

March 10, 2026

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL M. NEGRE**
Officer-in-Charge, Disclosure Department

PHILIPPINE DEALING AND EXCHANGE CORP.

29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**
Head - Issuer Compliance and Disclosure Department

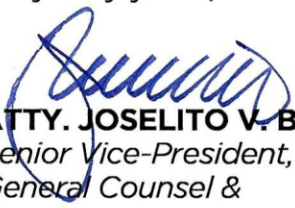
Gentlemen:

Pursuant to Section 20 of the Securities Regulation Code, we are submitting the following documents pertaining to the Annual Stockholders' Meeting of Union Bank of the Philippines on April 24, 2026, subject to comments and approval of the Securities and Exchange Commission;

1. Notice of Annual Meeting of Stockholders
2. Proxy Form
3. Preliminary Information Statement (SEC Form 20-IS)

Thank you.

Very truly yours,



ATTY. JOSELITO V. BANAAG
*Senior Vice-President,
General Counsel &
Corporate Secretary*

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO: ALL STOCKHOLDERS

Please be informed that the Annual Meeting of Stockholders of Union Bank of the Philippines ("UnionBank") will be conducted virtually via <https://asm.unionbankph.com> on **Friday, April 24, 2026 at 1:00 p.m.**

The following Agenda has been set for the meeting:

- I. Call to Order
- II. Proof of Notice of Meeting and Determination of Existence of Quorum
- III. Approval of the Minutes of the Annual Stockholders' Meeting held on April 25, 2025
- IV. President and CEO's Annual Report of Management on Operations for 2025 and approval of the Audited Financial Statements as of December 31, 2025
- V. Open Forum
- VI. Ratification of Past Actions of the Board of Directors, Board Committees, and Management
- VII. Appointment of External Auditor for the year 2026
- VIII. Election of Directors for 2026 - 2027 Term
- IX. Adjournment

A brief explanation of each item in the Agenda is attached as **Annex "A"** for your reference.

Stockholders of record as of **March 16, 2026** will be entitled to notice of and to vote at the Annual Meeting.

The Annual Meeting will be conducted via live webcast and stockholders may attend, participate, and vote only through proxy, remote communication or *in absentia* using UnionBank's secure Annual Stockholders' Meeting Portal ("ASM Portal") at <https://asm.unionbankph.com>. Stockholders who intend to participate through remote communication and exercise their right to vote *in absentia* on the agenda items may register in the ASM Portal until **9:00 a.m. (Philippine time) of April 24, 2026**, such registration being subject to verification and validation by the Corporate Secretary. The Requirements and Procedures for Registration to Participate through Remote Communication and Vote Electronically *in Absentia* are stated in the Information Statement and published on UnionBank's website at www.unionbankph.com and The Philippine Stock Exchange Inc.'s EDGE at <https://edge.pse.com.ph>.

Stockholders who choose to vote by proxy must submit and address their Proxy Form to the attention of the Corporate Secretary at 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, Metro Manila, Philippines or via e-mail at corpsec@unionbankph.com not later than **5:00 p.m. (Philippine time) of April 14, 2026**.

For your information and guidance.

Very truly yours,



ATTY. JOSELITO V. BANAAG
Corporate Secretary

EXPLANATION ON AGENDA ITEMS

I. Call to Order

The Chairman, Mr. Erramon I. Aboitiz, will formally begin the 2026 Annual Stockholders' Meeting ("Meeting" or "ASM") of Union Bank of the Philippines ("UnionBank").

II. Proof of Notice of Meeting and Determination of Existence of Quorum

Atty. Joselito V. Banaag, Corporate Secretary, will certify that copies of the Notice of Meeting and the Information Statement were sent to stockholders of record as of March 16, 2026, to the Securities and Exchange Commission (SEC) and by way of disclosure to The Philippine Stock Exchange, Inc. (PSE) and Philippine Dealing and Exchange Corporation (PDEX), in accordance with the rules and regulations of the SEC, PSE, and PDEX. He will also attest whether a majority of stockholders are present in person, through remote communication, and by proxy, thereby constituting a quorum for the valid transaction of the Meeting and matters set forth on the Agenda.

