal of the Bank's Department of Education (DepEd) accreditation for another ten (10) years, ensuring the continuity of the Bank's salary lending operations for DepEd personnel. This long-term accreditation secures one of the Bank's most important lending partnerships and reinforces its commitment to providing accessible financial solutions to the education sector.

QUARTERLY SALES AND ENGAGEMENT PROGRAMS

To maintain business momentum throughout the year, the Department implemented quarterly campaigns designed to motivate teams, strengthen client engagement, and drive sustainable business growth:

- First Quarter – Sales Rally Kick-Off**
Launched the year with strategic planning, performance alignment, and aggressive business generation initiatives.
 - Second Quarter – Mid-Year Boost**
Focused on accelerating loan production, expanding entity partnerships, and maximizing market opportunities during the year's midpoint.
 - Third Quarter – Salary Loan Awareness Week**
Conducted information campaigns, product presentations, and promotional activities to increase awareness and encourage greater utilization of the Bank's Salary Loan Program.
 - Fourth Quarter – Holiday Ready: Celebrate Without Financial Stress**
Encouraged responsible borrowing by providing timely financial solutions to help clients prepare for holiday expenses while promoting sound financial management.
- The Branch Lending Department remains committed to sustaining business growth through strategic partnerships, disciplined credit management, operational excellence, and customer-focused service. Building on this year's achievements, the Department will continue to innovate its lending programs, strengthen institutional relationships, and support the Bank's mission of delivering reliable and accessible financial solutions to the communities we served.

Branch Operations Support Department

Throughout 2025, the Branch Operations Support Department (BOSD) played a key role in strengthening the quality, consistency, and reliability of branch operations across the Bank's 63-branch network.

Through regular performance monitoring, timely operational guidance, and close coordination with branches, BOSD helped frontline teams navigate policies, regulatory requirements, internal controls, and standard operating procedures with greater clarity and consistency.

Beyond compliance monitoring, the Department focused on early intervention, corrective action, and continuous improvement—helping branches address operational concerns promptly and strengthen their audit readiness.

2025 Key Accomplishments

- The accomplishments achieved in 2025 reflect continuous operational improvements built over the years. These efforts were focused on three key areas:
- Building a Stronger Culture of Compliance and Audit Readiness
 - Strengthened daily operational monitoring across all 63 branches, providing timely guidance on internal controls, policy compliance, and regulatory requirements.

- Supported improved branch audit performance. Sta. Rosa Branch posted the highest audit rating in the network at 95.94% (Satisfactory). Rizal Avenue (DSU) Branch, Zamboanga Lending Office, and Sogod Branch likewise delivered commendable audit results, with only minor operational refinements identified.
- Recognized branches demonstrating strong compliance discipline. Atimonan Branch led the compliance monitoring results at 95.50%, followed by Cagayan de Oro, Ormoc, Lucban, Orion, Aloran, Zamboanga Lending Office, Glan, and Calauag Branches.
- Promoted the timely resolution of audit findings through close monitoring of audit action plans and regular follow-ups with branches. As of December 31, 2025, only seven (7) branches had unresolved audit findings, reflecting continued efforts to address operational issues and strengthen accountability.



2. Keeping Branches Aligned Through Clear and Timely Communication

- Issued 121 operational advisories and memoranda throughout the year to ensure that branches received timely and consistent guidance on policy updates, regulatory requirements, and operational procedures.
- Strengthened communication between Head Office and the branches by translating operational requirements into clear and actionable instructions, helping frontline personnel implement changes more consistently.

3. Advancing Data Quality and Digital Readiness

- In preparation for the Bank’s Core Banking System (CBS) migration, BOSD initiated the Customer Information System (CIS) Formatting Cleanup Project to improve the quality and reliability of customer information.
- Reviewed and corrected 76,473 customer records, equivalent to 70.7% of the 108,132-record target. This large-scale data cleanup effort helped improve the accuracy, completeness, and consistency of customer information ahead of the system upgrade.

2025 Impact

The initiatives undertaken by BOSD in 2025 went beyond compliance monitoring. They helped strengthen operational discipline, improve audit readiness, enhance data quality, and reduce operational risks across the branch network.

Through consistent monitoring and hands-on coordination with branches, BOSD helped create a more responsive operating environment—where issues were identified earlier, corrective actions were followed through, and branches were better equipped to implement policies and procedures consistently.

Most importantly, these efforts provided a stronger operational and data foundation as the Bank moves toward greater digitalization and the CBS migration.

Looking Ahead

Building on the accomplishments of 2025, BOSD will continue to work closely with branches to further strengthen controls, simplify and improve operational processes, and promote greater accountability at the frontline.

The Department remains committed to providing timely, practical, and responsive operational support—helping ensure that every branch operates safely, efficiently, and consistently, while maintaining a strong focus on delivering reliable and customer-centered banking services.

One important change I made: I changed “critical Core Banking System (CBS) migration” to simply “Core Banking System (CBS) migration.” For an annual report, this sounds more objective and institutional, while still emphasizing the significance of the initiative through the surrounding narrative.

Treasury Division

Strengthening Today, Shaping Tomorrow

In 2025, the Treasury Division demonstrated resilience, discipline, and excellence in supporting the Bank’s financial strength and long-term sustainability. Guided by a shared legacy of prudent financial stewardship and a commitment to a united future, the Division remained focused on delivering value despite a challenging and volatile market environment.

A key achievement of the Division was successfully meeting its income target despite prevailing market uncertainties. Through sound investment strategies, proactive liquidity management, and disciplined asset-liability management, the Division effectively navigated changing interest rate conditions while maintaining adequate liquidity to support both operational and regulatory requirements.

The Treasury Division also fostered close collaboration with key business units to optimize funding, manage financial risks, and support the Bank’s strategic initiatives. By leveraging expertise, innovation, and teamwork, the Division contributed to the Bank’s continued stability and long-term success.

As the Bank moves forward, the Treasury Division remains committed to preserving the trust and excellence built over the years while embracing new opportunities for growth. Together, we honor our shared legacy and work toward a united future one defined by resilience, collaboration, and enduring financial strength.



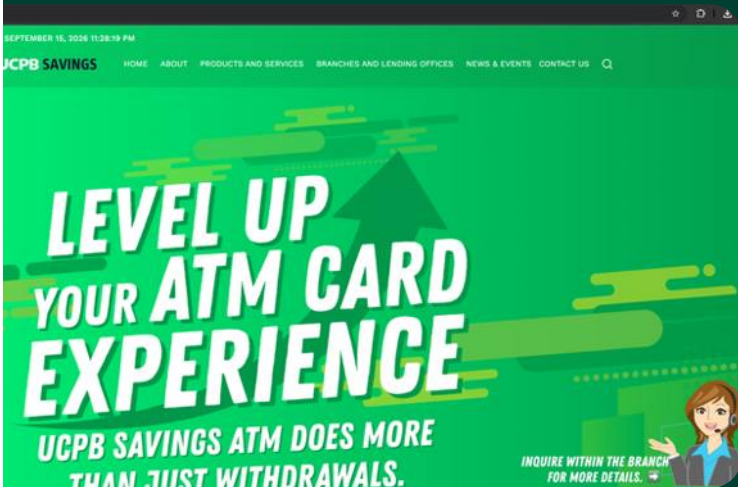
Information Technology Division

Advancing Technology to Enable Better Banking

In 2025, the Information Technology Division (ITD) continued to strengthen the Bank's technology environment through initiatives that enhanced operational efficiency, reinforced system reliability, improved cybersecurity, and supported the delivery of secure and dependable banking services. By modernizing key technology resources, enhancing digital platforms, and introducing innovative technology solutions, ITD helped ensure that the Bank remained well-equipped to meet the evolving needs of its customers, employees, and stakeholders.

Website Upgrade

The Bank launched its enhanced corporate website, providing customers and stakeholders with a more modern, user-friendly, and accessible digital platform. The upgrade improved access to information and banking services, strengthened the Bank's online presence, and delivered a more seamless digital experience.



Core Router Replacement

The Bank upgraded its core network infrastructure to improve the reliability, stability, and performance of critical banking systems. The initiative enhanced the resilience of the Bank's technology environment, reduced operational risks, and supported the continuous delivery of secure and uninterrupted banking services.



Expansion of Data Storage Capacity

The Bank expanded its data storage capacity to accommodate the increasing volume of business information and support the growing requirements of its information systems. This enhancement improved the availability and reliability of critical technology resources, providing a stronger foundation for the Bank's ongoing operations and future growth.

PC Refresh Program

The Bank completed its PC Refresh Program by replacing aging workstations with one hundred fifty (150) desktop computers and thirty (30) laptops. The initiative improved system performance, enhanced cybersecurity readiness, and equipped employees with reliable technology to better support the Bank's daily operations.

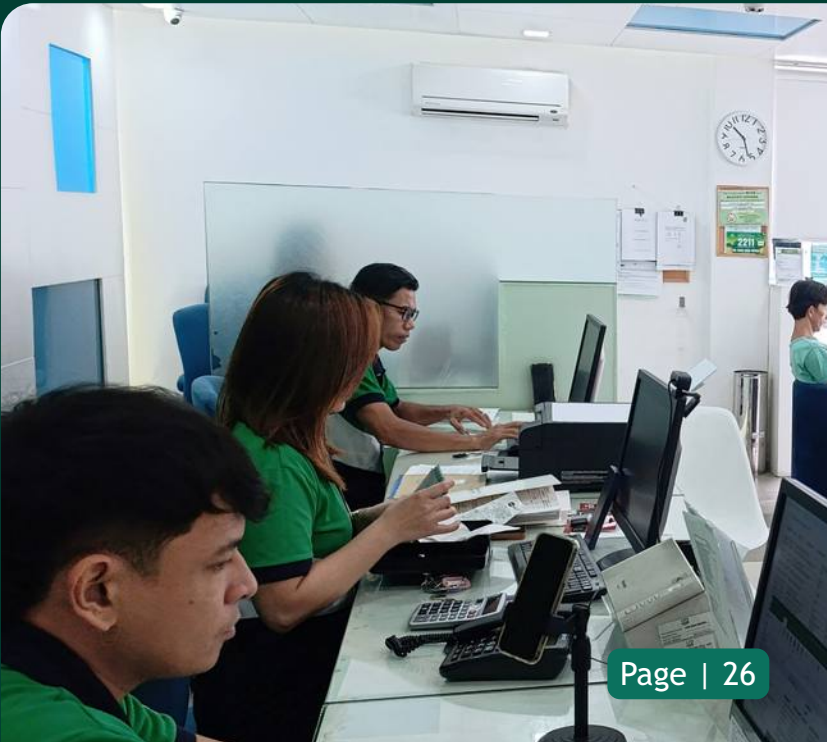
Extended Detection and Response (XDR)

The Bank strengthened its cybersecurity capabilities through the implementation of an Extended Detection and Response (XDR) solution. The initiative enhanced the Bank's ability to detect, monitor, and respond to potential cybersecurity threats, helping protect critical information assets and maintain a secure technology environment.

In-House Application Enhancements

The Bank implemented enhancements to various in-house applications to improve operational efficiency, streamline internal processes, and address the evolving requirements of different business units. These enhancements strengthened system functionality, improved the user experience, and enabled more efficient delivery of internal services.

Collectively, these initiatives strengthened the Bank's technology foundation by improving the reliability, security, and efficiency of its information systems. Through continued investments in technology, the Bank enhanced its operational capabilities, improved service delivery, and remained well-positioned to support future growth while creating long-term value for its customers and stakeholders.



Internal Audit Division

Strengthening Governance, Sustaining Trust

The Internal Audit Division (IAD) continued to play an integral role in promoting sound governance and strengthening the Bank's system of internal controls throughout 2025. Guided by a risk-based audit approach and the Global Internal Audit Standards (GIAS), the Division provided independent and objective assurance to the Board of Directors, through the Audit Committee, and to Management on the adequacy and effectiveness of the Bank's governance, risk management, and internal control processes.

Based on the audit work performed during the year, the Chief Audit Executive concluded that the Bank's governance, risk management, and internal control systems were generally adequate and operating effectively, providing reasonable assurance in support of the achievement of the Bank's strategic and operational objectives. This assessment was based on the substantial implementation of the approved risk-based audit plan, covering Branch Banking Units, Head Office Units, and Information Technology functions, together with special audit engagements, corrective action monitoring, and other assurance activities undertaken throughout the year.



Throughout the year, Internal Audit remained responsive to emerging risks and supervisory expectations by recalibrating audit priorities, where necessary, without compromising the overall adequacy of audit coverage. In addition to implementing its risk-based audit plan, the Division undertook numerous special audit engagements, advisory services, validation activities, governance reporting, and methodology enhancement initiatives in response to emerging operational and regulatory requirements. Collectively, these activities resulted in an overall accomplishment rate of 133.50%, demonstrating the Division's continued commitment to delivering value-adding assurance and advisory services in support of the Audit Committee's oversight responsibilities and the Bank's governance objectives.

Audit engagements continued to generate meaningful improvements across the organization. Audit observations, together with Audit Committee directives and Management's corrective actions, resulted in enhancements to operational procedures, information technology governance, customer due diligence controls, records management, security practices, monitoring mechanisms, and other key business processes. Comparative audit results likewise reflected improvements in several audited units and a reduction in long-outstanding audit issues, demonstrating Management's continuing commitment to strengthening the Bank's control environment.



Beyond its core assurance function, the Division continued to undertake advisory engagements, validation activities, methodology enhancements, and governance reporting to support the Bank's continuous improvement initiatives. Internal Audit also strengthened its audit methodologies, manuals, and reporting processes to maintain alignment with evolving professional standards and regulatory expectations while preserving its independence and objectivity.

While the overall assessment remained positive, the results of audit engagements also underscored the importance of consistently executing and sustaining established controls across the organization. Internal Audit will continue to support the Board of Directors and Management through independent assurance, objective advice, and timely reporting to help ensure that governance practices, risk management, and internal controls remain responsive to the Bank's evolving business environment and strategic priorities.

Retail Lending Division

Evolving: A Renewed Path Forward

A significant chapter unfolded in UCPBS’s journey with the renaming of the Retail Distribution Department (RDD) to the Retail Lending Division (RLD), a move that marked progress while honoring the Division’s strong foundations. The leadership of Mr. Alexander Tizo transitioned, honoring RDD’s legacy while setting the course for a renewed vision in retail lending.

Carrying forward the pioneering spirit of its predecessor, the newly formed RLD brought together two cornerstone Departments: the Consumer Loans Department and the Retail Business Loans Department. Together, they continue to advance the Bank’s mission of expanding financial access through responsive and sustainable lending solutions.

RLD strengthened its position as a core engine for secured business loans (SBL), housing loans (REL), and auto loans. The REL portfolio flourished through enduring partnerships with accredited developers, while the auto loan business thrived through steady support from Branch referrals, reaffirming the strength of internal networks.

In keeping with the pioneering efforts that shaped RDD, RLD ventured into new frontiers through strategic regional expansion.



Account Officers (AOs) were deployed across Lingayen, Iloilo, Cebu, Cagayan de Oro, and Davao, reinforcing the commitment to local presence and deeper client engagement.

True to its founding values, the SBL Program remained a cornerstone in empowering small and medium enterprises (SMEs), offering customized financing that fuels dreams and drives progress.

The program extended its reach through SBL Agri Loans, supporting rural and agribusiness development, and SBL Motor Vehicle Financing, catering to businesses acquiring transport and delivery vehicles.

As RLD advances its vision, it remains grounded in service and partnership. Its efforts in inclusive financing and SME development culminated in a performing loan portfolio of ₱3.9 billion by year-end 2025.

The evolution from RDD to RLD stands not only as a structural change, but as a tribute to a shared legacy and a step toward a united future.

Security Department

Readiness in Action

The Security Department remained steadfast in its commitment to safeguarding the Bank’s people, assets, information, and operations by strengthening security governance, enhancing physical security, and promoting operational resilience. Through continuous collaboration with regulatory agencies, law enforcement, industry organizations, and internal stakeholders, the Department reinforced the Bank’s security framework while ensuring compliance with regulatory requirements and supporting uninterrupted business operations.

During the year, the Department successfully achieved an overall 92.24% Regular Audit Rating and a Perfect 5.0 Risk Rating, reflecting its commitment to operational excellence, effective risk management, and continuous improvement in protecting the Bank’s assets, personnel, and facilities.

Security Operations

The Department maintained a high level of operational readiness through effective management of its core security functions, with key accomplishments including:

- Ensured continuous security operations through effective management of guard force administration, electronic security systems, cash-in-transit security, incident response, and nationwide branch security monitoring.
- Maintained 24/7 monitoring of branch operations to promptly identify and respond to security incidents, system outages, and operational disruptions.
- Activated the Security Call Tree and Emergency Response Protocols during Typhoon Tino, Typhoon Uwan, Typhoon Nando, Typhoon Opong, and the Magnitude 6.9 Earthquake in Bogo, Cebu, ensuring timely communication and coordination with affected branches.
- Provided real-time situation reports and operational updates to Senior Management during emergencies to support informed decision-making and business continuity.
- Coordinated with branches, emergency responders, and relevant government agencies to safeguard employees, customers, and critical banking facilities during disaster events.
- Continuously monitored the operational status of all branches and implemented appropriate security measures to minimize operational disruptions and ensure the continuity of banking services.

Security Department

CCTV and access control system



Security Administration

The Department continued to strengthen governance by improving security policies, operational procedures, vendor management, and security system administration.

Major initiatives included:

- Management of preventive maintenance and corrective servicing of CCTV, alarm, and other electronic security systems.
- Oversight of security service providers and vendor performance.
- Procurement and implementation of physical security enhancement projects.
- Strengthened the Bank's security governance through the continuous review and enhancement of security policies, standards, and operational procedures, culminating in the approval and implementation of the updated Bank Security Manual.

These initiatives improved operational efficiency and reinforced the Bank's security governance framework.

Physical Security

The Department continued to strengthen the Bank's physical security infrastructure through risk-based assessments, security enhancement initiatives, and infrastructure improvement projects.

Physical Security

Key accomplishments included:

- Successfully conducted 20 Branch Security Audits and Physical Security Inspections nationwide to assess compliance with the Bank's physical security standards and ensure adherence to the Bangko Sentral ng Pilipinas (BSP) Manual of Regulations for Banks (MORB) Section 147 and BSP Circular No. 620
- Implemented security enhancement recommendations for branch renovations, relocations, and new branch projects.
- Monitored and upgraded CCTV and Alarm Systems to improve operational reliability.
- Reviewed branch floor plans and security layouts to ensure compliance with the Bank's physical security requirements.

These initiatives further enhanced the protection of the Bank's employees, facilities, customers, and critical assets.



UCPB SAVINGS ILOILO BRANCH

UCPB SAVINGS PILI BRANCH



Security Awareness and Training

The Department remained committed to fostering a strong security culture by enhancing employee awareness and emergency preparedness.

Major accomplishments included:

- Successfully launched the Security Awareness Training Module and Online Security Examination for all UCPB Savings Bank employees.
- Conducted Emergency Evacuation Drills and Fire Safety Seminars to improve emergency response capabilities.

Security Department

Physical Security

Major accomplishments included:

- Facilitated Emergency Preparedness Seminars to strengthen employee readiness and business continuity awareness.
- Issued timely security advisories, alerts, and awareness campaigns to address emerging security threats.

These initiatives strengthened employee awareness and reinforced the Bank's preparedness for emergencies and security-related incidents.



UCPB SAVINGS BANK FIRE SAFETY SEMINAR AND EVACUATION DRILL

Industry Leadership and Strategic Collaboration

The Security Department continued to strengthen its leadership role within the banking and security industry through active engagement with regulators, law enforcement agencies, and professional organizations.

Major accomplishments included:

- Represented UCPB Savings Bank and the Bank Security Management Association (BSMA) as President during the Bangko Sentral ng Pilipinas (BSP) Annual Reception.
- Represented the Bank and the BSMA during the BSP Stakeholders Ceremony, reinforcing collaboration between the banking industry and regulatory authorities.
- Continued coordination with the Bangko Sentral Policy Committee on the proposed revisions to MORB Section 147, contributing to the enhancement of banking security regulations.
- Strengthened collaboration with the Philippine National Police – Supervisory Office for Security and Investigation Agencies (PNP-SOSIA) in support of the implementation of Republic Act No. 11917 (Private Security Services Industry Act).