In accordance with Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, stockholders may access UnionBank's secure Annual Stockholders' Meeting Portal ("ASM Portal") at <https://asm.unionbankph.com>, to register and participate through remote communication and exercise their right to vote *in absentia* on the matters for approval at the Meeting. A stockholder who participates and votes through remote communication or *in absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting:

1. For stockholders intending to participate at the Meeting and vote through remote communication or *in absentia* using the ASM Portal, the deadline for registration to the ASM Portal is **until 9:00 a.m. (Philippine time) of April 24, 2026**. Submission of the votes on the agenda items for approval is **until 10:00 a.m. (Philippine time) of April 24, 2026**.
2. The conduct of the Meeting will be via live webcast and stockholders may participate through remote communication by logging-in to the ASM Portal.
3. Stockholders may send their questions and/or remarks on the agenda items to the Office of the Corporate Secretary at corpsec@unionbankph.com. Questions and/or remarks shall be limited to relevant items in the agenda under consideration and will be read and answered during the ASM live webcast.
4. Each item on the agenda requiring the vote of the stockholders will be shown on the screen simultaneously as they are being taken up at the meeting.
5. The Office of the Corporate Secretary together with the Bank's stock transfer agent, Stock Transfer Service, Inc., will tabulate all the votes received, which will be validated by an independent third-party vote validation group. The results will be reported to the stockholders during the Meeting.
6. The proceedings of the Meeting will be recorded in video and audio format.

III. Approval of the Minutes of the Annual Stockholders' Meeting held on April 25, 2025

Stockholders will be asked to approve the Minutes of the Bank's Stockholders' Meeting held on April 25, 2025 which contains, among others, (a) the annual report of management on operations for 2024 and approval of the Audited Financial Statements as of December 31, 2024, (b) ratification of all acts, resolutions, and proceedings of the Board of Directors, Board Committees and Management in 2024, including all significant related party transactions, (c) appointment of external auditor for the year 2025, (d) approval of the increase of per diem for Non-Executive and Independent Directors and Director's Fee of Independent Directors, and (f) election of directors for 2025-2026 term.

Stockholders are requested to approve the following proposed Resolution:

"RESOLVED, that the stockholders of Union Bank of the Philippines approve, as they hereby approve, the Minutes of the Annual Stockholders' Meeting held on April 25, 2025."

Copies of the Minutes are available for examination during business hours at the Office of the Corporate Secretary at 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, or they may be viewed on UnionBank's website at www.unionbankph.com.

IV. President and CEO's Annual Report of Management on Operations for 2025 and approval of the Audited Financial Statements as of December 31, 2025

The President and CEO will report on UnionBank's financial and operating results for the year 2025, which includes the summary of the Audited Financial Statements (AFS) as of December 31, 2025. The AFS is attached to the Definitive Information Statement to be submitted to the Securities and Exchange Commission and will be available on UnionBank's website at www.unionbankph.com.

V. Open Forum

The Chairman of the Meeting will open the floor for comments or queries sent by the stockholders via e-mail to the Office of the Corporate Secretary at corpsec@unionbankph.com. Stockholders may raise matters which may be taken up during the 2026 ASM. The deadline to submit comments or queries is on or before 5:00 p.m. (Philippine time) of April 23, 2026. The Bank will respond to any questions and/or remarks that were not answered during the Meeting in writing to the stockholder's e-mail address.

VI. Approval and Ratification of Past Actions of the Board of Directors, Board Committees, and Management

All acts, resolutions, and proceedings of the Board of Directors, Board Committees, and the Management of UnionBank since the previous Annual Stockholders' Meeting held on April 25, 2025, including all significant related party transactions, will be presented to the stockholders for their approval and ratification.

VII. Appointment of External Auditor for the year 2026

The stockholders will be requested to ratify the Audit Committee's and the Board of Directors' recommendation for external auditor, Sycip Gorres Velayo & Co.

VIII. Election of Directors for 2026 – 2027 Term

The Chairman will present to the stockholders the nominees for election as members of the Board of Directors, including the independent directors. The list of nominees with their profiles is included in the Definitive Information Statement to be sent to the stockholders for reference.

In accordance with Section 23 of the Revised Corporation Code of the Philippines and pursuant to Article IV, Section 1(e) of the Bank's Amended By-laws, a stockholder may vote the number of shares held in the stockholder's name in UnionBank's stock books as of March 16, 2026, and may vote such number of shares for as many persons as there are directors to be elected; or the stockholder may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or the stockholder may distribute them on the same principle among as many candidates as may be seen fit: Provided, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Bank multiplied by the whole number of directors to be elected. Discretionary authority to cumulate votes is solicited.

The nominees receiving the highest number of votes shall be declared elected.

IX. Adjournment

After consideration of all business, the Chairman shall declare the meeting adjourned. This formally ends the 2026 Annual Meeting of Stockholders of UnionBank.

PROXY

KNOW ALL MEN BY THESE PRESENTS:

That I, the undersigned, a shareholder of **UNION BANK OF THE PHILIPPINES** ("UnionBank"), do hereby nominate, constitute and appoint the Chairman of the meeting, with power of substitution, as my Attorney and Proxy to represent me and vote all shares registered in my name in the books of UnionBank or owned by me, at the Annual Meeting of Stockholders of UnionBank to be held on **Friday, 24 April 2026 at 1:00 P.M.** by remote communication via UnionBank's secure Annual Stockholders' Meeting Portal ("ASM Portal") at <https://asm.unionbankph.com>, as fully to all intents and purposes as I might or could lawfully do if present and acting in person, and hereby ratifying and confirming any and all matters which may properly come before said meeting, or adjournment thereof. In case of the non-attendance of my Attorney and Proxy above-named at said meeting, I hereby authorize and empower the Corporate Secretary to fully exercise all rights as my Attorney or Proxy at said meeting. This Proxy authorizes my Attorney to act among other things on the following matters: (Please read the instruction below)

INSTRUCTION: Mark the box under "Vote in Favor" to vote for any nominee. If the votes will be cumulated, write the number of votes desired to be given to a nominee beside its corresponding box. Mark the box under "Do not Vote" if the nominee will not be voted under this Proxy.

1. Election of Directors

<u>Nominees:</u>	<u>Vote in Favor</u>	<u>Do Not Vote</u>	<u>Number of Votes</u>
Erramon I. Aboitiz	☐	☐	_____
Justo A. Ortiz	☐	☐	_____
Ana Maria A. Delgado	☐	☐	_____
Sabin M. Aboitiz	☐	☐	_____
Samel A. Aboitiz	☐	☐	_____
Iker M. Aboitiz	☐	☐	_____
Jose Emmanuel U. Hilado	☐	☐	_____
Nina Perpetua D. Aguas	☐	☐	_____
Robert Joseph M. De Claro	☐	☐	_____
Victor Alfonso A. Limlingan	☐	☐	_____

2. Election of Independent Directors

<u>Nominees:</u>	<u>Vote in Favor</u>	<u>Do Not Vote</u>	<u>Number of Votes</u>
Roberto G. Manabat	☐	☐	_____
Manuel D. Escueta	☐	☐	_____
Josiah L. Go	☐	☐	_____
Honorio G. Poblador IV	☐	☐	_____
Peter B. Favila	☐	☐	_____

3. Other Items

INSTRUCTION: Please check the appropriate column; otherwise, you shall be deemed to have conferred discretionary authority in favor of the Chairman of the meeting, or in his absence, the Corporate Secretary, to vote your shares in favor of the approval of the above matters.