- Served as a Resource Speaker during the Digital Bankers Southeast Asia Tour, sharing best practices on banking security and operational resilience.
- Served as a Speaker during the ISOG IAM Secure Summit, promoting knowledge-sharing on emerging security risks and industry best practices.

These engagements strengthened the Bank's partnerships with regulators, law enforcement agencies, and industry organizations while positioning UCPB Savings Bank as an active contributor to the advancement of banking security in the Philippines

DIGITAL BANKERS SOUTH EAST ASIA TOUR



BSP ANNUAL RECEPTION

Corporate Social Responsibility

The Department supported the Bank's commitment to employee welfare and community service through active participation in the UCPB Savings Bank Blood Donation Drive, demonstrating its dedication to promoting public health, emergency preparedness, and corporate social responsibility.



BLOOD DONATION DRIVE

CREDIT MANAGEMENT DIVISION

Foundations of Trust, Pathways to Progress

CREDIT EVALUATION DEPARTMENT

During 2025, a total of 616 loan applications were evaluated. Of these, 77 were auto loan applications, while 539 were real estate loan applications. While the number of auto loan applications evaluated declined slightly from 84 in 2024 to 77 in 2025, representing an 8.3% decrease, the volume of real estate loan applications evaluated increased significantly from 368 in 2024 to 539 in 2025, reflecting a 46.5% increase. This indicates sustained growth in demand for real estate financing despite the modest decline in auto loan applications.

Despite the overall increase in loan applications evaluated between 2024 and 2025, the Credit Evaluation Department (CED) consistently maintained its service standards, achieving a 100% compliance rate with its 24-hour turnaround time (TAT) for the evaluation of loan applications. This demonstrates the Department's ability to efficiently manage the higher workload while sustaining timely and effective credit evaluation services.

LOANS DOCUMENTATION DEPARTMENT

In 2025, the Loans Documentation Department (LDD) achieved significant operational improvements aimed at enhancing efficiency, turnaround time (TAT), and service delivery across all loan segments.

One of the key milestones was the successful implementation of the Personal Property Security Registry (PPSR) in August 2025. This initiative substantially reduced the turnaround time (TAT) for Auto Loan processing by streamlining collateral registration and documentation procedures.

Moreover, the approval and deployment of Authorized Signatories from VISMIN greatly contributed to operational efficiency. By decentralizing the signing process, the department minimized delays associated with document routing and approvals. As a result, there was a notable reduction in overall TAT across all loan products.

These improvements reflect LDD's commitment to process optimization, faster service delivery, and strengthened support to business units, ultimately enhancing customer satisfaction and operational performance.

CREDIT APPRAISAL AND INVESTIGATION DEPARTMENT

CAID successfully addressed recurring BSP and COA audit findings involving RE ROPA inherited from the Bank's merged institutions by:

- Establishing clear dispositions for affected properties, such as "For Collection of Indemnities/Just Compensation" for CARP-covered properties, "For Delisting from the RE ROPA Registry" for properties without the Bank's legal interest, and "Retained in the RE ROPA Registry" for properties with existing Bank ownership or interest;
- Updating the Appraised Values of all RE ROPA properties inherited from merged banks; and
- Providing the Retrospective Appraised Values of RE ROPA properties as of 2005.

These accomplishments involved extensive document verification, property identification and valuation, and the conduct of ocular inspections of mostly agricultural properties located in remote areas, many of which are supported only by old Tax Declarations and limited property records.

Improved Appraisal Performance and Turnaround Time Compliance despite limited Manpower Resources

- CAID posted significant improvements in its operational performance in 2025 as compared to 2024. The number of completed appraisal requests increased from 615 to 876, reflecting a 42.4% improvement. Likewise, compliance with the prescribed Turnaround Time (TAT) improved substantially from 481 to 748 completed requests, representing a 55.5% increase.
- While the total appraised value decreased from PHP 28.18 billion in 2024 to PHP 2.13 billion in 2025, the variance is primarily attributable to the appraisal mix and the value of the properties processed during the respective periods. Notwithstanding the lower aggregate value, CAID achieved higher productivity by completing more appraisal requests and significantly improving compliance with the prescribed service turnaround standards

PERFORMANCE INDICATOR	2025	2024	VARIANCE
Number of Appraisal Requests Completed	876	615	+261 (+42.4%)
Total Appraised Value	PHP 2,130,122,293.37	PHP 28,179,308,225.16	-PHP 26,049,185,931.79 (-92.4%)
Compliance with Prescribed TAT	748	481	+267 (+55.5%)

Asset Recovery and Management Division

GO THE DISTANCE

Year after year, the Division is entrusted with increasingly challenging responsibilities, requiring greater resilience and commitment to deliver results.

The year 2025, presented a challenging operating environment for asset recovery and disposal, marked by slower economic growth, evolving buyer preferences, political and investor uncertainties and recurring weather-related disruptions. These factors affected the pace of collections and ROPA disposal.

Despite these challenges, the Division remained focused on maximizing recovery, accelerating disposal, addressing long outstanding accounts and converting opportunities into actual recoveries.

For the Collection Department, the Bank achieved a significant net reduction of ₱153.60 million in Consumer Non-Performing Loans (NPL) year-on-year as of December 2025. This performance was primarily driven by intensified collection strategies across the Real Estate, Auto, and GUCS loan portfolios, which yielded a collective decline of ₱156.61 million. This gain offset a minor ₱3.01 million increase in GESL NPLs, which was mainly attributed to the reclassification of Past Due Non-Performing accounts to Items Under Litigation (IUL).

Salary Loans segment (comprising GUCS and GESL) demonstrated sustained growth while maintaining strong asset quality—posting healthy average PDR and NPL ratios of 6.85% and 5.95%, respectively, remaining well within industry benchmarks.

The Special Asset Management Department remained consistent, delivering another noteworthy and commendable performance. 42 Transfer Certificate Titles (TCTs) were successfully disposed of, reducing book value (BV) by Php 56.104 million. This disposal translated to Php 71.63 million in income, composed of: Php 53.25 million gain on sale of real estate ROPA and Php 18.38 million in SCR income. This resulted in an impressive Total Return Ratio (TRR) of 89%. Additionally, 126 Auto ROPA units were sold, reducing BV by Php 48.39 million. SAMD also assisted in the disposal of 5 FFE motor vehicles, which resulted to income of Php 339T. Incidentally, 48 accounts were delisted from the ROPA Registry, ensuring the accuracy, integrity and proper maintenance of the Bank’s ROPA inventory.

These achievements not only strengthened the Bank’s financial health but also reinforced the Division’s role as a critical contributor to the Bank’s revenue generation and overall financial performance. As we look ahead, we will carry forward the same resilience, teamwork and determination that brought us this far. Together, we will keep moving forward, keep raising the bar and most importantly – Go the distance.

Operations Division

Strengthening Our Legacy, Powering Our Future



Loans Operations Department

The Loans Operations Department (LOD) is primarily responsible for the effective bookkeeping and proper recording of the Bank’s various loan accounts, Sales Contract Receivables (SCR), and Real and Other Properties Acquired (ROPA). In 2025, the Loans Operations Department continued to support the organization’s lending activities through timely, accurate, and controlled processing of loan transactions. Throughout 2025, Loans Operations Department able to processed 9,529 new bookings along with 15 new Sales Contract Receivables. As of December 2025, the outstanding loan portfolio is 13,648,325,169. The department remained focused on operational efficiency, service delivery, risk management, compliance, and continuous process improvement.

Key accomplishments during the year included:

- Maintained efficient loan processing and service delivery, with close monitoring of turnaround time, pending transactions, and aging items.
- Strengthened processing accuracy and operational controls through consistent validation, maker-checker procedures, and monitoring of exceptions and documentation deficiencies.
- Ensured compliance with established policies, procedures, approval authorities, and regulatory requirements, while providing timely support for audit and compliance activities.
- Improved operational processes and monitoring mechanisms through workflow review, standardization of procedures, enhanced reporting, and identification of opportunities for automation.
- Strengthened coordination with Business Units and support groups to facilitate timely resolution of loan processing concerns and support changing business requirements.

Treasury Operations Department

Treasury Operations Department continued to provide efficient and reliable operational support for the Bank’s treasury and payment activities. The Department ensured the timely processing, settlement, monitoring, and reconciliation of Government Securities, Treasury Bills, and BSP Securities, including the proper monitoring of maturities and related settlement proceeds. Throughout the year Treasury Operations Department settled and booked a total of 170 securities.

The Department likewise facilitated a total of 1,888 incoming and 144 outgoing RTGS transactions, ensuring accurate validation, authorization, processing, settlement, and reconciliation of fund transfers. Close coordination with Treasury, Accounting, Branches, and other concerned units supported the timely resolution of transaction exceptions and settlement concerns.

Throughout the year, the Department maintained strong emphasis on accuracy, timely settlement, proper authorization, segregation of duties, reconciliation, complete documentation, and compliance with established policies and regulatory requirements.

ATM Operations

ATM Operations continued to support the Bank’s delivery of accessible and reliable banking services nationwide, efficiently managing 69 ATMs and processing 3.69 million transactions valued at ₱19.70 billion during the year. The ATM network maintained a 96.67% uptime and achieved a 99.51% transaction success rate, reflecting sustained operational reliability and service efficiency.

To further enhance ATM availability and performance, 233 preventive maintenance activities were conducted, while 33 ATM upgrades, replacements, and deployments were completed. We addressed customer concerns promptly, resolving 1,820 ATM disputes and retracted transactions within an average of 1 to 3 days. These initiatives strengthened the Bank’s ATM infrastructure and supported the continuous delivery of convenient and dependable services to its clients.

Commercial Lending Division

Building Momentum. Strengthening Portfolios. Delivering Results



The Commercial Lending Division closed 2025 with a stronger loan portfolio, improved earnings, and significant gains in asset quality—demonstrating the Division’s ability to deliver growth while strengthening the Bank’s credit foundation.

The Division’s loan portfolio grew from ₱2.41 billion in 2024 to ₱2.77 billion in 2025, reflecting a 14.9% year-on-year increase. This growth was accompanied by a significant improvement in earnings, with interest income rising to P29.36M from P21.62M, while non-interest income contributed P33.33M. These results underscore the Division’s continued commitment to generating sustainable income while maintaining disciplined lending practices.

Equally significant was the Division’s achievement in strengthening asset quality. The Past Due Ratio improved to 46.6% from 55.0%, while the NPL Ratio declined to 46.2% from 51.5%.

These improvements reflect the team’s sustained focus on proactive portfolio management, intensified recovery efforts, and effective coordination in addressing challenged accounts.

The Division’s performance demonstrates that growth and prudent credit management can advance together. By balancing new business opportunities with disciplined portfolio oversight, the team contributed not only to the expansion of the Bank’s commercial lending franchise but also to the strengthening of its credit portfolio.

As the Division moves into 2026, it remains committed to building on this momentum through sustainable loan growth, stronger branch partnerships, and proactive portfolio management. With a continued focus on quality bookings, income generation, and recovery, the Division is well-positioned to contribute further to the Bank’s profitability, asset quality, and long-term growth.

Human Resources Division

Sustaining Our Heritage Through Strategic Human Capital Development

Human Capital

In Year 2025, UCPB Savings Bank reflected on the challenges of recent years and transformed them into opportunities for growth and renewed motivation to better support its human resources. As the Bank continues its evolution as a Government-Owned and Controlled Corporation (GOCC), it remains steadfast in upholding and implementing key human resource initiatives. These initiatives include strict compliance with labor laws and regulations, competitive compensation and benefits, and fostering employee growth through comprehensive training and development programs. Additionally, the Bank is committed to maintaining a safe and secure work environment.

With strong support and collaboration from Senior Management, the Bank's continued emphasis on these core areas underscores its dedication to the well-being of UCPB Savings associates and the pursuit of organizational excellence.

Employee Selection and Placement Unit

The Employee Selection and Placement Unit at UCPB Savings Bank recognizes that talent acquisition is a vital driver of organizational success. In 2025, the Bank remained committed to attracting and selecting candidates who align closely with its strategic objectives.



By employing targeted sourcing strategies, strengthening employer branding, and utilizing competency-based assessments, the Bank ensured the recruitment of high-potential talents poised to contribute to long-term growth and operational excellence.

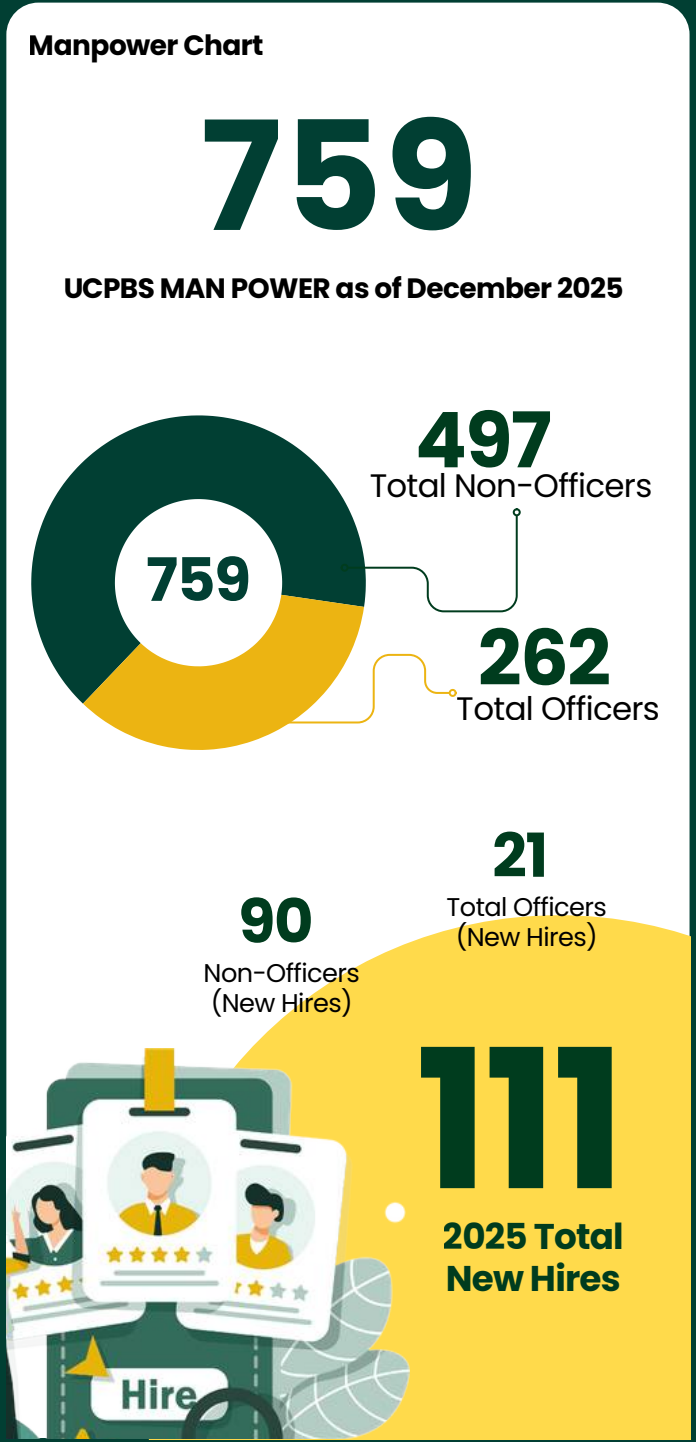
Additionally, UCPB Savings Bank leveraged technology to enhance the efficiency of its human resources acquisition process through continued use of the Talent Acquisition Portal. This system facilitates organized tracking of applications and employment records, improving overall process management.

Acquisition strategies were continuously aligned with evolving business needs, utilizing key sourcing channels including:

1. UCPB Savings Bank website online careers page
2. UCPB Savings Bank official Facebook page
3. Various online job portals and professional networking sites (i.e., Jobstreet and LinkedIn)
4. Employee Referral

All candidates undergo a rigorous screening and pre-assessment process to ensure their qualifications meet the specific requirements of each role.

HUMAN RESOURCES INTEGRATED SYSTEM



Competency Based Training and Development

UCPB Savings Bank remains dedicated to the continuous growth of its associates through comprehensive learning and development initiatives. In 2025, the Bank delivered diverse training programs focused on enhancing technical skills, leadership capabilities, and compliance knowledge. These efforts underscore the Bank's vision that investing in people is key to driving performance, fostering innovation, and ensuring long-term success.

Competency Framework and Assessment

In line with the Governance Commission for GOCCs (GCG) requirements, UCPB Savings Bank continues to leverage its Competency Framework strategically to align employee competencies with the Bank's evolving business direction.

In year 2024 Assessment: A total of 669 associates underwent competency assessments. Of these, 35 associates (5.23%) did not meet the passing rate of 75%. For Year 2025, there is a significant improvement: Among the 35 associates below the competency standard in 2024, 33 demonstrated measurable improvement in 2025, reflecting a 94.29% success rate in upskilling efforts.

The HR – Center for Learning used the assessment results in Year 2024 to formulate the 2025 Annual Training Plan, offering targeted programs aligned with the four key competency areas: Organizational, Core, Leadership, and Functional Competencies.

2.Procedure:

2.Procedure:

- President and CEO;
- Controllershship Division Head;
- Treasury Head; and
- HRGSD Head;

- f. HRD shall forward the processed documents to the UCPB-Trust to withdraw the retirement plan; and
- g. Cheque shall be released to the employee.

3. For separation due to Retirement

- a. After the submission of a letter to the immediate Head and endorsement to HRD, the Compensation and Benefits Unit will determine the remaining claims of the employee such as, but not limited to the accrue leaves, allowances, and others;

- b. Deductions for remaining loans or leave without pay shall be computed;
- c. All the remaining benefits and loans shall be computed and there shall be an entry of data to the Payroll System for the processing

4. For separation due to Resignation

An employee may choose to cease employment with UCPBS due to personal reasons. The HRD procedure below shall be followed:

1. Resignation is signified by the employee through a letter approved by the immediate Head;
2. Signed letter is forwarded to HRD for monitoring and tracking of the effective date of resignation and list of exit requirements to be complied as:
 - Receipt, Release and Quitclaim; and
 - Exit Questionnaire
3. Letter is forwarded to the Compensation and Benefits Unit for filing and tagging (if the employee is not included in the payroll).
4. Letter is forwarded to the Compensation and Benefits Unit for filing and tagging (if the employee is not included in the payroll).
5. Once the clearance is completed, deductions shall be computed by the payroll system as:
 - Existing statutory and company loans;
 - Leave without pay after the payroll period;
 - Attendance deficits;
 - Contributions to SSS, Philhealth, Pag-IBIG;
 - Withholding tax, if any;
 - Pro-rated fringe benefits; and
 - Pro-rated other earnings

- f. Documents and deductions shall be forwarded to the Compensation and Benefits Unit Head for verification and checking;
- g. The HRGSD Head shall approve the documents; and
- h. These will be submitted to FATMD for the issuance of cheques corresponding to the payment of remaining entitlements.

5. Other Conditions.

- a. Separation for Cause - In case of separation from the service with just cause, any and all vested rights are deemed forfeited.
- b. Death/Incapacity - In the event of death or upon separation from the service due to incapacity or disability not attributed to the employee, a member of the registered beneficiaries, regardless of the employee's length of service, shall be paid with the amount of entitlements net of all deductions.
- c. Withholding Tax - Proceeds of the Retirement Benefits Program shall be subjected to withholding tax when the nature of the retirement does not comply with the pertinent government laws in this regard.

Succession Policy

The Bank prioritized promoting potential employees to fill key vacancies, support career growth, and advance the succession plan. Individual development plans were regularly updated to address competency gaps and ensure readiness for future roles.

Succession planning plays a vital role in building bench strength by developing promising talent for senior and leadership positions through targeted programs and growth opportunities.

1.Succession Planning Process

The Bank shall follow the steps in the succession planning process:

Step 1: Strategic and Workforce Planning Decisions

This stage involves the identification of the long-term vision and direction of the Bank by analyzing future requirements for products and services. This connects the succession framework to the values of the organization and the needs and interests of the Senior Management.

This stage involves the identification of the long-term vision and direction of the Bank by analyzing future requirements for products and services. This connects the succession framework to the values of the organization and the needs and interests of the Senior Management.

Step 2: Analysis of Leadership Gaps

This step involves identifying core competencies and technical competencies of the Middle and Senior Management. It determines talents needed for the long-term and develops a business plan based on talent and not on position replacement. In this step, it is important to consider the manager's assessment of personal views about leadership and development needs, and the corresponding competencies required for the present and future abilities to deliver the expected proficiencies.

OPERATIONAL HIGHLIGHTS		OPERATIONAL HIGHLIGHTS	
Human Resources Division Step 3: Identification of Talent Pools This involves identifying talents with critical competencies from various levels, and assessment of competencies and skill levels of the current workforce. Through this step, the Bank will be able to set decisions and processes to understand, evaluate, and prepare for future talent needs. It is typically an outcome of business workforce planning. The identification of groups of high-performing, high potential employees who are being developed to assume greater responsibilities within the organization is very important in succession planning. HRD shall look for those who are not only engaged and performed at an exemplary level but also embrace the corporate culture. Demonstration of competencies of the company values the ability to obtain the organizational knowledge and the interest to advance in the company is performed. Step 4: Development of Succession Strategies This step involves the identification of various strategies: a. Recruitment Strategies. The Recruitment Department’s hiring strategies are aligned to support the Bank’s Talent Pipeline Management programs which include Succession Management, High Potentials Management, Job Rotation, and External Candidates pooling.	b. Retention Strategies. Retention can be done through recognition, continuous assessment, feedback, and coaching to further develop the potential and create a committed relationship. This includes regularly revisiting the compensation and long-term incentives of the Bank. c. Training and Development Strategies. Training strategies will be identified to align the performance dimensions and career ladders to attain the achievement required for employee success. Development strategies involve workshops and other formal events. Most often, however, development occurs on the job through coaching and various developmental assignments, such as participation on action learning teams or job rotation. Those identified as having the greatest potential are more likely to be recommended for off-site workshops and other similar activities. Step 5: Implementation of Succession Strategies This step involves implementing the succession strategies that are identified through recruitment, retention, and training and development. It encompasses communication planning and determining measures of success. HRD will create a succession plan that links talent development to the strategic goals of the Bank.	Step 6: Monitoring and Evaluation This step involves tracking the development of talent pools, documenting feedback from immediate heads on successful internal talent and internal hires, and assessing response to the changing requirements and needs of the Bank. It is important to determine progress, make mid-course corrections, and assign accountability for achieving the desired outcome. An evaluation provides a regular flow of information about how well the strategies are working. Information should be provided on a regular basis so that decisions can be made about personnel. Information about recruitment, retention, training, and development should also be analyzed. In order to keep track of the progress, documentation of the strategies in an action plan must be done. The succession plan strategies will provide the mechanism for clearly defining timelines and roles and responsibilities. Remuneration Policy In 2024, the Governance Commission for Government-Owned or Controlled Corporations (GCG) issued the authorization to implement the CPCS under E.O. No. 150 for UCPBS, the Bank’s compensation framework is now aligned with the applicable provisions of CPCS.	DISCLOSURE STATEMENTS <u>Complaints by employees concerning illegal and unethical behavior</u> UCPB Savings Bank as a financial service provider is committed to promote the highest standards of integrity and trust. To protect the stakeholders of the bank and maintain the credible reputation in the financial industry, the Whistleblowing Policy is articulated. The policy encourages and enables UCPBS employees to report, in good faith and in an environment free from retaliation, actual or suspected wrongdoing against UCPBS. This allows the Board and Senior Management to manage risks and cultural issues within UCPBS. Likewise, the policy defines procedures for attending to reports. To ensure compliance with applicable regulations, the Whistleblowing policy was amended last April 2021. <u>Procedures to protect an employee/ person who reveals illegal/ unethical behavior from retaliation</u> The bank employees who report suspected wrongdoing are protected from harassment, retaliation, or adverse employment consequences. The UCPB Savings Bank amended its existing policy to clarify the conditions for providing whistleblower and witness protection. Furthermore, the policy elaborated on the context of safety and security against retaliation.

Whistle-blowing policy

The updated UCPB Savings Whistleblowing Policy is available on the company's website. The revised policy is concise and exemplifies specific items in the protection and security of whistleblowers and witnesses and the reporting process. All UCPBS employees will use electronic access to the Whistleblower Policy to report any actual or suspected wrongdoing against UCPB Savings. In addition, employees will be well informed about the whistleblower and witness protection requirements.

Work performance of every UCPBS employee shall be assessed, monitored and evaluated through a systematic performance appraisal. This is to ensure that all employees shall be aware of the weaknesses and strengths, as well as opportunities for improvement and skills development.

Employees shall receive feedback on job performance, to assist on ways to become more effective and to provide information to the immediate Head for career aspirations. This allows the associate the opportunity to progress to the full potential in order to meet the company's needs and personal development goals.

1. Purpose

As Bank's feedback written mechanism on the associate's job performance, as well as recording the concerns and issues which need attention and interventions.

1. Associates Subject for Appraisal

- All Associates who have completed 6 months as of December 31 of the previous year;
- Associates whose resignation dates take effect on or before February 28, of the present year shall be excluded in the annual performance appraisal; and

- For associates who have been transferred from one unit to another, performance shall be evaluated by the supervisor in each unit, provided length of assignment is no less than two (2) months in each unit. Consolidation of ratings will be done by the current supervisor.

3. Performance Appraisal Rating

The rating shall be based on the new guidelines for performance appraisal and living and leading brands. Ratings in each of the factors are to be consolidated in the Performance Appraisal Rating Sheet, discussed with the associate, and signed by both appraiser and appraisee.

3.1. The Performance Appraisal tool is comprised of 4 performance factors, namely:

a. Key Results Area/ Objectives (75%) – To be based on actual attainment of targets as set forth in the individual performance plans or objectives. Immediate Heads must:

- Ensure objective, quality and quantifiable rating with full justification;
- A rating of three (4) means that standards are met or equivalent to 100% task done and would mean extraordinary performance. This should be fully manifested or evident with justifications; and
- Include or indicate numbers to validate ratings.

b. Living and Leading the Brand (10%) – To be based on behaviors demonstrated by the associate. Immediate Head must:

- Read and understand guidelines and sample for better understanding and appreciation on how to rate;
- Scores and template for “Managing performance for success”, should be the previous year’s Leadership Survey rating.
- Performance Appraisals should be signed off by the Division / Department or Region / Branch Head, where applicable;
- Associates have the option of retaining a copy of their performance appraisals;
- Fully accomplished forms should be consolidated per Division/ Branch, using the Performance Appraisal Summary Form; and
- HRGSD shall ensure that performance appraisal is implemented properly.

c. Based on the requirement of GOCC and CPCS policy the competency rating is included with the rating of 10%. Immediate head must:

- Read and understand the guidelines;
- Demonstrated required competencies are Knowledge, Attitudes, Values, and Skills

d. Sustainable Financial Framework (SFF) – BSP requirement to align financial decision-making with the broader goals of sustainable development. Immediate head must:

- Read and understand the guidelines:
- The rating is based on participated in any of the SFF Activities, Projects, and Programs (Rethink, Reduce, Reuse, Repair, and Recycle)

Human Resources Division

3.2. Rating descriptions found in the Bank’s Performance Appraisal Rating Sheet shall be amended to conform to the below policy change, as follows:

From		To	
5	Exceed objective at least (110%)	5	Exceeded objective over 105%
4	Slightly exceeded the standards of the objective set (101% - 109%)	4	Objectives met at over 95% - 105%
3	Met all the standards of the objective set (95% - 100%)	3	Objectives met at over 85% - 95%
2	Met most of the standard objective set (85% - 94%)	2	Objectives met at over 75% - 85%
1	Met some of the standard objective set (75% - 84%)	1	Objectives met at over below 75%



General Services Division

Enhancing Administrative Support, Facilities Management, and Operational Efficiency

In 2025, the GSD team continued to provide essential administrative, facilities, and logistical support services that enabled the uninterrupted operations of both Branches and Head Office units. Through efficient service delivery and proactive coordination in mind, the team ensured that organizational requirements were met in a timely and cost-effective manner, contributing to overall operational requirements across the Bank.

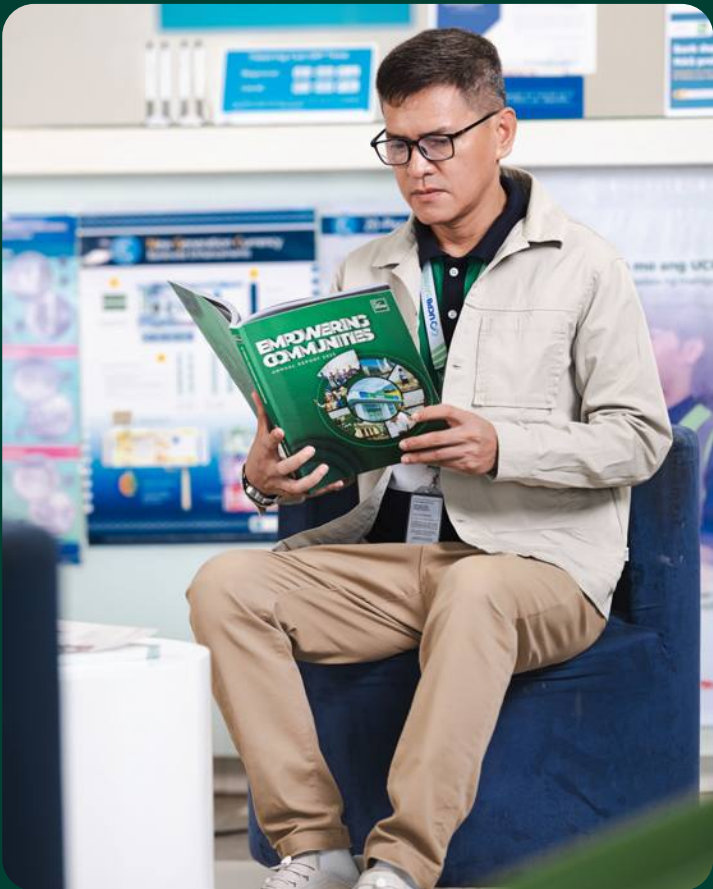
The team successfully processed the various operational billings within the prescribed turnaround time, including telecommunications, travel-related, utility, messengerial, and driver-related expenses, ensuring the continuous availability of critical support services and maintaining good relationships with service providers.

In the same manner, the team also provide support to the daily operational requirements of Branches and Head Office units, facilitated the timely procurement, delivery, replacement, and disposal of office furniture, fixtures, and equipment (FF&E), office supplies, and janitorial services.

These efforts ensured that business units remained adequately equipped to perform their functions efficiently, comfortably and effectively.

The team likewise provided responsive transportation support by ensuring the timely processing and deployment of vehicle requests for Head Office business units, supporting operational activities, client engagements, and service delivery requirements.

In support of the Bank’s branch expansion and network enhancement initiatives, the team successfully managed and delivered various branch renovation, construction, and relocation projects. These projects contributed to improved customer accessibility, enhanced service delivery, and the modernization of banking facilities in key locations.



PROJECT	BRANCH	STATUS
Relocation	Pili	Relocated - Feb. 03, 2025
Relocation	Kalayaan	Relocated - Mar. 17, 2025
Relocation	Iloilo	Relocated - Dec. 15, 2025
Renovation/Extensioen/ Conversion	Antique	Converted - Feb. 10, 2025

PROJECT	BRANCH	STATUS
Relocation/Extension	Iligan	For Certification of Completion
Renovation	Tanay	Ongoing

A photograph of a multi-story concrete building housing a UCPB Savings branch. A large, bright green sign runs along the top of the ground floor, featuring the UCPB Savings logo (a stylized infinity symbol) and the text "UCPB SAVINGS" in white. On the left side of the sign, the text "PILI" and "www.ucpbsavings.com" are visible. To the right, "PILI" and "www.ucbsavings.com" are displayed. The building has several windows and a balcony on the upper floor. In the background, other commercial signs for "M... H..." and "ATM" are visible under a clear blue sky.

These savings were achieved without compromising quality, service standards, or project delivery timelines, demonstrating the team's commitment to fiscal responsibility and value maximization. Procurement activities supported key Bank initiatives, including branch construction, renovation and relocation projects, technology upgrades, operational requirements, facilities management, and other strategic business initiatives.

These accomplishments underscore the Procurement Team's critical role in delivering operational value, optimizing costs, and ensuring the prudent utilization of the Bank resources. Through effective procurement planning, competitive sourcing, and strict compliance with Government procurement policies and controls, the team generated significant cost savings while supporting strategic business initiatives. In recognition of these achievements and its exemplary compliance performance, the Procurement Unit was conferred the Best Performing Head Office Unit in Audit for Year 2025, demonstrating its commitment to operational excellence, transparency, accountability, and good governance.



Risk Management Culture and Philosophy



As part of its commitment to sound corporate governance, the Bank prioritizes the effective management of risks to protect and create value for all stakeholders. Recognizing that risk-taking is fundamental to banking, UCPB Savings Bank (UCPBS) strives to embed a strong risk-return mindset throughout the organization. The Bank promotes a robust risk management culture that ensures capital preservation and sustainable profitability.

UCPBS adheres to the following core risk management principles:

- **Risk is inevitable but manageable.** Effective and consistent risk measurement enables control and mitigation.
- **Risk management is foundational.** A sound risk management system underpins safe and sustainable operations.
- **Leadership-led risk governance.** Risk oversight originates from the Board and cascades through all levels of the organization.
- **Control over aversion.** A culture of risk awareness—not risk aversion—is promoted, emphasizing accountability and internal controls.
- **Regulatory alignment.** All activities must comply with relevant laws, regulations, and internal policies.
- **Sound incentives.** Practices that may promote short-termism, conflict of interest, weak internal controls, or tolerance for inappropriate behavior are avoided.

Risk Appetite and Strategy

The Bank's risk appetite is established by the Board of Directors (BOD), reflected through risk policies, frameworks, and tolerance limits that are regularly reviewed and approved. In setting risk appetite, the BOD considers external market and regulatory conditions alongside the Bank's long-term strategic goals and risk management capabilities.

Senior Management is responsible for implementing the strategy and ensuring that risk appetite is embedded across the Bank by:

1. Developing and aligning risk tolerance policies with strategic goals;
2. Communicating the Bank's risk philosophy and ensuring operational alignment;
3. Ensuring the availability of timely, accurate, and relevant risk information systems

Risk Governance Structure

Risk governance is anchored on a three-tiered structure:

1. **The BOD** is supported by the following committees:

Board-level committees:

- Executive Committee (EXCOM)
- Risk Oversight Committee (ROC)
- Corporate Governance Committee (CORPGOV)
- Audit Committee (AUDITCOM)
- Management Committees:
- Credit Committee (CRECOM)
- Asset and Liability Committee (ALCO)

- Remedial and Collection Committee (RACOM)
- Asset Disposal Committee (ADCOM)
- Operations Committee (OPSCOM)
- Technology Committee (TECHCOM)
- Bank Anti Money Laundering Committee (BAMLC)
- Bids and Awards Committee (BAC)
- Promotions Committee (PROMOCOM)
- Committee on Ethics & Discipline (CED)

2. **The Risk Oversight Committee (ROC)**, composed of two independent and one executive director, oversees the Bank's risk management framework and reports monthly to the BOD.

3. **The Risk Management Division (RMD)**, led by the Officer-In-Charge (OIC) / Head, provides objective risk assessments, monitors adherence to risk appetite, and reports directly to the ROC and BOD.

4. The ROC convenes monthly and is responsible for ensuring the effectiveness of the risk management framework, identifying emerging risks, and overseeing risk mitigation efforts. The CRO serves as both ROC secretariat and principal liaison between management and the Board on risk-related matters.

The Bank operates under the principle that risk management is a shared responsibility across all levels of the organization.



Risk Management Division

Risk Management Process

UCPBS adopts a Three Lines of Defense Model to manage risks effectively:

First Line: Business and Support Units

The first line of defense consists of the following business and support units of the Bank:

- 1.Asset Recovery and Management Division (ARMD)
- 2. Branch Banking Division (BBD)
- 3.Commercial Lending Division (CLD)
- 4.Consumer Lending Division (CNLD)
- 5.Controllershship Division (CD)
- 6.Corporate Planning and Communication Division (CPCD)
- 7.Credit Management Division (CMD)
- 8.Human Resources & GSD Division (HRGSD)
- 9. Information Technology Division (ITD)
- 10.Legal Services Division (LSD)
- 11.Operations Division (OD)
- 12.Treasury Division (TD)

Divisions such as Lending, Treasury, Branch Banking, Operations, and Information Technology (IT) serve as risk owners within the Bank’s risk management framework. As first-line functions, they are directly responsible for the day-to-day management of risks arising from their respective activities.

Each division is accountable for:

- Identifying risks associated with their operations, products, and services;

- Assessing the potential impact and likelihood of those risks;
- Mitigating risks through appropriate controls, procedures, and operational practices;
- Escalating material risk issues to the relevant oversight functions;
- Ensuring compliance with applicable internal policies, procedures, and regulatory requirements;
- Aligning risk-taking activities with the Bank’s overall risk appetite and strategic objectives.

By taking ownership of the risks within their domains, these divisions form a critical component of the Bank’s Three Lines of Defense model, reinforcing accountability and promoting a strong risk culture across the organization.

By taking ownership of the risks within their domains, these divisions form a critical component of the Bank’s Three Lines of Defense model, reinforcing accountability and promoting a strong risk culture across the organization.

Second Line: Risk Management and Compliance

- 1.Risk Management Division (RMD) independently monitors risk exposures, validates controls, and reports to the ROC.
- RMD is responsible for establishment of risk management frameworks, policies, standards and guidelines aligned with the bank’s objectives, regulatory requirements, and risk appetite

- Performs risk identification, assessment, measurement, monitoring, and reporting across all types of risks
- RMD also conducts ongoing monitoring and independent oversight of risk-taking activities by the first line to ensure compliance with policies, limits and controls
- Consolidates and reports risk exposures across the organization to management committees and senior management for informed decision-making
- Facilitates risk culture and awareness, and ethical behavior throughout the organization.

2.The Bank Compliance Division (BCD) promotes governance standards and ensures regulatory compliance, reporting to the Corporate Governance Committee. It focuses on ensuring adherence to external and internal regulatory requirements.

- BCD ensures that the bank complies with laws, regulations, and internal policies
- Develops compliance policies and standards
- Conducts compliance risk assessments to identify areas of regulatory risk exposure
- Provides training and awareness on compliance obligations.

Third Line: Internal Audit

The Internal Audit Division (IAD) conducts independent and objective assurance to the Board and Senior Management on the effectiveness of governance, risk management, and internal controls.

- IAD evaluates the effectiveness of risk management
- Assess internal controls
- Review governance processes
- Provide assurance services
- Conduct audits across all areas
- Report to Audit Committee/Board
- Maintain independence and objectivity

The Bank’s risk management structure ensures clear functional segregation across the three lines of defense: business units as risk owners, risk management and compliance as independent oversight, and internal audit as independent assurance. This structure maintains effective oversight and control across all key risk areas.

- 1.Business Units (Front Office):
 - Own and manage risks in day-to-day operations.
 - Responsible for identifying, assessing, and controlling risks at source.
- 2.Risk Management and Compliance (Middle Office):
 - Provide independent oversight and monitoring.
 - Set frameworks, limits, and policies; ensure regulatory compliance.
- 3.Internal Audit (Back Office):
 - Independent assurance function.
 - Validates effectiveness of controls and governance.
 - Reports directly to the Audit Committee (AUDITCOM) and Board.

The Bank's risk management functions are carried out by the Risk Management Division (RMD), the Bank Compliance Division (BCD), and the Internal Audit Division (IAD), each with distinct responsibilities that collectively sustain a robust risk governance framework.

The following are the risk identification, measurement, monitoring, and control tools specific for each risk category:

Credit Risk is the risk of financial loss to the Bank resulting from a counterparty's failure to fulfill its contractual obligations. While commonly associated with the loan portfolio, credit risk extends beyond lending activities and can arise in various forms wherever the Bank's funds are deployed or exposed.

The Bank's credit risk management processes are performed coherently and collaboratively at three (3) levels:

- Strategic Level: The BOD sets risk appetite, approves target markets, and asset acceptance criteria.
- Transactional Level: Lending units conduct due diligence, ensuring alignment with risk strategy.
- Portfolio Level: Independent validation is conducted by RMD, BCD, and IAD.