	Vote for Approval	Vote Against	C Abstain
a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 25, 2025			
b. President and CEO's Annual Report of Management on Operations for 2025 and approval of the Audited Financial Statements as of December 31, 2025			
c. Ratification of Past Actions of the Board of Directors, Board Committees, and Management			
d. Appointment of External Auditor for the year 2026			

4. Revocability of Proxy

I have the right to revoke the proxy by participating in the meeting by remote communication and voting *in absentia*, or by execution of another proxy at a later date, subject to the pertinent requirements of law and SEC Circular No. 5, Series of 1996.

5. Persons Making the Solicitation

1. This solicitation is made solely by the registrant Bank.
2. There are no participants in the solicitation other than by the registrant Bank itself.
3. The solicitation is made via electronic mail, through a courier service company, and by registered mail in cases of post office box addresses.
4. The cost of solicitation will be borne by the registrant Bank.

6. Interest of Certain Persons in Matters to be Acted Upon

Other than the election of Directors there are no substantial interests, by security holdings or otherwise, of UnionBank, any Director or Officer thereof, nominee for election as Director, participant in the solicitation, or associate of any of the foregoing persons, in any matter to be acted upon at the Annual Meeting.

The power and authority hereby granted shall remain valid and effective until such time that the same is withdrawn by me through notice in writing delivered to the Corporate Secretary before the date of any such meeting or adjournment(s) thereof. Likewise, the said authority is effective for subsequent annual meetings within a period of five (5) years from the date of this Proxy unless otherwise instructed, as follows:

[] THIS PROXY IS TO BE USED ONLY FOR THE 2026 ANNUAL STOCKHOLDERS' MEETING OF UNIONBANK.

In case the security holder fails to indicate a vote on the matters in the Agenda by placing the corresponding marks on the columns provided therein, the same is considered a waiver of the security holder's right to manifest his or her vote thereon and management can exercise its discretion in voting on such matters.

Important: The Office of the Corporate Secretary must receive this Proxy not later than 14 April 2026. You may also send the scanned copy of this Proxy through e-mail at corpsec@unionbankph.com.

THIS PROXY IS BEING SOLICITED ON BEHALF OF MANAGEMENT

PRINTED NAME OF SHAREHOLDER

Dated this _____ day of _____, 2026

**SIGNATURE OF SHAREHOLDER
OR AUTHORIZED SIGNATORY**

COVER SHEET

3 6 0 7 3

SEC Registration Number

U N I O N B A N K O F T H E P H I L I P P I N E S

(Company's Full Name)

U N I O N B A N K P L A Z A , M E R A L C O A V E N U E

C O R N E R O N Y X S T R E E T , O R T I G A S C E N T E R

P A S I G C I T Y

(Business Address: No. Street City/Town/Province)

Atty. Joselito V. Banaag

(Contact Person)

(632) 8841-8600

(Company Telephone Number)

1 2

Month Day
(Fiscal Year)

3 1

2 0 - I S

(Form Type)

0 4

Month Day
(Annual Meeting)

2 4

(Secondary License Type, If Applicable)

**Markets and Securities
Regulation Department**

Dept. Requiring this Doc.

4,937 (as of
February 28, 2026)

Total No. of Stockholders

Amended Articles Number/Section

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document ID

LCU

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement

☐ Definitive Information Statement

2. Name of Registrant as specified in its charter **UNION BANK OF THE PHILIPPINES**

3. **Metro Manila, Philippines**

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **36073**

5. BIR Tax Identification Code **000-508-271-000**

6. **UnionBank Plaza, Meralco Avenue cor. Onyx Street, Ortigas Center, Pasig City 1605**

Address of principal office

Postal Code

7. Registrant's telephone number, including area code: **(632) 8841-8600**

8. Date, time and place of the meeting of security holders:

Date : **April 24, 2026**

Time : **1:00 p.m.**

Place : The meeting will be conducted virtually via the Annual Stockholders' Meeting Portal at <https://asm.unionbankph.com>

9. Approximate date on which the Information Statement is first to be sent or given to security holders **on or before April 2, 2026**

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **Union Bank of the Philippines**

Address and Telephone No.: **18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City - (632) 8841-8600**

11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding

Common

3,316,405,584

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange - Common

UNION BANK OF THE PHILIPPINES

SEC FORM 20-IS

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, Time and Place of Meeting of Security Holders**

The enclosed proxy is solicited for the Annual Meeting of Stockholders of Union Bank of the Philippines ("UnionBank" or "Bank") which will be conducted virtually via the Bank's secure Annual Stockholders' Meeting Portal ("ASM Portal") at <https://asm.unionbankph.com> on **April 24, 2026 at 1:00 p.m.** and any adjournment thereof ("Annual Meeting"), or any subsequent annual stockholders' meeting within a period no longer than five (5) years from the date of the proxy, to the extent the stockholder granting the proxy so authorizes.

The address of the principal office of Union Bank of the Philippines is at UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City with telephone number at (632) 8841-8600. This information statement and enclosed proxy will be sent to stockholders entitled to notice of and vote at the Annual Meeting on or before April 2, 2026.

Record Date

The record date for the purpose of determining the stockholders entitled to notice of and to vote at the Annual Meeting is **March 16, 2026** (the "Record Date").

Solicitation Information

Item 2. **Dissenter's Right of Appraisal**

At the scheduled meeting, there are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Sections 80 and 81, Title X of the Revised Corporation Code of the Philippines which state that "Section 80. When the Right of Appraisal Maybe Exercised. Any stockholder of corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances: 1) In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; 2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code; 3) In case of merger or consolidation; and 4) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation. Section 81. How Right is Exercised. The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Provided, that the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders' shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. xxx"

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No current director or officer of UnionBank, or nominee for election as director of the Bank or any associate of any of the foregoing persons has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting, other than election to office.
- (b) No director has informed UnionBank in writing that he intends to oppose any action to be taken by the Bank at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

I. **Outstanding Number of Common Stock Shares**

<u>Title of Class</u>	<u>No. of shares outstanding</u>
Common Shares	3,316,405,584

The record date with respect to this solicitation is March 16, 2026. Only stockholders of record at the close of business on March 16, 2026, will be entitled to notice and to vote at the meeting.

With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code of the Philippines and pursuant to Article IV, Section 1(e) of the Bank's Amended By-laws, a stockholder may vote the number of shares held in his name in the Bank's stock books as of March 16, 2026, and may vote such number of shares for as many persons as there are directors to be elected; or the stockholder may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or the stockholder may distribute them on the same principle among as many candidates as may be seen fit: Provided, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Bank multiplied by the whole number of directors to be elected. Discretionary authority to cumulate votes is solicited.

The total number of votes that may be cast by a stockholder of the Bank is computed as follows: number of shares held on record as of record date x 15 directors. The deadline for submission of proxies is on **April 14, 2026**.

Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or in absentia, stockholders may access the ASM Portal at <https://asm.unionbankph.com> to be able to register, participate, and vote in absentia on the agenda items for approval at the meeting. A stockholder who participates and votes through remote communication or in absentia shall be deemed present for purposes of quorum.

The requirements and procedures for registration to participate through remote communication and vote electronically in absentia are set forth under **Annex "B"** of this Information Statement.