The Bank uses the standardized approach in quantifying risk-weighted assets.

The following are risk management tools specific for the management of Credit Risk and are discussed on a monthly/quarterly basis during ROC meeting.

- Loan Portfolio Analysis – showing portfolio trends, under-performing loan, non-performing loan and how the Bank fares vis-à-vis the industry;
- Concentration Risk Review – this monitors loan exposure to big ticket accounts known as large exposures, portfolio quality trend on a per product basis, exposure to various industries, and exposures on clean basis;
- Regulatory and Internal Limits monitoring;
- CRR Validation;
- Portfolio Quality Review;
- Review of Sufficiency of Valuation Reserves using the Expected Credit Loss model in measuring credit impairment aligned with the provisions of PFRS 9; and
- Stress testing using BSP's Uniform Stress Testing Framework and internal scenarios.

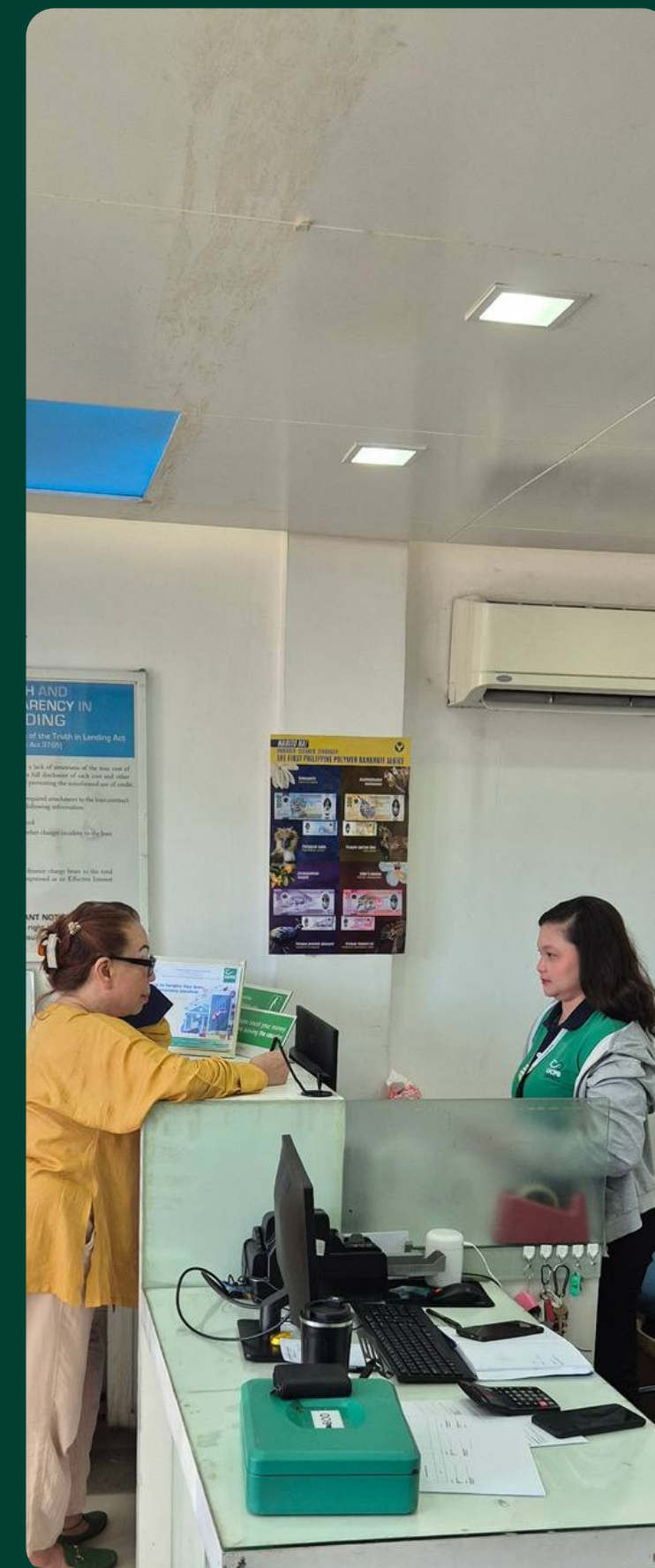
The granting of loans undergoes a rigorous process of evaluation and approval to ensure sound credit decisions and effective monitoring of the Bank's risk exposure. To support this, the Bank has its Internal Credit Risk Rating System (ICRRS) for commercial accounts.

All potential and existing commercial accounts must be risk-rated by the Account Officer (AO) from the Commercial Lending Division prior to the approval of new credit facilities, as well as for the renewal or restructuring of existing accommodations. The AO submits the proposed credit risk rating, along with all necessary supporting documents, to the Credit Risk Management Unit (CRMU) of the Risk Management Division (RMD) for validation.

The Credit Risk Management Unit (CRMU) serves as an independent unit within the Bank, responsible for performing the credit risk control function. This includes the design, implementation, and continuous performance monitoring of the ICRRS. Importantly, this risk control function operates independently of the business units responsible for originating credit exposures, ensuring objectivity in the assessment of credit risk.

A rating exception arises when a proposed rating does not conform to the standards set by the Bank's credit risk rating criteria. In cases where there is a disagreement between the AO and the CRMU Credit Risk Officer/Analyst—often due to differing interpretations of the credit rating criteria—the matter is escalated to the Chief Risk Officer (CRO) for resolution. If consensus is still not reached, the issue is further elevated to the President and CEO for final decision.

To maintain the integrity and effectiveness of its credit risk practices, the Bank continuously reviews and validates its ICRRS model. This includes ensuring compliance with the minimum standards set forth in BSP Circular No. 855.



Below are the total credit-risk weighted assets broken down by type of exposure:

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The Bank has established the Credit Committee (CreCom), a management-level body responsible for the collegial review, approval, and/or endorsement of credit proposals involving higher exposure limits. This committee ensures that credit decisions are made with appropriate rigor, oversight, and alignment with the Bank's overall risk appetite and credit policies.

In addition, the Bank maintains a dedicated Remedial Management Unit (RMU), tasked with the management and resolution of past due and problematic accounts. This unit focuses on mitigating credit losses through proactive account monitoring, restructuring strategies, and recovery efforts.

2. Market Risk

Market Risk arises from potential losses in the Bank's trading book due to adverse movements in interest rates or prices.

The Bank uses the Standardized Measurement in quantifying the capital requirements for Market Risk. In December 2025, the Market Risk weight of ₱30.61M accounted for only .20% of the Bank's overall RWA.

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Risk Management Division

The Bank utilizes Value-at-Risk (VaR) as a key measure to estimate the potential maximum loss in its trading portfolio. This statistical approach is based on Bloomberg’s parametric VaR model, applying a 99% confidence level and a two-week defeasance period. The VaR model enables the Bank to assess and manage market risk exposures with a high degree of reliability.

In addition to VaR, the Bank conducts daily mark-to-market monitoring of securities within its trading portfolio to capture any unrealized losses. Results of this monitoring are reported weekly to the Asset and Liability Committee (ALCO) in cases where a limit breach occurs, and monthly to the Risk Oversight Committee (ROC) as part of regular risk reporting and governance.

3. Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk (IRR) refers to potential income volatility arising from mismatches in the repricing of assets and liabilities. This arises from mismatches in the timing of interest rate changes and the timing of cash flows—commonly referred to as repricing risk. The Bank monitors IRR on a monthly basis using Earnings-at-Risk (EaR), also known as repricing gap analysis. This forward-looking approach measures the potential change in earnings over the next 12 months due to shifts in interest rates, and is designed to help prevent unexpected impacts on the Bank’s income.

EaR is calculated using the Bank’s current rate-sensitive exposures and is based on the following parameters:

- A standard deviation (SD) of 2.326, representing a 99% confidence level
- A sample size of 260 trading days
- A defeasance period of three (3) months

Only rate-sensitive assets and liabilities are included in the EaR assessment. Specifically:

- Loan accounts are evaluated based on their next repricing date
- Time deposits are assessed based on their next maturity date
- Savings accounts and non-repricing loans (e.g., loans close to full repayment) are excluded from the analysis

To evaluate earnings exposure, the Bank calculates the repricing gap for each time bucket by subtracting interest rate-sensitive liabilities from interest rate-sensitive assets.

- A positive gap indicates that rate-sensitive assets exceed liabilities, which is generally favorable in a rising interest rate environment as assets can be repriced at higher rates.
- A negative gap, where liabilities exceed assets, may be advantageous in a falling rate environment but could lead to reduced earnings when rates rise.

In addition to monthly monitoring, the Bank performs quarterly stress testing using the Bangko Sentral ng Pilipinas (BSP) Uniform Stress Testing Framework.

These stress tests assess the Bank’s resilience to sudden interest rate shocks, and results are reported to both the Risk Oversight Committee (ROC) and the Board of Directors (BOD).

4. Liquidity Risk

Liquidity Risk refers to the Bank’s potential inability to meet its financial obligations as they fall due, arising from unexpected changes in the availability or cost of funding, or from the Bank’s failure to recognize or respond to shifts in market conditions.

To manage this risk, the Bank conducts ongoing monitoring through a combination of liquidity ratios and the Maximum Cumulative Outflow (MCO). The MCO provides a forward-looking snapshot of the Bank’s liquidity position by estimating the total amount of funding required at specific future dates under normal business conditions. It measures the liquidity gap by comparing the maturities of liabilities with those of assets.

The Bank has established a defined tolerance level for liquidity risk, aligned with its funding capacity as outlined in the Contingency Funding Plan (CFP) and Bank Recovery Plan (BRP). These plans serve as a strategic guide for maintaining adequate liquidity under stressed conditions.

In addition, the Bank conducts quarterly liquidity stress testing using scenarios such as:

- A significant decline in the deposit portfolio

- A surge in loan defaults
- These stress tests are designed to evaluate the Bank’s resilience to extreme but plausible adverse conditions.

Findings from liquidity risk monitoring and stress testing are regularly reported to the Risk Oversight Committee (ROC) and the Board of Directors (BOD) to support timely and informed decision-making.

5. Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This includes risks arising from fraud, human error, failure to deliver products and services, or mismanagement of information. Operational risk is embedded across all aspects of the Bank’s operations—from product development and delivery, operational processing, and systems development, to IT infrastructure, product complexity, and the overall internal control environment.

Recognizing that operational risk is inherent in all activities, products, and services—and is closely interlinked with credit, market, and liquidity risks—the Bank promotes a strong risk culture. The Risk Management Division (RMD) emphasizes this through its Operational Risk Awareness Training, which is mandatory for all new employees. This training reinforces the principle that operational risk management is everyone’s responsibility and is essential for the safe, sound, and effective functioning of the Bank.

To quantify the risk-weighted assets for operational risk, the Bank adopts the Basic Indicator Approach (BIA) in accordance with regulatory standards.

- Audit and Supervisory Findings
- Regular reviews and issues identified through internal and external audits, as well as regulatory examinations by the Bangko Sentral ng Pilipinas (BSP)
- Internal Loss Data Collection and Analysis, sourced from:
 - Loss Event Reporting
 - Information Security Incident Reporting
 - Compliance Reports
 - Legal Reports
- Risk and Control Self-Assessment (RCSA)
- A proactive process where business units identify key operational risks and assess the effectiveness of controls
- Key Risk Indicators (KRIs)
- Regular monitoring of metrics that provide early warning signs of potential risk exposures
- Business Continuity Plan (BCP)
- A structured approach to ensure the Bank's ability to respond to, and recover from, operational disruptions
- Risk Awareness Trainings – new employee onboarding includes operational risk awareness

This integrated approach ensures that operational risks are systematically managed and mitigated, in alignment with the Bank's overall risk appetite and regulatory expectations.

Legal Risk refers to the potential for loss arising from legal actions, non-compliance with laws or regulations, or the imposition of legal sanctions against the Bank. Beyond financial implications, legal risk can significantly impact the Bank's reputation, especially if adverse legal findings or sanctions become public.

The Bank manages legal risk through its Legal Services Division, which is responsible for providing legal guidance, ensuring compliance with applicable laws and regulations, and addressing potential legal exposures across all business activities.

The Chief Legal Officer plays a key role in the governance of legal risk and reports to the Risk Oversight Committee (ROC) on a regular basis, providing updates on legal matters, ongoing cases, emerging legal risks, and mitigation strategies.

7. Strategic Risk. The Bank defines Strategic Risk as the potential failure to achieve its business objectives due to ineffective strategy formulation or poor execution. Such failures may significantly impact the Bank's strategic direction, financial performance, reputation, competitiveness, and long-term business prospects.



8. Compliance Risk arises from breaches or non-compliance with applicable laws, regulations, rules, internal policies, procedures, prescribed practices, or ethical standards. It may also stem from ambiguities or uncertainties in the legal or regulatory framework governing certain bank products or activities.

This type of risk can expose the Bank to regulatory sanctions, financial penalties, reputational damage, unenforceable contracts, and diminished business prospects—including reduced franchise value, limited growth opportunities, and constraints on market expansion.

The Bank manages Compliance Risk through its Bank Compliance Division, which is responsible for ensuring adherence to all relevant regulatory and internal requirements.

9. Reputational Risk arises from negative public perception of the Bank by customers, counterparties, shareholders, investors, employees, debt holders, market analysts, regulators, government agencies, media, and other stakeholders. Such adverse perception can significantly impact the Bank's ability to maintain existing business relationships, attract new clients, or access diverse funding sources.

This type of risk may lead to litigation, financial losses, erosion of customer trust, and—in severe cases—a loss of public confidence that could trigger a bank run.

10. Information Technology, Information Security, and Cyber Risk refers to any potential adverse outcomes, including damage, loss, failure, violation, or disruption, associated with the use or reliance on computer hardware, software, devices, systems, applications, and networks.

Information Security Risk specifically pertains to threats against the confidentiality, integrity, and availability of information and information assets. This risk arises from unauthorized access, use, disclosure, disruption, modification, or destruction that could impair organizational operations.

Cyber Risk involves exposure to harm or loss resulting from cyberattacks or breaches targeting the Bank's information systems.



Risk Management Division

Internal Audit Division

Self-Assessment Function

i. The structure of the internal audit and compliance functions including its role, mandate/authority, and reporting process.

The Internal Audit Division provides independent and objective assurance and advisory services that support the effectiveness of the Bank’s risk management, control, and governance processes. The function applies a systematic, risk-based approach in support of the Bank’s vision, mission, strategic objectives, and core values.

In performing its function, the Internal Audit Division provides reasonable assurance that:

- Risks relating to the Bank’s strategic objectives are identified and managed;

- Financial, managerial, and operating information is accurate, reliable, and timely;
- Employee actions comply with Bank policies, procedures, and applicable laws and regulations;
- Bank resources are acquired economically, used efficiently, and adequately safeguarded;
- Operations are conducted in accordance with sufficient internal controls, sound business judgment, and ethical standards;
- Quality and continuous improvement are maintained within the Bank’s internal control processes; and
- Significant legislative or regulatory developments affecting the Bank are identified and addressed in a timely manner.

Under the UCPBS Internal Audit Charter, the Internal Audit Division is authorized unrestricted access to the Bank’s functions, records, systems, properties, and personnel necessary to perform its engagements, subject to applicable laws, regulations, and confidentiality requirements.

To maintain independence, the Internal Audit Division reports functionally to the Board of Directors through the Audit Committee and administratively to the President and Chief Executive Officer. This reporting structure is consistent with the principle that internal audit should be accountable to the board rather than to the management functions subject to its review. The Division also reports periodically on the utilization of its financial, material, and human resources in the performance of its functions.



The Chief Audit Executive (CAE) implements Board-approved audit directives, oversees the audit function, and is responsible for the development, communication, and monitoring of audit policies, practices, programs, and processes.

The UCPBS Audit Committee Charter designates the Audit Committee as responsible for recommending the CAE’s appointment, reappointment, replacement or dismissal to the Board of Directors, as well as for conducting the CAE’s performance appraisal and presenting the annual review to the Board. Coordination with the Human Resources Division is required for any action the Committee takes in fulfilling this responsibility.

Audit Committee

Duties and Functions:

The Audit Committee supports the Board of Directors in fulfilling its oversight responsibilities. These functions include the following:

- Confirms that auditing, accounting, and financial management practices conform to Philippine and international standards, as well as applicable statutory and regulatory requirements;
- Oversees Senior Management’s establishment and maintenance of a sound internal control framework, covering financial reporting, legal and policy compliance, operational effectiveness, and asset protection;
- Provides oversight of the internal audit function to safeguard its independence, objectivity, and overall effectiveness.

Internal Audit Division

The Committee's core objectives are to:

- (i) evaluate the completeness and accuracy of the Bank's financial statements and regulatory disclosures;
- (ii) oversee execution of the internal audit plan, including assessment of business, operational, compliance, reputational, control, and fraud risk;
- (iii) advise the Board on the Division's annual operating and capital budget; and
- (iv) endorse Management's recommended external auditor to the Board, with due regard to auditor independence.

Membership, Composition, and Competencies

The Audit Committee consists of at least three Board members, at least two of whom, including the Chairperson, are independent directors. Collectively, members bring accounting, auditing, financial management, and risk oversight expertise proportionate to the Bank's scale, operational complexity, and risk profile.

All members of the Audit Committee have a clear understanding of finance and accounting, and are able to read and understand financial statements. No member of the Audit Committee is a large customer of LAND BANK OF THE PHILIPPINES (LBP) or any of its subsidiaries or affiliates.

The Chairperson and members are elected by the Board of Directors and serve until successors are duly elected. Election requires the unanimous consent of all independent directors present at the time of election. The Audit Committee Chairperson may not concurrently chair the Board or any other board-level committee.

Accomplishments

Throughout the year, the Audit Committee fulfilled its mandate in accordance with the duties set out in its Board-approved Charter, supporting the Board of Directors in meeting statutory and fiduciary obligations and in safeguarding shareholder value and interests. This was carried out through ongoing coordination with Management, with particular focus on addressing emerging risks and maintaining the efficiency and effectiveness of operational processes.

During 2025, the Audit Committee held its regular monthly meetings, along with special sessions addressing matters requiring focused attention. These engagements allowed the Committee to remain responsive to emerging risks and to monitor the continued efficiency and effectiveness of the Bank's operational processes. The Audit Committee also confirmed that the internal audit function continued to exercise its mandate with the requisite independence and authority.

Ensuring the independence and authority of the internal audit function remained a central aspect of the Committee's oversight, serving as a safeguard essential to the credibility and reliability of the Bank's internal control environment. In this regard, the Committee extended consistent guidance and support to the Internal Audit Division (IAD) throughout the execution of its 2025 audit plans and programs, ensuring that audit activities remained aligned with the Bank's evolving risk landscape. The outcomes of these engagements provided Management with meaningful input for strengthening the Bank's governance, risk management, and internal control frameworks.

The following presents the Audit Committee's key accomplishments for the year, reflecting its continued exercise of functional supervision and oversight over the Bank's internal control and compliance system, internal audit and assurance process, financial reporting, risk management, and corporate governance:

- Reviewed and discussed with the Management and Commission on Audit (COA), the year-end Audited Financial Statements (AFS) and the related disclosures; and endorsed for Board approval of the 2024 AFS. The Management is responsible for the preparation and fair presentation of the Bank's financial statements and adequacy of disclosures in accordance with Philippine Financial Reporting Standards (PFRS); while COA is responsible for expressing an independent opinion on the AFS and their conformity with PFRS.
- Reviewed, noted, and approved Internal Audit (IA) reports on regular and spot audits of branch banking units, head office units, and IT units and processes, to ensure that Management is taking necessary corrective actions in a timely manner to address weaknesses, non-compliance with policies, laws, and regulations, and other issues identified by Internal Audit Division (IAD).
- Reviewed and noted the results of special audit engagements;
- Discussed and approved the UCPBS Proposed 2025 Audit Plan and Audit Approach, as well as the Long-Term Audit Plan covering 2025 to 2027 for Branch and Head Office Units, IT Units, Processes, and Systems, to ensure the adequacy of scope and continued alignment with the Bank's changing risk environment;
- Approved, as part of the audit plan, budgetary provisions for Advisory Services, Other Assurance Services, and Special Projects, as well as for Special Audit/Investigation and Other Assignments, and for Continuing Education and Training;
- Reviewed and approved proposed amendments to the Internal Audit Manual and related audit methodologies and tools to strengthen the conduct and coverage of audit engagements;



Internal Audit Division

- Approved the Audit Committee (AC) Minutes of the Meetings;
- Reviewed and monitored through IAD the Corrective Action Tracking Report (CATR) on a monthly basis, thereby enhancing the monitoring, follow-up, and implementation of corrective actions to manage risk issues and improve the operations of branches, head office units, IT units, processes, and information systems;
- Approved/noted the 2024 UCPBS Internal Audit Annual Report and other reports such as (1) the IAD Financial Budget for 2025, (2) the IAD Accomplishment Reports as of December 31, 2024 and June 30, 2025, and (3) the IAD's Declaration of Organizational Independence as required by the IA Standards, among others;
- Noted the status updates on the validation activities of IAD relative to the Bank's commitment with BSP on CIS Updating, and the results of the 2025 Independent Customer Account Confirmations and the 2025 Lifestyle and Ethics Compliance Check;
- Monitored and noted IAD's ongoing audit projects and engagements on a regular monthly basis;
- Noted the updates from Business Units on ROPA-related concerns;
- Noted the court case updates from the Legal Services Division relative to special audits/fraud investigations conducted by Internal Audit;
- Noted the BSP Advance Report of Examination Findings (AREF) attributable to the internal audit function, and updates on the Regular Examination of the Bank by the Bangko Sentral ng Pilipinas (BSP); and
- Reviewed the adequacy of IAD resources, staff competencies, activities, and effectiveness, and noted the regular reports on movements of IAD personnel, employee turnover, and headcount.



The Audit Committee held twelve (12) regular meetings and two (2) special meetings in 2025:

Name of Director	Period Covered	Audit Committee meetings		
		Held since assumption	Attended	%
Ma. Belma T. Turla	January 1, 2024 to Dec. 31, 2024	14	14	100%
Daisy M. Macalino	January 1, 2024 to Dec. 31, 2024	14	14	100%
Marilyn M. Tiongson	January 1, 2024 to Dec. 31, 2024	14	14	100%

II. Review Process for the Effectiveness and Adequacy of Internal Control and Risk Management Systems

To evaluate the adequacy and effectiveness of the Bank's internal control and risk management systems, the Audit Committee, on behalf of the Board of Directors, carries out a formal and structured review process. This includes actively monitoring and evaluating the implementation of internal control policies and procedures, and ensuring that financial, operational, and compliance controls, together with risk management practices, are reviewed at least annually. Through this process, the Committee is able to identify control weaknesses and assess the robustness of the control environment relative to the Bank's risk profile and strategic direction. Sustaining this process depends on continuous, collaborative communication between the Board and the Chief Audit Executive, as well as the Board's ongoing commitment to ensuring that the internal audit function is provided with sufficient resources to carry out its mandate effectively.

As part of this process, the Internal Audit Division (IAD) reports to the Audit Committee the results of its assurance services, consulting services, special/fraud audits, and other engagements. Through these reports, the Committee is able to monitor whether Management is taking timely and appropriate corrective action to address identified control deficiencies, non-compliance with policies, laws, and regulations, and other issues raised by the internal audit function.

The Committee's oversight extends beyond the discussion and notation of regular audit reports. It also deliberates on control-related issues, potential vulnerabilities, and risk exposures as they arise, and provides recommendations to strengthen the internal control environment and manage institutional risks. Business units cited in audit findings are, in turn, required to report to the Committee on the status of corrective actions taken to address identified control breaches or related deficiencies.



Internal Audit Division

The Committee convenes regularly and maintains minutes of its proceedings, which are confirmed by the UCPBS Board. It held fourteen (14) meetings in 2025.

The Audit Committee is composed of the following:

- Dir. Ma. Belma T. Turla (Chairman)
- Dir. Daisy M. Macalino (Member)
- Dir. Marilyn M. Tiongson (Member)

Corporate Governance

Corporate Governance

UCPBS upholds a robust Corporate Governance framework that reinforces ethical leadership, accountability, and adherence to sound management practices. Recognizing governance as a cornerstone of long-term sustainability and institutional resilience, the Bank continually enhances its policies and controls to align with evolving regulatory standards and best practices. The Board of Directors provides strategic direction and ensures effective oversight by establishing governance mechanisms that promote transparency, prudent risk management, and compliance across all key operational areas.

BOARD OF DIRECTORS (BOD)

The Board of Directors (BOD) is primarily responsible for the governance of the Bank. It establishes strategic objectives, policies, and procedures to guide and direct the Bank’s activities in achieving these objectives, while also monitoring and overseeing management’s actions.

The BOD is responsible for defining the Bank’s Vision, Mission, and Values, and holds a fiduciary duty to the Bank and its shareholders. It approves and oversees the implementation of strategies aligned with the Bank’s corporate objectives, risk governance framework, and systems of checks and balances.

The BOD ensures that Corporate Governance are upheld through the following standards:

- Fostering good corporate culture and values;
- Approving the Bank’s objectives and strategies, and overseeing the management’s implementation;
- Overseeing the selection process of key members of senior management and heads of control functions, and approving a sound remuneration and incentive policy for personnel; and
- Approving and overseeing the implementation of the Bank’s good corporate governance framework.

The BOD is composed of seven (7) members, of whom at least one-third shall be independent directors. Non-executive directors shall comprise at least majority of the Board to promote independent oversight of the Bank. The UCPBS Board is composed of the following members:

Independent Dircetor	2
Non - Executive Director	2
Executive Director	-
Interim Director	3
Total	7

SELECTION PROCESS

The Bank selects candidates for Board positions in accordance with the fit and proper rule provided by the policies of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), Governance Commission for GOCCs (GCG), and other governing agencies.

Appointments of Senior Officers and other positions requiring confirmation by the Monetary Board or BSP shall be approved by the Board of Directors, upon the recommendation of the appropriate Committee.

PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO)

The President and CEO (PCEO) is responsible for the overall supervision, administration, and management of the Bank’s day-to-day operations. The PCEO may assign or delegate the exercise or performance of her powers, duties, and functions to any officer under her supervision and control. The PCEO may also establish Management Committees to assist in the administration of the Bank.

The PCEO oversees the Bank’s business affairs, taking into consideration the strategic direction and risk appetite approved by the Board of Directors. Furthermore, the PCEO is responsible for formulating the Bank’s primary direction and strategies, and for promoting its long-term interests.

CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board ensures the effectiveness and performance of the BOD in fulfilling its duties and responsibilities, as well as fostering a harmonious relationship among its members. Specifically, the Chairman’s duties and responsibilities include the following:

- Ensures that meetings address strategic matters, including discussions on risk appetite and key governance issues;
- Executes a sound decision-making process;
- Considers dissenting views during the decision-making process;
- Promotes comprehensive and critical discussion;
- Ensures that members receive accurate, timely, and relevant information;
- Ensures the proper orientation of incoming directors and provides training opportunities for all; and
- Conducts a performance evaluation of all members of the Board of Directors at least once a year.

REGULAR DIRECTORS

Regular Directors are members of the Board who are part of the standard, ongoing structure of the Bank’s Board of Directors. They are the most common type of director, serving on the Board for the long term, participating in strategic planning, and overseeing management.

EXECUTIVE DIRECTORS

Executive Directors are members of the Board who are involved in the day-to-day operations of the Bank. They hold positions on the Board while also having management responsibilities related to the Bank’s operations.

INDEPENDENT DIRECTORS

Independent Directors are members of the Board who do not have a material relationship with the Bank and are neither part of its executive team nor involved in the day-to-day operations of the parent bank or its subsidiaries. An Independent Director may serve in such capacity for a maximum cumulative term of nine (9) years, after which they shall be perpetually barred from serving in the same position with UCPBS but may continue to serve as a Regular Director.

NON-EXECUTIVE DIRECTORS

Non-Executive Directors are members of the Board who are not involved in the day-to-day management of the Bank’s operations and devote sufficient time to effectively carry out their duties and responsibilities. A Non-Executive Director may concurrently serve as a director in a maximum of five (5) publicly listed companies. In the case of concurrent directorships within the Bank’s subsidiaries, each entity where the Non-Executive Director serves shall be separately considered in assessing compliance with this requirement.

INTERIM DIRECTORS

Interim Directors are members of the Board appointed for a limited period to fill a vacant position, manage a specific project, or address a temporary situation. Their responsibilities are similar to those of permanent directors but are focused on short-term objectives and the immediate needs of the company.

BOARD LEVEL COMMITTEES

The Bank has four (4) Board-Level Committees, namely: (1) the Executive Committee; (2) the Audit Committee; (3) the Risk Oversight Committee; and (4) the Corporate Governance Committee. The Audit, Risk Oversight, and Corporate Governance Committees oversee the Bank’s independent units. These Board-Level Committees convene monthly and report to the Board during regular and special Board meetings.

a. Executive Committee (EXCOM)

The Executive Committee (ExCom) assists the Board of Directors (BOD) in the general supervision, administration, and management of the Bank. The ExCom reviews, considers, and approves credit proposals within its approving authority and formulates recommendations to the BOD on matters relating to strategy; credit and debt restructuring; borrowings and expenditures; acquisition and disposal of key assets; issuance and investment of securities; technology and operations issues; organizational and key management changes; policy and manual revisions; and other matters requiring BOD approval that are not within the authority of other Board Committees.

b. Audit Committee (AC)

The Audit Committee’s primary purpose is to assist the UCPBS Board in fulfilling its oversight responsibilities over the Bank’s reporting policies, practices, and controls, as well as its internal and external audit functions. It also helps ensure that the Bank’s auditing, accounting, and financial management principles and practices align with both international and Philippine best practices, and comply with all legislative and regulatory requirements.



Specifically, the Audit Committee assists the Board of Directors in:

- Ensuring that auditing, accounting, and financial management principles and practices are consistent with international and Philippine best practices, and comply with all legislative and regulatory requirements;
- Overseeing Senior Management in establishing and maintaining an adequate, effective, and efficient internal control framework. This includes ensuring that systems and processes are designed to provide assurance in areas such as financial reporting, compliance with laws, regulations, and internal policies, operational efficiency and effectiveness, and safeguarding of assets; and
- Overseeing the internal audit function.

The primary responsibility of the Audit Committee is to oversee the Bank's financial reporting and financial management processes on behalf of the Board of Directors and to report the results of its activities to the Board. The Audit Committee shall assess the completeness and fairness of the presentation of the financial statements and financial reports of UCPB Savings Bank (UCPBS) to shareholders and regulators. It is also responsible for monitoring the implementation of the internal audit program, including the assessment of business, operational, compliance, reputational, control, and fraud risks, as well as related policies.

Additionally, the Committee shall monitor and advise the Board of Directors on the annual operating and capital expenditures budget. Furthermore, it shall endorse the external auditor recommended by Management, taking into consideration the auditor's independence.

The Audit Committee is composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors, including the Chairman. The Chairman of the Audit Committee shall not serve as the Chairman of any other board-level committee.

c. Risk Oversight Committee (ROC)

The Risk Oversight Committee (ROC) is responsible for fulfilling the Bank's statutory, fiduciary, and regulatory responsibilities. It advises the Board of Directors on the Bank's overall current and future risk appetite and oversees Senior Management's adherence to the risk appetite statement. The Committee ensures that the Bank's risk management objectives are aligned with its overall business strategies and performance goals. Additionally, it reports on the state of the Bank's risk culture by developing and overseeing the Bank's risk management programs. This includes oversight of the risk management framework, monitoring adherence to the risk appetite, managing the risk management function, and approving proposals related to the Bank's policies, procedures, and best practices.

These areas include, but are not limited to, asset and liability management, credit, market, interest rate, liquidity, and operational risks. The Committee also ensures compliance with all written policies and procedures related to risk management throughout the Bank.

The Committee shall be composed of at least three (3) members of the Board, the majority of whom shall be independent directors, including the Chairperson.

The ROC Chairperson shall not serve as the Chairperson of any other board-level committee. Committee members should possess a range of expertise and adequate knowledge of risk management issues and practices. They shall also have access to independent experts to assist them in carrying out their responsibilities.

d. Corporate Governance Committee (CGC)

The Corporate Governance Committee (CGC) assists the Board in promoting the principles of good corporate governance—transparency, accountability, and fairness—in the conduct of the Bank's business activities, customer relationships, and those of the UCPBS Group. The Committee shall recommend to the Board policies and improvements that align with the regulations and directives of the BSP, SEC, PSE, and other relevant regulatory bodies, as well as internationally recognized industry best practices.

The CGC reports to the Board in fulfilling its corporate governance responsibilities. It promotes corporate governance principles and guidelines and supports the development of a culture of excellence, professionalism, efficiency, and integrity. The Committee shall take the lead in implementing the Board's performance evaluation and capability-building functions.

In this regard, the Corporate Governance Committee performs the following:

(1) Oversee the nomination process for members of the Board of Directors and for positions appointed by the Board of Directors.

The Committee reviews and evaluates the qualifications of all persons nominated to the Board of Directors, as well as those nominated to other positions requiring appointment by the Board. It also recommends to the Board matters pertaining to committee assignments and the succession plan for members of the Board of Directors and Senior Management.

Furthermore, the Committee ensures that individuals nominated to positions requiring Board approval possess all necessary qualifications and none of the disqualifications mandated by laws, rules, regulations, and other directives issued by regulators. It also recommends nominees for the Bank's Board composition and succession planning to the Governance Commission for GOCCs (GCG).

(2) Oversee the continuing education program for the Board of Directors.

The Committee provides a program for the continuing education of directors and engages external expertise as needed. It ensures the effective implementation of the onboarding and orientation program for new directors, as well as the annual continuing education for all directors. The training program covers relevant topics to support directors in carrying out their duties and responsibilities.

(3) Oversee the performance evaluation process.

The Committee oversees the periodic evaluation of the performance and contributions of the Board of Directors, Board-Level Committees, and Senior Management. Evaluation criteria include competence, candor, attendance, preparedness, and participation.

(4) Oversee the design and operation of the remuneration and other incentives policy.

The Committee also acts as the Nomination and Remuneration Committee of the Bank and ensures that the Bank’s remuneration and incentive policies are aligned with its operating and risk culture, as well as the strategic and financial interests of UCPBS. These policies must promote good performance, encourage acceptable risk-taking behavior as defined in the Bank’s Code of Ethics, and comply with legal and regulatory requirements.

The Human Resources Division regularly reports to the Committee on the evaluation of the Bank’s remuneration and incentive programs.

(5) Oversee the Related Party Transactions

The Committee handles the Bank’s Related Party Transactions. It ensures that any issues involving conflicts of interest in RPTs are properly addressed and that any member affected by such conflict refrains from evaluating the specific transaction.

The Committee evaluates and endorses all material RPTs to the Board to ensure that such transactions are not conducted on terms more favorable than those granted to non-related parties, and that no Bank resources are misappropriated or misapplied. It also ensures that transactions with related parties, including the write-off of exposures, are subject to periodic independent review or audit. The Committee reports regularly to the Board of Directors on the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties.

(6) Oversee the compliance functions

The compliance function is subject to the oversight of the Corporate Governance Committee. The Committee ensures the independence of the compliance function from the Bank’s business activities and guarantees that the compliance program, as approved by the Board, is supported by adequate and sufficient resources, and that compliance issues are resolved promptly.

It also coordinates the relationship of the Chief Compliance Officer (CCO), as Head of the Bank’s Compliance Division, with other functions and/or units of the Bank, including the delineation of responsibilities and lines of cooperation.

The Committee ensures that the CCO has unimpeded access to information necessary for conducting investigations into possible breaches of compliance policy.

AML GOVERNANCE & CULTURE

The Bank has active Board of Directors (BOD) and Senior Management Committees that oversee its Anti-Money Laundering (AML) operations. It has a Compliance Office that apprises the Board of all matters pertaining to AML activities, in alignment with the requirements of Republic Act No. 9160, as amended, and its Implementing Rules and Regulations (IRR).

The BOD has also designated the Corporate Governance Committee as the AML Committee responsible for overseeing the implementation and monitoring of the Bank’s compliance with all laws, rules, and regulations related to AMLA. Furthermore, the BOD approved the establishment of the Bank’s Anti-Money Laundering Committee (BAMLC), a management-level committee whose functions include:

- Ensuring that the Bank fully complies with the requirements of all AML laws;
- Ensuring that the BCD monitors and reports Covered Transactions in a timely manner, or within five (5) banking days from the transaction date;

- Deciding whether to report a Suspicious Transaction upon the determination or establishment of suspicion regarding the nature of the transaction or activity. If a report is not filed, the decision must be properly documented. The determination period shall follow the timelines prescribed by the AMLA, its implementing rules and regulations, including the AMLC Regulatory Reporting Guidelines (ARRG). If warranted, the Committee may also decide whether to close the account in question;
- Periodically reporting BAMLC activities to the Corporate Governance Committee and the Bank President, through the BCD;
- Recommending amendments to policies aimed at achieving BAMLC’s objectives and directives, including the strengthening of internal controls;
- Recommending and performing such other acts and functions as may be necessary or appropriate in carrying out its duties and responsibilities;
- Investigating or inquiring into possible or suspected violations of AML laws; and
- Approving the BCD’s AMLA Training Program and ensuring that the BCD conducts adequate and continuing training for all concerned associates.

- Atty. Rhoel R. Recheta – Head, Asset Recovery and Management Division and Concurrent Head, Legal Services Division (August 1, 2025 – December 31, 2025)
- Ms. Irene S. Quintana – Head, Controllershship Division and Concurrent Head, Operations Division
- Mr. Manuel C. Madridejos – Head, Treasury Division
- Ms. Ma. Catalina M. Cruz – Head, Branch Banking Division
- Mr. Santiago P. Yusing IV – Head, Human Resources and General Services Division and Concurrent Head, Corporate Planning and MIS Units under Corporate Planning & Communications Division^[1]
- Mr. Dante R. Cortez – Head, Consumer Lending Division
- Mr. Ernesto O. Olavario – Head, Credit Management Division
- Ms. Elenora C. Cua – Head, Information Technology Division
- Ms. Veronica S. Sarmiento – Head, Commercial Lending Division

- Mr. Liduvino S. Geron
- Ms. Filipina B. Monje
- Ms. Ma. Belma T. Turla
- Ms. Marilou L. Villafranca
- Mr. Randolph L. Montesa
- Ms. Daisy M. Macalino
- Ms. Marilyn M. Tiongson

- Atty. Lloyd Edgar G. Reyes – Corporate Secretary

- Ms. Lizette Margaret Mary J. Racela – President and CEO
- Mr. Tristan D. Baria – Chief Audit Executive/Head, Internal Audit Division and Concurrent Chief Compliance Officer/Head, Bank Compliance Division
- Mr. Lemuel Andrew D. Ravelo – Chief Risk Officer/Head, Risk Management Division (January 1, 2025 – August 30, 2025)
- Mr. Alexander G. Tizo – OIC, Risk Management Division (August 1, 2025 – December 31, 2025)
- Atty. Jonathan M. Acosta – Head, Legal Services Division (January 1, 2025 – July 31, 2025)

The Board of Directors meets monthly as scheduled. A special meeting may be called at any time by the Chairman of the Board, the President, or any three (3) members of the Board to discuss progress or address issues requiring immediate action by the Bank. Board materials for each meeting are delivered to the members at least three (3) working days prior to the meeting.

[illegible]

* No Committee meeting was conducted in July 2025

Legend:

- ✓ : Attended
- X : Absent
- n/a : Not applicable
- ML : Mandatory Leave
- OB : Official Business

[1] During 2025, the CPCD was headed by designated officers at various periods. Ms. Ma. Pamela V. Suarez served as Head from January 1 to March 15, 2025, while Ms. Sheila S. Ang served as Head from June 17 to November 30, 2025. Beginning December 1, 2025, certain functions of the Division were carried out under concurrent management responsibilities, including oversight by Ms. Lizette Margaret Mary J. Racela, President and CEO, and Mr. Santiago P. Yusing IV, Head of the Human Resources and General Services Division, in addition to their respective primary functions.