II. **Security Ownership of Certain Record and Beneficial Owners**

The following are known to the registrant to be directly or indirectly the record or beneficial owners of more than five percent (5%) of registrant's voting securities (registrant has only one class of voting security, i.e. common shares) as of February 28, 2026:

Title of Class	Name, address of Record Owner & Relationship with Issuer	Name, address of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	Aboitiz Equity Ventures, Inc. Ayala Triangle Gardens 2 Paseo De Roxas, Corner Makati Avenue, Makati City Metro Manila, Philippines Principal Shareholders	Aboitiz Equity Ventures, Inc. Ayala Triangle Gardens 2 Paseo De Roxas, Corner Makati Avenue, Makati City Metro Manila, Philippines	Filipino	1,657,857,164*	49.99%
Common	Social Security System East Avenue, Diliman Quezon City Principal Shareholders	Social Security System East Avenue, Diliman Quezon City	Filipino	608,648,923*	18.35%
Common	The Insular Life Assurance Co., Ltd. Insular Life Corporate Center Insular Life Drive Filinvest, Alabang, Muntinlupa City Principal Shareholders	The Insular Life Assurance Co., Ltd. Insular Life Corporate Center Insular Life Drive Filinvest, Alabang, Muntinlupa City	Filipino	411,850,505*	12.42%

Common	PCD Nominee Corporation 37/F Tower 1 Enterprise Center Ayala Avenue cor. Makati Avenue Makati City Minority Shareholders	PCD Nominee Corporation** Filipino 37/F Tower 1 Enterprise Center Ayala Avenue cor. Makati Avenue Makati City	381,314,639	11.50%
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* Inclusive of PCD-Lodged Shares. Based on previous meeting, Mr. Samel A. Aboitiz has been authorized representative for Aboitiz Equity Ventures, Inc., Mr. Raoul Antonio E. Littaua for The Insular Life Assurance, Co., Ltd., and Mr. Robert Joseph M. De Claro for Social Security System.

** The PCD Nominee Corporation, represented by its Director, Josephine F. Dela Cruz, only holds legal title, and not beneficial ownership over the lodged shares. As of the February 28, 2026 list of PCD participants, Social Security System (326,969,240 shares or 9.86%) hold more than 5% of the Bank's voting securities under the names of various beneficial owners.

III. Security Ownership of Management

The following are the number of shares comprising the Bank's capital stock (all of which are voting shares) owned of record by the directors, Chief Executive Officer, key officers of the Bank, and nominees for election as director as of February 28, 2026:

Title of Class	Name of Beneficial Owner	Number of Shares, Amount, and Nature of Legal and Beneficial Ownership		Citizenship	Percentage of Class
A. Directors					
Common	Erramon I. Aboitiz	505 39,707,330	Php5,050.00 (r) Php397,073,300.00 (b)	Filipino	0.00% 1.20%
Common	Justo A. Ortiz	2,701 5,636,974	Php27,010.00 (r) Php56,369,740.00 (b)	Filipino	0.00% 0.17%
Common	Ana Maria A. Delgado	167,131 5,268,449	Php1,671,310.00 (r) Php52,684,490.00 (b)	Filipino	0.00% 0.16%
Common	Sabin M. Aboitiz	1,611 5,767,050	Php16,110.00 (r) Php57,670,500.00 (b)	Filipino	0.00% 0.17%
Common	Samel A. Aboitiz	- 2,430,468	- (r) Php24,304,680.00 (b)	Filipino	- 0.07%
Common	Iker M. Aboitiz	261 2,073,453	Php2,610.00 (r) Php20,734,530.00 (b)	Filipino	0.00% 0.06%
Common	Jose Emmanuel U. Hilado	307,361 773,109	Php3,073,610.00 (r) Php7,731,090.00 (b)	Filipino	0.01% 0.02%
Common	Nina Perpetua D. Aguas	1 -	Php10.00 (r) - (b)	Filipino	0.00% -
Common	Robert Joseph M. De Claro	1 -	Php10.00 (r) - (b)	Filipino	0.00% -
Common	Victor Alfonso A. Limlingan	1 -	Php10.00 (r) - (b)	Filipino	0.00% -
Common	Roberto G. Manabat	102 -	Php1,020.00 (r) - (b)	Filipino	0.00% -
Common	Manuel D. Escueta	102 -	Php1,020.00 (r) - (b)	Filipino	0.00% -
Common	Josiah L. Go	102 59,562	Php1,020.00 (r) Php595,620.00 (b)	Filipino	0.00% 0.00%
Common	Honorio G. Poblador IV	102 -	Php1,020.00 (r) - (b)	Filipino	0.00% -
Common	Peter B. Favila	126 -	Php1,260.00 (r) - (b)	Filipino	0.00% -
B. Officers					
Common	Ramon G. Duarte	47,052 343,282	Php470,520.00 (r) 3,432,820.00 (b)	Filipino	0.00% 0.01%
Common	Manuel R. Lozano	- 69,323	- (r) Php693,230.00 (b)	Filipino	- 0.00%