1. Executive Committee

- Mr. Liduvino S. Geron – Chairperson
- Ms. Filipina B. Monje
- Ms. Lizette Margaret Mary J. Racela

2. Corporate Governance Committee:

- Ms. Marilou L. Villafranca – Chairperson
- Ms. Daisy M. Macalino
- Mr. Randolph L. Montesa

3. Audit Committee:

- Ms. Ma. Belma T. Turla – Chairperson
- Ms. Daisy M. Macalino
- Ms. Marilyn M. Tiongson

4. Risk Oversight Committee:

- Mr. Randolph L. Montesa – Chairperson
- Ms. Marilyn M. Tiongson
- Ms. Ma. Belma T. Turla

1. Executive Committee

No Committee meeting was conducted in January, March, July, and November 2025. All matters for notation and approval were submitted to the Committee via referendum during these months.

2. Corporate Governance Committee Meeting

Legend:

✓	: Attended
X	: Absent
n/a	: Not applicable
ML	: Mandatory Leave
OB	: Official Business

Legend:

✓	: Attended
X	: Absent
n/a	: Not applicable
ML	: Mandatory Leave
OB	: Official Business

Legend:

✓	: Attended
X	: Absent
n/a	: Not applicable
ML	: Mandatory Leave
OB	: Official Business

The Performance Evaluation for Directors (PED) of the Bank cover all appointive Directors and shall serve as the basis for the determination of whether they shall be recommended for reappointment. Provided, that the Appointive Director has served at least three (3) months within the calendar year and has attended at least three (3) duly called for Board and/or Committee meetings subject of performance evaluation (the "PED Period"). It shall also cover a Director who was appointed to a term of less than three (3) months, but has served as Officer-in-Charge (OIC) or Acting Chairman or President/CEO and attended at least three (3) duly called for Board and/or Committee meetings during the PED period.

The PED measures the overall performance of Appointive Directors during the PED Period based on the weighted average of the following components:

- Performance Evaluation System (PES) – 50%
- Corporate Governance Scorecard (CGS) – 10%
- Director Performance Review (DPR) – 20%
- Director Attendance Score (DAS) – 20%

i. **Performance Evaluation System (PES)** – The Bank shall submit the fully accomplished Monitoring Report (PES Form 3) and corresponding supporting documents to the GCG within thirty (30) calendar days from the close of each quarter for validation.

ii. **Corporate Governance Scorecard (CGS)** – The Bank’s CGS rating shall be translated into a percentage equivalent based on a prescribed scale, which will be factored into the PED. The CGS rating equivalent are the following: (a) Outstanding – 10%, (b) Excellent – 8%, (c) Above Average – 6%, (d) Average – 4%, (e) Below Average – 2%, and (f) Fail – 0%.

iii. **Director Performance Review (DPR)** – To ensure the confidentiality of DPR results, appraisal forms shall be completed and submitted using an internet-based system accessible at <http://iped.gcg.gov.ph>. Appointive Directors shall provide an email address to serve as their default username on the DPR platform. This email address will also be used by the GCG for direct communication regarding any issues and/or concerns related to the DPR.

The Corporate Secretary and the Compliance Officer shall identify, compile, and submit to the GCG the official email addresses of the Bank’s Appointive Directors, and ensure their accuracy and validity. They shall also serve as the Bank’s liaison to the GCG concerning the compliance status of the GOCC Board Members with the DPR process. DPR submissions must be completed within the first twenty (20) working days of February each year.

iv. **Director Attendance Score (DAS)** – An internet-based system, duly prescribed by the GCG and to be accessed at <http://iped.gcg.gov.ph>, shall be used to encode the attendance of the Bank’s Governing Board Members. The Compliance Officer and the Corporate Secretary shall certify the accuracy and correctness of the information encoded in the DAS.

The performance evaluation and assessment of the Board of Directors are in place and are governed by the Corporate Governance Manual, which is aligned with the criteria set by the Governance Commission for GOCCs (GCG).



BOARD OF DIRECTORS PROFILE

LIDUVINO S. GERON
Chairman of the Board
Filipino, 61

Mr. Geron began his career at Land Bank as a management trainee in 1994 and steadily rose from the ranks, eventually leading several key units, including the Visayas Branches Group, Lending Program Management Group, Credit Policy Department, Strategic Planning Group, and the National Development Lending Sector. He also served as the Officer-in-Charge of the former United Coconut Planters Bank (UCPB) prior to its merger with LBP. He holds a degree in Agricultural Engineering from the University of the Philippines Los Baños and a Master’s Degree in Systems Agriculture from the University of Western Sydney.

RANDOLPH L. MONTESA
Filipino, 58

Mr. Montesa is a former President and CEO of Overseas Filipino Bank (OFBank) and a former Senior Vice President of the Digital Banking Sector of Land Bank of the Philippines. Prior to that, he served as Vice President of the IT-Project Management Office under the Technology Management Group. Mr. Montesa also served as Director of United Coconut Planters Bank from November 24, 2021, until its merger with LANDBANK on March 1, 2022. He holds a Bachelor of Science degree in Civil Engineering from the University of the Philippines – Diliman and a Master’s degree in Business Administration from the College of the Holy Spirit.

FILIPINA B. MONJE
Filipino, 64

Ms. Monje is a former Senior Vice President of Land Bank of the Philippines and previously served as Head of its Northern and Central Luzon Lending Group. She also served as Head for Southern Luzon Lending Group. She is a Certified Public Accountant, holding a degree in Bachelor of Science in Commerce, major in Accounting, graduated as Cum Laude from the University of Luzon (formerly Luzon Colleges), and a Master’s degree in Business Administration from the College of the Holy Spirit. She is a Career Service Officer and has also completed the requirements for Career Executive Service Eligibility (CESO).

MA. BELMA T. TURLA
Filipino, 58

Ms. Turla is a Senior Vice President of Land Bank of the Philippines. She’s been with LANDBANK for 37 years she held various positions in the Branch Banking Sector of the Bank prior to her assignment as Head of the then North Luzon Branches Group, now as Head of Northwest Luzon Branches Group.

Ms. Turla graduate of Bachelor of Science in Commerce and a Certified Public Accountant. She is also a holder of Master’s in Public Administration and CESO eligibility.

MARILOU L. VILLAFRANCA
Filipino, 57

Ms. Villafranca is a Senior Vice President at Land Bank of the Philippines and currently serves as Group Head of the Central NCR Branches. She brings with her 34 years of branch banking experience, having held various positions in marketing, operations, and support functions. She rose from the ranks, beginning as a Branch Officer Development Trainee in 1992, and later served as a Contractual Cashier before becoming an Officer in several bank units, including the Customer Development Office, Market Research and Product Development Department, Consumer Banking, and Branch Operations Support Department. She also served as Branch Manager of various branches and supervised field units in her roles as Regional Head for Area IV-B and Group Head for Southeast Luzon Branches and North NCR Branches. Ms. Villafranca holds a degree in AB Philosophy from the University of Santo Tomas and earned her Master's degree in Development Management from the Asian Institute of Management.

DAISY M. MACALINO
Filipino, 68

Ms. Macalino is a former Senior Vice President of Land Bank of the Philippines. She had been with Land Bank for 26 years and previously served as Head of its NCR Branches Group and Lending Groups of Southern Luzon and the Visayas. She earned her Bachelor's Degree in Accounting from St. Paul's College, Quezon City and a Certified Public Accountant.

MARILYN M. TIONGSON
Filipino, 72

Marilyn Murillo-Tiongson has been a banker since the late 1970's having worked with Pacific Banking Corporation, BDO and Land Bank of the Philippines where she retired as Senior Vice President. Throughout her banking career, she handled various functions in Investment and Securities, Branch Banking, Consumer Lending, e-Banking, and Human Resource Management. Ms. Tiongson was also an Associate Professor at the UST Graduate School and Colegio de San Juan de Letran, GS in Manila for a total of 13 years. She graduated from St. Louis University in Baguio City with a degree in BSC major in Economics, completed her MBA at Lyceum of the Philippines, and Ph.D in Human Resource Management at University of Santo Tomas, with Latin honors. She was a board member of BancNet, an interbank electronic payments network for three years. Ms. Tiongson is presently an Independent Director of this Bank and MariBank Philippines, Inc.

ATTY. LLOYD EDGAR G. REYES
Corporate Secretary
Filipino, 36

Atty. Lloyd Reyes is currently serving as the Corporate Secretary of UCPB Savings Bank, Inc., concurrent to his functions as a Legal Officer of the Land Bank of the Philippines. He holds a diverse skillset, owing to his time, both with the public and private sectors. He was part of Filinvest Land, Inc.'s marketing team, preparing marketing and advertising collaterals and taking part in marketing campaigns for its related companies.

He was then engaged as a Technical Staff by the Commission on Higher Education's International Affairs Staff, primarily handling Transnational Higher Education and Free Trade Agreements. He held such assignment while pursuing his law degree and immediately after sitting the 2021/22 Bar Examination. Thereafter, he was once more engaged by Filinvest Land, Inc., serving as a Legal Counsel, assigned to litigation. Under such capacity, he represented the Company in civil, criminal and administrative cases, and rendering legal opinions when needed. He holds a degree in Bachelor of Arts in Journalism from the University of the Philippines - Diliman and obtained his Juris Doctor degree the College of Law of the same University. He passed the 2021/22 Bar Examinations, cited with Exemplary Performance.

REMUNERATION POLICY

It is the policy of the Bank to adopt a compensation program that is competitive within the banking industry. The Bank provides a fair, reasonable, and competitive compensation and benefits package, aligned with its commitment to delivering outstanding service to clients while complying with the current Philippine Labor Code.

Members of the Bank's Board of Directors receive a per diem for every committee meeting attended, while employees are remunerated on the 10th and 25th of each month. In addition to their basic salary, employees are also entitled to applicable allowances, such as clothing and rice allowances.

RELATED PARTY TRANSACTIONS

A Related Party Transaction (RPT) refers to any transaction, arrangement, or relationship—or any series of similar transactions—in which (i) the Company or any of its subsidiaries is or will be a participant, and (ii) any Related Party has or will have a direct or indirect interest. This also includes any material amendment or modification to an existing RPT. The RPT policy provides a clear definition of which transactions fall under its scope to ensure they are conducted at arm's length and in a transparent manner. All RPTs of the Bank are carried out in the regular course of business and are not undertaken on terms more favorable than those available to others.

The Corporate Governance Committee also performs the functions of the Related Party Transactions Committee, assisting the Board of Directors (BOD) in its oversight responsibility to ensure that the Bank's direct and indirect credit transactions with Related Parties are handled soundly and prudently, on an arm's-length basis, with transparency and integrity, and in compliance with applicable laws and regulations. The Committee also ensures that all RPTs are properly identified, monitored, and evaluated, and that appropriate disclosures are made to the BOD and relevant regulatory authorities.

The Committee is likewise responsible for ensuring that all Related Party Transactions are endorsed to the BOD for confirmation and that all material transactions receive both BOD approval and shareholder confirmation.

The Board regularly approves and oversees the implementation of policies governing the major areas of the Bank's operations. The Board of Directors reviews these policies and evaluates the control functions (Internal Audit, Risk Management, and Compliance), as well as Senior Management, to identify areas for improvement and promptly address significant risks and issues.

The Bank Compliance Division is responsible for conducting independent assessments to evaluate the Bank's compliance with relevant laws, rules, and regulations. It operates under a Compliance Charter, approved by the Board of Directors, which defines the compliance function's status, authority, and independence. The Division has the right to access information necessary to carry out its responsibilities, investigate possible breaches of regulatory policy, and report directly to the Board of Directors or the appropriate Board-level Committee.

The compliance function facilitates the effective management of compliance risk by:

- a. Identifying all relevant laws, rules, and regulations applicable to the Bank.
- b. Analyzing the risks of non-compliance, prioritizing them (e.g., low, medium, high), and addressing all compliance matters.

- c. Establishing a clear communication process to promptly inform all affected business and operating units of regulatory changes.
- d. Establishing and maintaining a constructive working relationship with all regulatory agencies, primarily to seek clarification on laws and regulations or to discuss compliance findings.
- e. Establishing and maintaining a regular schedule of compliance testing across all Bank units to ensure compliance with applicable banking laws, rules, and regulations. The frequency of testing must be commensurate with the identified risk levels (e.g., high-risk areas).

The Risk Management Division (RMD) is responsible for overseeing the Bank's risk-taking activities. It ensures that the risk governance framework remains appropriate relative to the complexity of the Bank's risk exposures. The RMD reports directly to the Risk Oversight Committee (ROC) and the Board of Directors. As part of the second line of defense, the risk management function is responsible for identifying, measuring, monitoring, and reporting risk on an enterprise-wide basis. Its responsibilities include:

- a. Identify key risk exposures, assess, and measure the extent of the Bank's risk exposures.
- b. Monitor risk exposures and determine the corresponding capital requirements in accordance with the Basel capital adequacy framework and the Bank's internal capital adequacy assessment, on an ongoing basis.
- c. Monitor and assess specific risks to ensure consistency with board-approved policies on risk tolerance and evaluate the effectiveness of corresponding risk mitigation measures.
- d. Regularly report the results of risk assessments and monitoring activities to Senior Management and the Board of Directors.
- e. Ensure that Environmental and Social (E&S) risk-taking activities remain consistent with the Bank's risk appetite and risk governance framework.
- f. Provide guidance in identifying, measuring, monitoring, reporting, and mitigating E&S risk exposures inherent in the Bank's operations, products, and services, as part of the second line of defense.
- g. Assist Management in understanding and managing E&S risk exposures and ensure the development and consistent implementation of risk policies, processes, and procedures across the Bank.

- h. Business Units (BUs) under the RMD shall oversee the identification, assessment, monitoring, and mitigation of E&S risks associated with various Bank activities.

The Risk Oversight Committee's (ROC) reports are documented in the minutes of its meetings and presented to the Board during regular BOD meetings.

The Internal Audit Division assists the Bank in fulfilling its vision, mission, strategic initiatives, and objectives while upholding its core values, by adopting a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes. The Internal Audit function is entirely independent from all other organizational units of the Bank, as well as from the personnel and activities it audits.

To ensure its independence, the internal audit activity operates under the direct oversight of the Audit Committee. It functionally reports to the Audit Committee and administratively to the President and Chief Executive Officer. The internal audit activity is free to report its findings and appraisals directly to the Audit Committee at its own initiative. The Audit Committee's reports are recorded in the minutes of its meetings and presented to the Board during regular BOD meetings.

The Internal Audit Division also helps ensure the following:

- a)Risks are appropriately identified and managed;
- b)Significant financial, managerial, and operational information is accurate, reliable, and timely;
- c)Employees’ actions comply with the Bank’s policies, standards, procedures, and applicable laws and regulations;
- d)The Bank’s resources are acquired economically, used efficiently, and adequately safeguarded;
- e)The Bank’s operations are conducted with sufficient internal controls, sound business judgment, and high ethical standards;
- f)Quality and continuous improvement are fostered in the Bank’s internal control processes; and
- g)Significant legislative or regulatory issues impacting the Bank are identified and addressed appropriately.

Dividend Policy

Dividends shall be declared and paid out of the Bank’s surplus profits at such times and as often as the Board of Directors may deem appropriate, in accordance with the provisions of law and applicable BSP rules and regulations.

PHILIPPINE IDENTIFICATION SYSTEM (PhilSys)

The Office of the President of the Philippines, through Memorandum Circular No. 95, directs the Bank, as a government-owned and controlled corporation (GOCC), to establish a PhilSys Integration Plan. This directive supports the implementation of Republic Act No. 11055, also known as the “Philippine Identification System Act,” which created the Philippine Identification System (PhilSys). PhilSys provides citizens and resident aliens with a valid proof of identity to streamline public and private transactions, eliminate the need to present multiple forms of identification, and promote ease of doing business.

In compliance with the Memorandum Circular, the Bank has developed its PhilSys Integration Implementation Plan, which covers: (1) organizational mandate and functions, (2) final outputs, and (3) services and programs subject to streamlining. Implementation follows a work plan guided by the following activities: (1) information dissemination, (2) gap analysis, (3) management approval, (4) procurement process, (5) equipment installation, (6) training and orientation, (7) policy-making, and (8) execution.

Subsequently, the Bangko Sentral ng Pilipinas (BSP) issued Memorandum No. 2022-044, directing BSP-Supervised Financial Institutions (BSFIs) to recognize the PhilSys ID as an official proof of identity for Know-Your-Client (KYC) processes. The Bank has complied with these government directives, including the formulation of corresponding guidelines and procedures.

Customer Assistance and Management Center (CAMC)

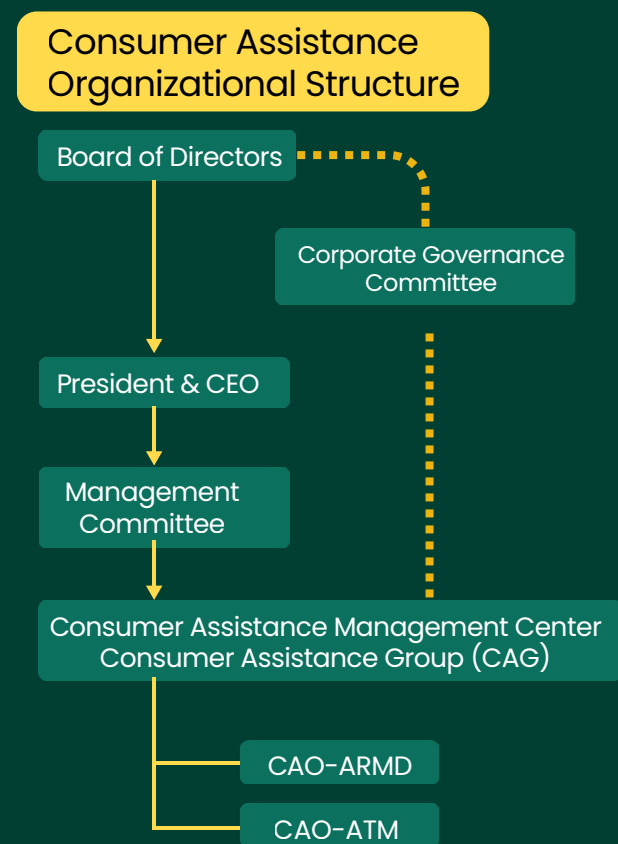
Putting Customers at the Heart of Our Legacy

For UCPB Savings Bank (UCPBS), our legacy has always been built on trust earned through meaningful relationships and a genuine commitment to serving our customers. Beyond providing financial products and services, the Bank strived to create positive banking experiences grounded in integrity, fairness, and accountability.

UCPBS reaffirms its commitment to financial consumer protection by ensuring that our customers remain at the center of all products and services. Whether through strategic decisions, innovative solutions, or everyday interactions, the Bank continued to put customer welfare first.

The Financial Consumer Protection Framework is more than a regulatory requirement. It reflects a commitment to protect the customers' interests as a priority and helping them bank with confidence.

Guided by the Financial Consumer Protection Act and aligned with Bangko Sentral ng Pilipinas (BSP) Circular Nos. 857, 1048, and 1160, the Bank continuously strengthens its policies, governance practices, and customer engagement initiatives to provide banking services that are safe, transparent, and responsive to our customers' needs.



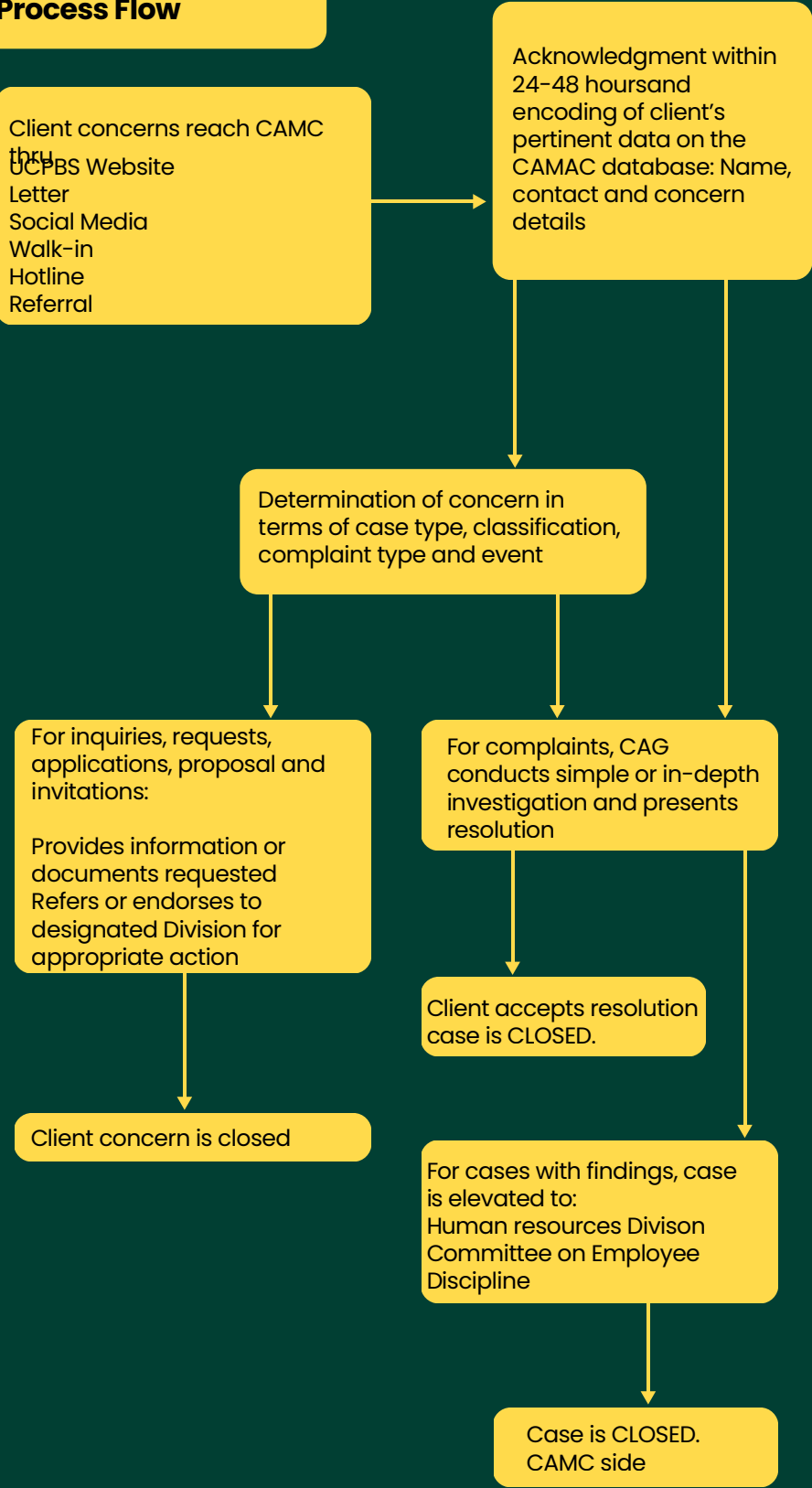
A Commitment Shared Across the Organization

Delivering outstanding customer experiences starts at the top. The Board of Directors provides strategic direction and oversight of the Bank’s Consumer Protection Risk Management System (CPRMS), ensuring that consumer protection remains an integral part of the Bank’s governance, risk management, and overall business strategy.

Together with Senior Management, the Board fosters a culture of accountability, ethical conduct, and customer-centricity throughout the organization. This shared commitment empowers every employee and business unit to work toward a common goal: protecting our customers while building lasting relationships founded on trust and respect.

Customer Assistance and Management Center (CAMC)

Customer Assistance Process Flow



UCPB Savings Customer Assistance and Management Center Hotline

(02) 8811-0278
0998-591-9006

✉ usb-camu@ucpbsavings.com

🌐 www.ucpbsavings.com

f fb.com/UCPBS.KASAMAMO



The Board of Directors

The Board of Directors is responsible for approving and overseeing the implementation of all policies and processes related to the Bank's Consumer Protection Risk Management System (CPRMS), as well as all consumer protection programs administered by the Customer Assistance Management Center (CAMC).

The Board leads the development and promotion of a robust consumer protection culture throughout the organization. Additionally, the Board ensures strict compliance with BSP Circular No. 1160 and all applicable laws, rules, and regulations governing consumer protection. In fulfilling this role, the Board remains committed to safeguarding the rights and welfare of clients, reinforcing trust and integrity as foundational pillars of the Bank's heritage.

1. Approve the CPRMS and Consumer Assistance Mechanism (CAM) that takes into consideration the Bank's business model, market, product lines, and relationships with third parties that may give rise to consumer protection risks;

- 2. Promote a culture of ethical behavior and adherence to the highest standards of fair and responsible dealings with consumers;
- 3. Ensure that adequate information on consumer protection-related risks, reports from the CAMC, as well as other material consumer-related developments that may affect the Bank are regularly reported to the Board;
- 4. Ensure the adequate provision of resources and the effective implementation of personnel training and competency requirements;
- 5. Approve remuneration and compensation packages designed to encourage responsible business conduct, fair treatment, and avoidance or mitigation of conflicts of interest; and
- 6. Periodically review the implementation and effectiveness of the CPRMS, including the reporting of findings
- 7. the adequacy of audit mechanisms to support effective oversight and establish a regular mechanism to assess the continued relevance of the CPRMS in response to changes in the Bank's business model and/or operating environment.

Customer Assistance and Management Center (CAMC)

The Senior Management

The Senior Management Committee (MANCOM) is responsible for ensuring that the Bank’s practices align with the approved CPRMS and related policies. These standards must be consistently upheld across all areas of the Bank, particularly within business units that directly interact with consumers.

In this capacity, Senior Management shall:

- 1.Ensure that the approved CPRMS and CAM policies and procedures are clearly documented, properly understood, and appropriately implemented across all levels and business units.
- 2.Establish an effective monitoring and management information system to regularly measure, aggregate, and analyze consumer-related issues to determine the level of consumer protection risk
- 3.Appropriate reporting and escalation mechanism shall likewise be integrated into the Bank’s risk governance framework. The management information system should be able to:
 - a. Provide adequate information on the performance and quality of the Bank’s CAM that allows for the identification of emerging consumer issues and root cause analysis;
 - b. Determine the level of consumer protection risk exposure through assessment of its implementation of the Consumer Protection Standards of Conduct (i.e., transparency and disclosure, protection of client information, fair treatment, effective recourse, and financial learning and awareness);

- c. Identify and promptly monitor, consumer protection risk exposures that may result in losses to financial consumers, legal and reputational risks, and other related risks;
- d. Point out and assess emerging or increasing consumer risks that affect the Bank, i.e., through social media monitoring and market monitoring;
- 3.Ensure that adequate systems and controls are in place to promptly identify issues across all stages of consumer relationship;
- 4.Ascertain that concerns relating to consumer protection practices and emerging consumer protection risks are promptly addressed and that appropriate corrective actions are taken; and
- 5.Ensure compliance of expectations and requirements prescribed under relevant regulations governing compliance and internal audit.

The Consumer Protection and Risk Management System

The Consumer Protection Risk Management System (CPRMS) is a vital component of the Bank’s comprehensive risk management framework. Seamlessly integrated into the Bank’s governance structure, policies, and processes, the CPRMS ensures that consumer protection risks are proactively identified, measured, monitored, and mitigated.

By embedding consumer protection within its risk management practices, the Bank upholds high standards of conduct and compliance with applicable laws, rules, and regulations. This system provides a solid foundation for managing risks associated with potential financial harm or loss to consumers, reinforcing the Bank’s commitment to safeguarding client interests and preserving the legacy of trust that has long defined the institution.

Embedding Consumer Protection in Every Customer Journey

At UCPBS, consumer protection is integrated into every stage of the customer journey. Through the Consumer Protection Risk Management System, potential risks are proactively identified, monitored, and addressed, ensuring that customer welfare remains at the forefront of the Bank’s operations.

Supporting this commitment is the Customer Assistance Management Center (CAMC), which serves as the Bank’s centralized platform for managing customer inquiries, requests, and complaints across all branches and service channels. Through the CAMC Database, customer concerns are documented, monitored, and analyzed, allowing the Bank to identify trends, resolve issues promptly, and continuously improve service delivery.

By providing multiple channels for customer assistance, including branch support, email, hotline, Facebook Messenger, and the Bank’s official website, UCPBS ensures that every customer has convenient access to assistance whenever needed.

CAMC: Strengthening Trust Through Responsive Service

Every customer interaction is an opportunity to strengthen the trust that serves as the foundation of our shared legacy. Through CAMC, the Bank continues to provide a comprehensive and customer-focused framework for managing inquiries, requests, and complaints, ensuring that every concern is addressed fairly, professionally, and care.

Serving as the Bank’s central hub for customer assistance, CAMC promotes a consistent and responsive approach to resolving customer concerns across all branches nationwide. Guided by the principles of financial consumer protection, the Center upholds the highest standards of accountability, transparency, and confidentiality, ensuring that customers receive timely and equitable resolutions throughout their banking journey.

Supporting this commitment is the CAMC Database, a centralized platform that enables the Bank to monitor customer concerns, identify emerging trends, and evaluate opportunities for continuous service improvement.

Customer Assistance and Management Center (CAMC)

By transforming customer feedback into meaningful insights, the Bank improves its processes, strengthens the customer experience, and responds proactively to the evolving needs of its clients.

Recognizing the importance of accessibility and convenience, CAMC remains readily available through multiple communication channels, including email, hotline, mobile platforms, Facebook Messenger, and the Bank's official website. This multi-channel approach enables customers to connect with the Bank through their preferred touchpoints, reinforcing UCPB Savings Bank's commitment to responsive, customer-centered service.

As the Bank continues to move forward, CAMC remains an integral part of its commitment to delivering exceptional customer experiences. By listening, responding, and continuously improving, the Center helps preserve the trust built over the years.

1.CAMC shall manage through its Customer Protection Program, the Customer Assistance Management System (CAMS) as prescribed under BSP Circular 1160, for documenting, tracking, and monitoring customer cases. A dedicated team shall be maintained to ensure consistent, effective, and competent handling of customer complaints, inquiries, and requests for assistance.

2.CAMC shall ensure timely updates and enhancements to the Customer Assistance Mechanism (CAM) based on internal policies and directives, operational experience, and regulatory requirements under the Guidelines and Procedures Governing Consumer Assistance Management Systems (Circular 857 - Appendix A) and applicable laws, rules, and regulations.

3.CAMC shall develop and maintain a manual of consumer assistance policies, procedures, and controls in the management and handling of financial consumer complaints, inquiries, and requests, including but not limited to:

- a. Corporate structure and specific duties and responsibilities of CAMC and the units responsible for consumer assistance/relations and market/ customer research;
- b. Process and timeline for receiving and acknowledging, investigating, resolving, and responding to customer complaints, inquiries, and requests;
- c. Recordkeeping of customer complaints, inquiries, and requests, and data management in accordance with UCPBS's recordkeeping and retention policy;
- d. Competency development of team members in interpersonal and communication skills, handling feedback and management of difficult situations, problem solving and conflict-resolution techniques, and enhancement of product and services knowledge and among others;

e. Monitoring and coordinating appropriate measures to address systemic/ recurrent problems and weaknesses in operating procedures and controls related to consumer protection and customer complaints;

f. A system for evaluating the effectiveness of the CAM based on established policies and procedures, operational experience, developments, and regulatory directives;

g. Other customer assistance policies, procedures, and practices as maybe necessary, or required under BSP Circular 1160 and other applicable laws, rules, and regulations.

4.CAMC shall ensure that appropriate measures, methods, and techniques are available for handling customer complaints, inquiries, and requests from persons with disabilities and social difficulties.

5. CAMC shall report to the MANCOM, the Corporate Governance Committee, President, and Board of Directors on all matters relating to consumer protection and shall submit all required regulatory reports in a timely manner.

Corporate Social Responsibility

UCPB Savings Bank's Legacy of Giving Back



As a trusted financial institution in the communities we serve, UCPB Savings Bank recognizes that its role extends beyond providing banking services. Through its Corporate Social Responsibility (CSR) initiatives, the Bank strives to create meaningful and lasting impact by supporting the economic, social, and environmental well-being of its communities.

Guided by a commitment to shared progress, UCPBS continues to support programs focused on financial education, academic development, environmental stewardship, and social responsibility. Through these efforts and meaningful partnerships, the Bank seeks to foster inclusive growth, strengthen communities, and build a more resilient future. By upholding responsible business practices and aligning its initiatives with sustainability principles, UCPBS remains committed to being a trusted partner in creating positive and lasting change.

Corporate Social Responsibility

UCPB Savings Bank Holds Iloilo’s First-Ever Bank-Initiated Fun Run for a Cause

UCPB Savings Bank (UCPBS) made history on December 20, 2025, with the launch of its first-ever bank-initiated fun run in the Province of Iloilo, bringing together more than 400 participants at the Iloilo Provincial Capitol Grounds. Held under the festive theme “Mga Kasama, Halika—Dalagan Kita sa Paskua!”, the event reflected the Bank’s commitment to building stronger communities through wellness, compassion, and shared experiences. Open to participants aged 7 to 70, the 5-kilometer run promoted an active lifestyle while fostering unity among Ilonggos. Some participants went beyond the official route by completing 10 kilometers, demonstrating the community’s shared spirit and determination.

The event also turned every step into an opportunity to give back. Proceeds from official fun run shirts supported dystonia patients under the care of The Medical City Iloilo, connecting community wellness with meaningful medical advocacy.

Made possible through partnerships with the Province of Iloilo, PESEC, and generous sponsors, the event highlighted the power of working together toward a common purpose. With Zumba, raffles, and complimentary refreshments adding to the festive morning, the inaugural fun run became more than a sporting event—it became a celebration of community, generosity, and a shared commitment to a healthier, more united future.



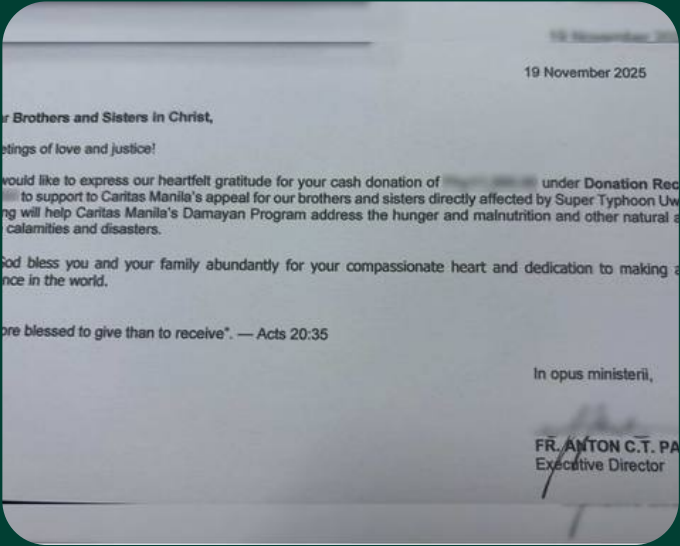
UCPB Savings Bank Extends Aid to Communities Affected by Typhoon Uwan

When Typhoon Uwan brought hardship to communities across the country, UCPB Savings Bank (UCPBS) responded by extending cash assistance, relief goods, and food items to families in need. This effort reflects the Bank’s commitment to a shared legacy of compassion and its vision of building a more united and resilient future through meaningful Corporate Social Responsibility (CSR) initiatives.

In partnership with Caritas Philippines, the Bank ensured that assistance reached communities most severely affected by the disaster. The partnership builds on a relationship strengthened through the Bank’s support of Caritas Philippines’ Segunda Mana program for more than four years, demonstrating UCPBS’ continuing commitment to humanitarian service.

The donated items were formally turned over at the Caritas Philippines headquarters on November 19, 2025, reinforcing the value of collaboration in responding to communities during times of crisis.

Through this initiative, UCPBS continues to uphold a legacy of giving while strengthening partnerships that create meaningful impact. By standing together with communities in times of need, the Bank contributes to a future where compassion, cooperation, and shared responsibility help communities recover, rebuild, and move forward together.

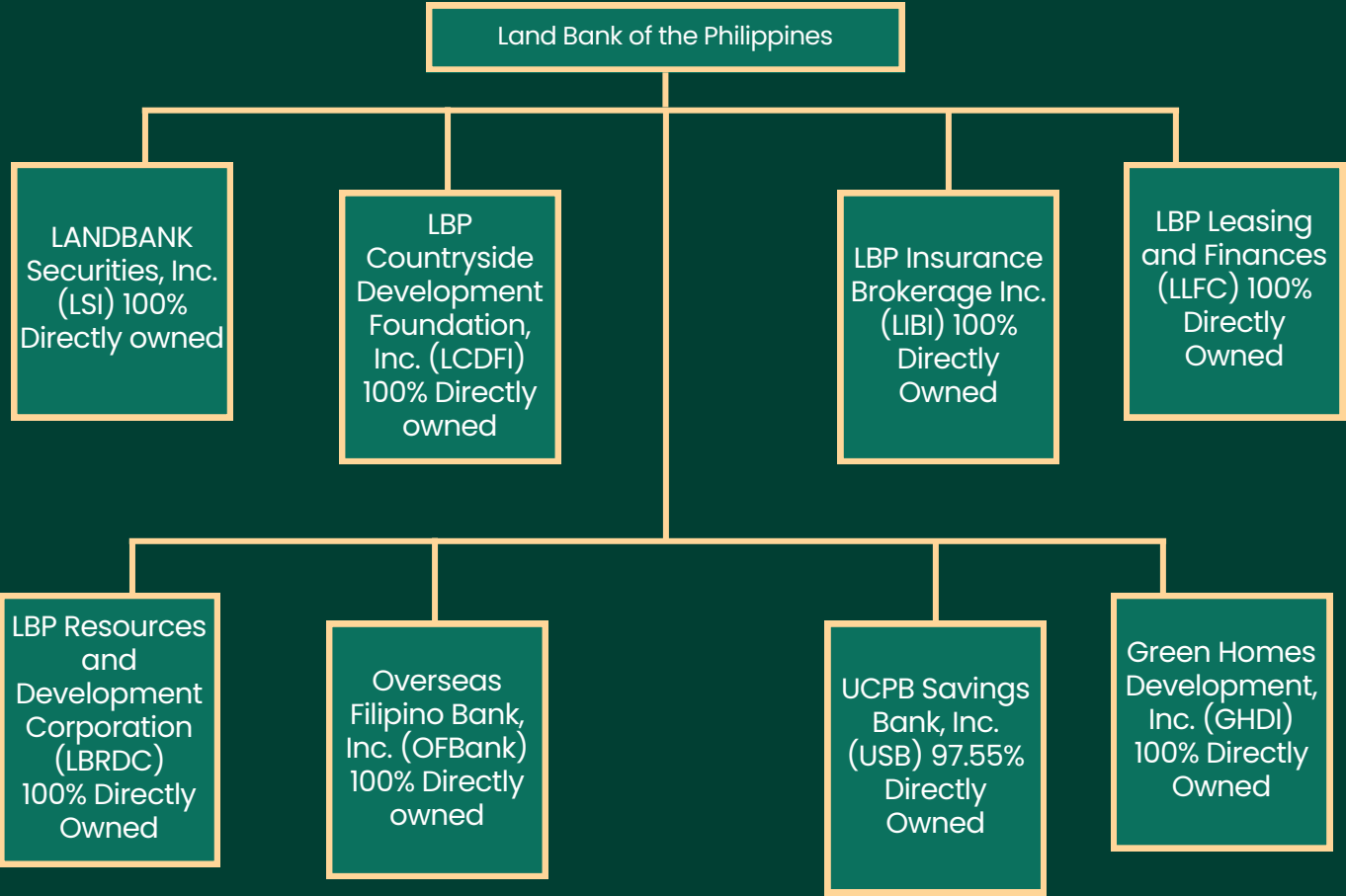


As of December 2025



Land Bank of the Philippines

Conglomerate Structure
As of December 31, 2025



Notes:

- SEC Certification dated 28 February 2025 approving the Articles and Plan of Merger by and between LBP Leasing and Finance Corporation (Surviving Corporation) and UCPB Leasing and Finance Corporation (Absorbed Corporation).
- SEC Certification dated 8 May 2025 approving the Amended Articles of Incorporation of United Foreign Exchange Corporation, amending Article IV to shorten the corporation's term of existence, thereby resulting in its dissolution.
- Dissolution of Green Homes Development Corporation pursuant to Resolution No. 25-794 adopted by the LANDBANK Board of Directors on 23 December 2025. The dissolution is currently undergoing processing for approval by the SEC.



The Board of Directors



Liduvino S. Geron
Chairman of the Board



Randolph L. Montesa
Director



Daisy M. Macalino
Director



Filipina B. Monje
Director



Ma. Belma T. Turla
Director



Marilou L. Villafranca
Director



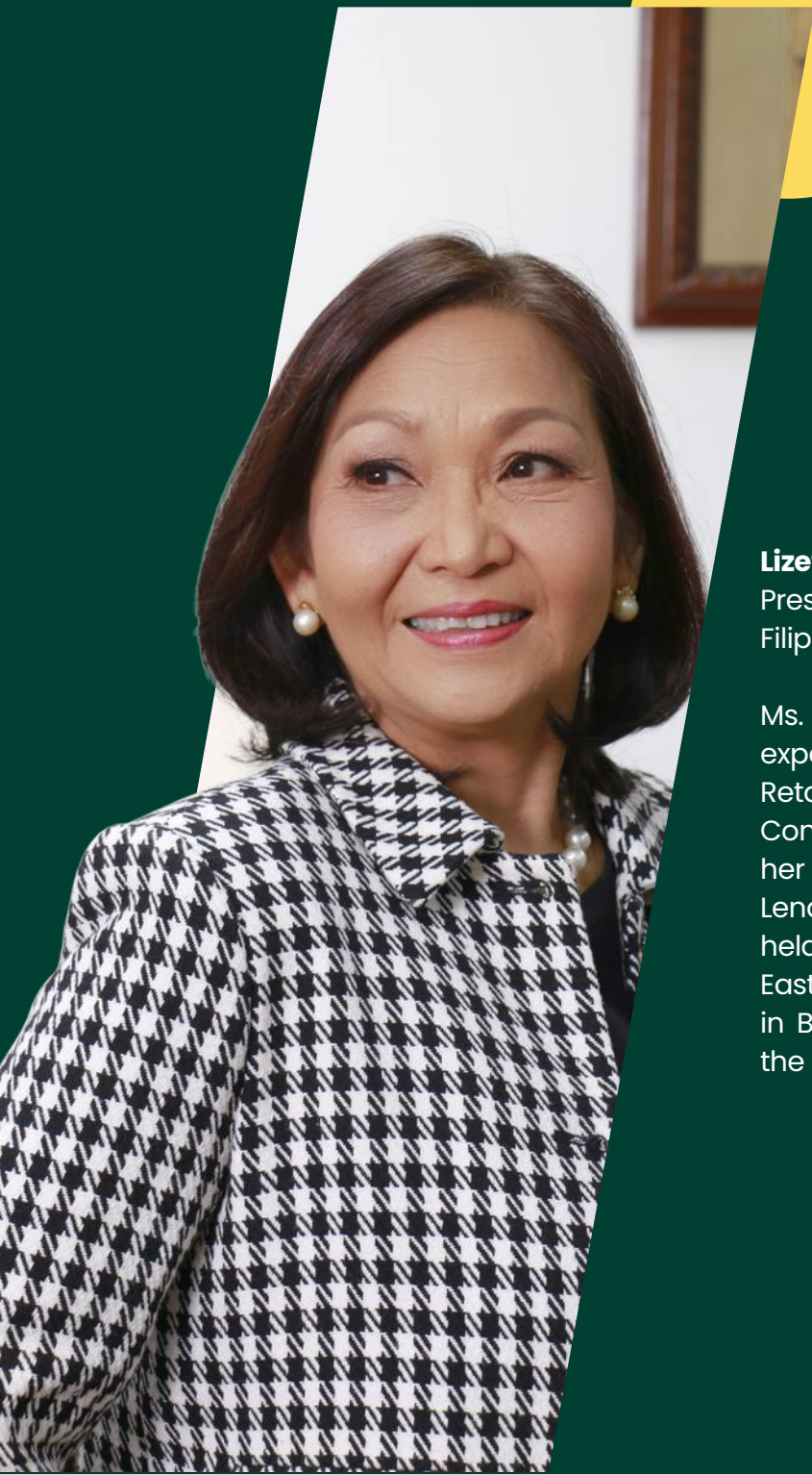
Marilyn M. Tiongson
Director



Atty. Lloyd Edgar Reyes
Corporate Secretary

THE MANCOM





Lizette Margaret Mary J. Racela

President & CEO
Filipino, 60 years old

Ms. Racela has more than 37 years of banking experience, with extensive exposure in the areas of Retail Banking, Commercial and SME Lending, Consumer Lending and Credit Administration. Prior to her current position, she headed the Consumer Lending and Branch Banking groups in RCBC. She also held executive positions with Philippine National Bank, EastWest Bank and UCPB. She completed her degree in Bachelor of Science in Business Administration at the University of the Philippines Diliman.



Elenora C. Cua

Head, Information Technology Division
Filipino, 60 years old

Ms. Cua has 31 years of professional experience in the field of Information Technology. Prior to her employment with UCPB Savings, she worked at United Coconut Planters Bank (UCPB) from September 1992 to February 2022 as Network Engineer, Head of IT Engineering and Head of IT Security and Management Department. She graduated from the University of Santo Tomas in 1987 with a Bachelor of Science in Electronics and Communications Engineering. In 1988, she became a Licensed Electronics and Communications Engineer after successfully passing the board exam.



Ernesto O. Olavario

Head, Credit Management Division
Filipino, 56 years old

Mr. Olavario has been in the banking industry for more than 31 years with an exposure in the Branch Banking Operations, Check Clearing, Loans Accounting and Audit. He started his career as an Accounting Assistant and worked his way up to become an Audit Officer. He graduated with a degree in Bachelor of Science in Business Administration Major in Accounting from National College of Business and Arts.





Irene S. Quintana

Head, Controllershship Division and Operations Division (in concurrent capacity)
Filipino, 56 years old

Ms. Quintana has over 35 years of working experience in the banking industry. She started her career with extensive exposure to the different functions such as Finance and Controllershship, Branch Banking Operations, Bank Regulatory Reports and Special Audit Services. She holds a Bachelor's Degree in Accounting from the Philippine School of Business Administration and a Certified Public Accountant.



Ma. Catalina M. Cruz

Head, Branch Banking Division
Filipino, 56 years old

Ms. Cruz has been in the banking industry for 32 years. She began her professional journey as a Lead Loans Officer at Metrobank. Her journey continued as she advanced to the position of Branch Head at Security Bank. Following this, she took on the role of Head of the Main Office Branch at United Coconut Planters Bank (UCPB), where she further honed her management skills. Ms. Cruz subsequently became the Head of the Business Development Department for Trust Banking Group at UCPB. Her performance and exceptional leadership qualities ultimately led to her appointment as Vice President. Ms. Cruz earned her Bachelor's Degree in Management from Assumption College in Makati in 1990.



Santiago P. Yusing IV

Head, Human Resources and General Services Division, and Corporate Planning and Management Information System Unit (in concurrent capacity)
Filipino, 59 years old

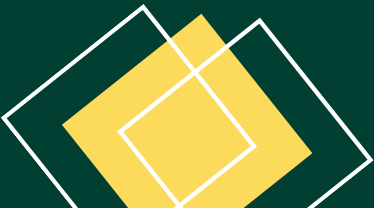
Mr. Yusing IV's professional practice spans 30 years in the Banking and Telecom industry; he started his (management) career as a budget officer in BF Corp, MIS/Budget Officer at Solidbank Corporation, Strategic Planning Officer at Philippine Savings Bank, Product Category & Market Research Manager at Philippine Savings Bank, Strategy and Operations Management Department Head and Business Analytics Head at Bayan Telecommunication, Inc. He graduated from Far Eastern University, Manila, with a Bachelor of Science in Civil Engineering in 1986.



Alexander G. Tizo

Officer-In-Charge, Risk Management Division
Filipino, 58 years old

Mr. Tizo brings over 34 years of extensive experience in accounting, branch operations and account management, including 29 years in the banking industry. Before assuming his current role, he led the Retail Lending Division. Mr. Tizo earned his Bachelor of Science in Commerce major in Accounting from the University of Iloilo in 1990.





Dante R. Cortez

Head, Consumer Lending Division
Filipino, 60 years old

Mr. Cortez has 36 years of work experience in the field of credit evaluation and sales-marketing. He started his banking career as part of the Consumer Lending Group in 2012 and became the Credit Process Project Head. Before he entered the banking industry, he previously worked with Home Development Mutual Fund where he earned his experience in collection, remedial, credit evaluation, foreclosure and acquired assets management. He earned his Bachelor's degree in Accounting at the Manuel S. Enverga University and took his Master's in Business Administration at the same school. He is a CESO qualifier of the Career Executive Service Board.



Veronica S. Sarmiento

Head, Commercial Lending Division
Filipino, 38 years old

Ms. Sarmiento has more than 14 years of work experience in the field of banking specifically on commercial loans and branch operations. Prior to her current position, she headed the Account and Channel Management Department. She graduated from Philippine School of Business Administration with a Bachelor of Science in Business Administration Major in Management.



Atty. Rhoel R. Recheta

Head, Asset Recovery and Management Division and Legal Services Division
(in concurrent capacity)
Filipino, 52 years old

Atty. Recheta possesses 25 years of corporate and litigation experience gained from working in various law firms. He joined UCPB Savings as Legal Officer – Litigation in April 26, 2023. He graduated from Ateneo De Manila University in 1994 with a Bachelor of Science in Management (Honors Program). He completed his law degree at the University of the Philippines in 2000 and passed the Bar in 2021.

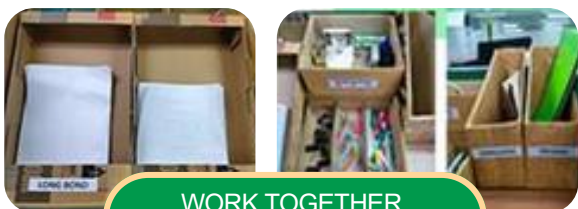


Tristan D. Baria

Head, Internal Audit Division and Bank Compliance Division (in concurrent capacity)
Filipino, 45 years old

Mr. Baria is an experienced finance and internal audit practitioner. He is a control professional with almost 17 years of banking audit experience, extensive background in fraud investigation, and comprehensive familiarity with all areas of bank operations. Prior to joining the banking sector, he held leadership roles for five (5) years in accounting, financial controls, and project management in other industries, serving as Chief Accountant, Financial Controls Lead, and Project Manager for key initiatives. This gives him a total of 21 years of combined experience in finance, internal controls, risk management, and corporate governance. He joined UCPB Savings Bank in 2016 and has since assumed various leadership positions in Internal Audit. In 2021, he was designated and confirmed as Chief Audit Executive and Head of the Internal Audit Division. Since July 2024, he has also been serving concurrently as the Bank's Chief Compliance Officer. He earned his Bachelor of Science in Accountancy from Palawan State University and a Master of Business Administration from the University of the East, Manila.

UCPB Savings Bank's Commitment to Sustainability



WORK TOGETHER,
P.O.O.L TOGETHER

UCPB Savings Bank (UCPBS) continues to strengthen its commitment to sustainability by aligning its operations with BSP Circular No. 1085, or the Sustainable Finance Framework. This initiative supports the integration of environmental, social, and governance (ESG) principles into the Bank's internal practices and contributes to the United Nations Sustainable Development Goals (SDGs).

A major initiative is "Work Together, Pool Together", launched in June 2024 to promote resource-sharing and energy efficiency. Pooled Resource Areas (PRAs) were set up in the Head Office and branches, allowing staff to donate and reuse office supplies like scratch paper, folders, and clips. This effort fosters responsible consumption and reduces unnecessary purchases, aligned with SDG 12: Responsible Consumption and Production.

In support of SDG 13: Climate Action, energy-saving practices were also introduced, such as a daily lights off policy from 12:00 PM to 1:00 PM, however ensuring that employees are available to accommodate work. To ensure long-term impact, sustainability is now a regular part of the New Employee Orientation Program (NEOP). All new hires are introduced to the BSP Sustainable Finance Framework and UCPBS's sustainability practices. This builds ESG awareness from day one and supports SDG 4: Quality Education and SDG 13. The Bank has also implemented Secured Printing protocols to promote both environmental efficiency and data security.

Employees must authenticate before printing documents, which reduces paper waste and ensures that only authorized users can access printed materials. This not only aligns with SDG 12 but also supports SDG 16: Peace, Justice, and Strong Institutions by strengthening information confidentiality. Beyond internal efforts, UCPBS promotes inclusive growth through its Small Business Loan (SBL) program, which provides agricultural loans to smallholder farmers. These loans fund essential activities like land preparation and input purchase, helping farmers sustain and grow their livelihoods. This initiative supports SDG 1: No Poverty, SDG 2: Zero Hunger, and SDG 8: Decent Work and Economic Growth.

Together, these programs reflect UCPBS's holistic approach to sustainability—promoting operational efficiency, employee engagement, environmental stewardship, and inclusive economic development. The Bank remains committed to expanding these efforts and exploring new ways to align with national goals and global sustainability standards.

2025 UCPBS Global Reporting Initiative

Global Reporting Initiative



Economic Value Generated/Distributed

- In Financial Highlights, under pages 07–12, the Bank discloses Net Income (₱145.48M, +130% YoY), Total Assets (₱19.11B), Total Equity (₱2.53B), Deposits, and full profitability/balance sheet/ratio tables for 2025 vs. 2024 — a near-complete economic value statement.
- In Procurement Unit, under page 54, economic value distributed via spend: ₱415.11M Approved Budget for Contract, ₱397.33M awarded, ₱17.78M in procurement savings.
- Loan Portfolio Breakdown (incl. MSME / Sustainable Finance)**
 - In Financial Highlights, under pages 08–09, the loan portfolio is broken down by segment (Corporate, Consumer, Real Estate, Others) and by product (Salary Loans ₱4.69B, Commercial Loans ₱2.52B).

- In Retail Lending Division, under page 29, the Secured Business Loan (SBL) Program is identified as financing for small and medium enterprises (SMEs), including SBL-Agri Loans for rural/agribusiness borrowers, with a ₱3.9B performing portfolio by year-end 2025.
- In Commercial Lending Division, under page 40, portfolio growth from ₱2.41B to ₱2.77B (+14.9%) is disclosed with asset-quality metrics (Past Due Ratio, NPL Ratio).
- In Sustainable Finance Framework, under pages 119–120, the SBL Agri program is explicitly framed as sustainable/inclusive financing (loans to smallholder farmers), tied to SDG 1, 2, and 8.

Employee Data (Diversity, Training, Turnover)

- In Financial Highlights, under page 12, headcount is disclosed: Officers 264 vs. 264, Staff 495 vs. 494 (2025 vs 2024).
- In Human Resources Division, under pages 41–43, recruitment channels, manpower composition (Officers/Non-Officers), and comprehensive training categories (Organizational, Core, Leadership, Functional Competency programs) are disclosed.
- In Human Resources Division, under page 44, gender-related initiatives are disclosed: Women's Month observance and the Gender and Development (GAD) Program.

Global Reporting Initiative

- In Human Resources Division, under pages 49–51, performance appraisal policy and rating structure are disclosed.

Environmental Footprint

- In Sustainable Finance Framework, under page 119, concrete environmental initiatives are disclosed: a daily "lights off" energy policy (12–1 PM, SDG 13), and a Secured/Authenticated Printing protocol to reduce paper waste (SDG 12). The "Work Together, Pool Together" resource-sharing initiative (office supply reuse) is also cited under SDG 12.
- In Risk Management Division, under page 67 (item 11, Environmental and Social Risk), the Bank discloses that it has begun integrating an ESG overlay into its credit risk rating model (consultant engaged June 2026) but confirms no environmental/social factors were yet incorporated into credit ratings as of Dec 31, 2025 — a transparent gap disclosure, which is itself solid GRI material.

Governance and Anti-Corruption Practices

- In Corporate Governance, under pages 74–80, Board structure, Board-level committees, and the Corporate Governance Committee's oversight role are disclosed.
- In Corporate Governance, under pages 79–80, AML Governance & Culture is disclosed: Board and Senior Management AML oversight, the Compliance Office, and the Bank's AML Committee (BAMLC), aligned with RA 9160.

- In Human Resources Division, under pages 48–49, the Whistleblowing Policy is disclosed — protections against retaliation, reporting procedures, and its 2021 amendment.
- In Internal Audit, under pages 68–73, the independent assurance function's mandate is disclosed, including an "Ethics Compliance Check" and oversight of employee conduct.

The Bank's 2025 Annual Report demonstrates disclosure-grade content across four of the five core GRI categories reviewed. Substantive and verifiable information is present for Economic Value Generated and Distributed, Loan Portfolio Composition — including a discernible MSME and sustainable-finance dimension through the Secured Business Loan (SBL) and SBL-Agri Programs — Employee-Related Data, and Governance and Anti-Corruption Practices.

Disclosure on Environmental Impact remains comparatively limited in scope, consisting primarily of office-level initiatives such as energy conservation and paper-reduction measures, rather than quantified environmental footprint data. Nonetheless, the Bank's transparent acknowledgment that environmental and social risk factors have not yet been incorporated into its credit risk rating model reflects a candid and credible disclosure practice, consistent with the principles of balanced and accurate reporting under the GRI Standards, rather than a deficiency to be understated.

Taken as a whole, these findings indicate that the Bank possesses a reasonable foundation for GRI-aligned sustainability reporting, with environmental disclosure identified as the primary area for further development in future reporting periods.



PESO ACCOUNTS

- Regular Savings Deposit**
An interest-bearing deposit account with a passbook
- Basic Deposit Account**
A bank product that allows individuals to easily open a deposit account with minimal account opening requirements at a reasonable cost.
- ATM Savings Account**
A Peso-denominated savings account on the ATM card.
- My First Step**
A Peso-denominated savings account with ATM card.
- Stratified Savings Account**
A special savings/deposit account with interest based on pre-agreed rates and level of deposit (monthly average daily balance).
- Savings Builder Account**
An interest-bearing Peso-denominated account that automatically transfers a specific amount from the primary account on specified date's of the month.
- Regular Current Account**
A non-interest bearing deposit account with checkbook

- TIME DEPOSITS**
A deposit account with a higher interest rate at a specific maturitydate and evidenced by a Certificate of Deposit.

Certificate of Peso Time Deposit
Long Term Time Deposit
-Time Deposit 1 Year
-Time Deposit 5 Years

- CASH MANAGEMENT**

Conduit Clearing Arrangement
A service offered to eligible Financial Institutions (Fis) to enable the to participate in BSP/PCHC Clearing Operations through the facility of a clearing bank.

- Deposit Pick-up Service**
An arrangement by which the Bank picks-up deposits either in cash or in check from the client/institution's place of business or operations on days mutually agreed upon by them and stipulated in the Memorandum of Agreement (MOA) on Deposit Pick-up Service.

- Cash Delivery Service**
A service where the Bank delivers cash to the client at the latter's place of business or delivery points on days mutually agreed upon by the manstipulated in the Memorandum of Agreement (MOA) on Cash Delivery Service.

- Payroll Service Arrangement**
A disbursement system by which the salaries of the employees are automatically credited to their individual payroll/deposit accounts.

- CONSUMER LOANS**

Auto Loan
A secured loan facility for the purpose of financing a vehicle.

- Real Estate Loan**
A secured loan facility for the purpose of acquisition of lot, residential units, construction, renovation, expansion of house, and refinancing of existing mortgage.

- Personal Loan**
A loan facility granted to qualified individual borrowers.

- Corporate Salary Loan**
Unsecured/clean loan facility granted by the Bank for employees accredited corporations

- COMMERCIAL LOANS**

Commercial Loans
A secured or unsecured loan facility extended to business entities to fund their working capital needs, acquisition of equipment, building construction/renovation or to liquidate their trade receivables

- Small Business Loans**
A loan facility fully secured by REM that is extended to qualified Micro Small and Medium Enterprises to fund their working capital or business expansion.

- Term Loan
- Promissory Note (PN) Line

Short-term Loans
Loans are revolving credit facilities used to augment the working capital requirements of a business and are paid within a year.

- Long-term Loan**
Loans finance the capital expenditure of a business including purchase of real assets, equipment and business expansion and have a repayment term of more than a year up to 10 years.

- SBL-Agri Loan**
Business Loans designed for our Agri and Agra-business sector.

- OTHER SERVICES**

• **Government Payments**
• **PhilHealth Payments**
• **SSS Payments**
• **Domestic Remittance**
• **Safety Deposit Box***
• **Manager's Check**
• **eCash Card**

*selected branches only