Common	Dennis D. Omila	205,376 -	Php2,053,760.00 (r) - (b)	Filipino	0.01% -
Common	Michaela Sophia E. Rubio	219,972 -	Php2,199,720.00 (r) - (b)	Filipino	0.01% -
Common	Raymond Anthony B. Acosta	16,766 7,611	Php167,660.00 (r) Php76,110.00 (b)	Filipino	0.00% 0.00%
Common	Arlene Joan T. Agustin	20,223 11,197	Php202,230.00 (r) Php111,970.00 (b)	Filipino	0.00% 0.00%
Common	Joselito V. Banaag	14,958 14,512	Php149,580.00 (r) 145,120.00 (b)	Filipino	0.00% 0.00%
Common	Antonio Sebastian T. Corro	49,094 5,372	Php490,940.00 (r) 53,720.00 (b)	Filipino	0.00% 0.00%
Common	Albert Raymond C. Cuadrante	8,016 2,346	Php80,160.00 (r) Php23,460.00 (b)	Filipino	0.00% 0.00%
Common	Joebart T. Dator	55,393 -	Php553,930.00 (r) - (b)	Filipino	0.00% -
Common	Montano M. Dimapilis	25,612 13,520	Php256,120.00 (r) Php135,200.00 (b)	Filipino	0.00% 0.00%
Common	Carlo I. Eñanosa	17,642 54,052	Php176,420.00 (r) Php540,520.00 (b)	Filipino	0.00% 0.00%
Common	Concepcion Perla P. Lontoc	30,124 12,714	Php301,240.00 (r) Php127,140.00 (b)	Filipino	0.00% 0.00%
Common	Michael P. Magbanua	8,770 4,453	Php87,700.00 (r) Php44,530.00 (b)	Filipino	0.00% 0.00%
Common	Raquel P. Palang	77,589 45,054	Php775,890.00 (r) Php450,540.00 (b)	Filipino	0.00% 0.00%
Common	Ruby Gisela L. Perez	16,351 4,507	Php163,510.00 (r) Php45,070.00 (b)	Filipino	0.00% 0.00%
Common	Jose Maria O. Roxas	25,872 9,628	Php258,720.00 (r) Php96,280.00 (b)	Filipino	0.00% 0.00%
Common	Raquel N. Sevidal	3,625 467	Php36,250.00 (r) Php4,670.00 (b)	Filipino	0.00% 0.00%
Common	Jeannette Yvonne M. Zagala	12,913 15,792	Php129,130.00 (r) Php157,920.00 (b)	Filipino	0.00% 0.00%
Common	Donald A. Asuncion	2,569 -	Php25,690.00 (r) - (b)	Filipino	0.00% -
Common	Alan Jay C. Avila	1,915 513	Php19,150.00 (r) Php5,130.00 (b)	Filipino	0.00% 0.00%
Common	Conrad Anthony Dominic L. Banal	9,180 34,467	Php91,800.00 (r) Php344,670.00 (b)	Filipino	0.00% 0.00%
Common	Ronaldo S. Batisan	965 105	Php9,650.00 (r) Php1,050.00 (b)	Filipino	0.00% 0.00%
Common	Ma. Cecilia Teresa S. Bernad	70,058 58,076	Php700,580.00 (r) Php580,760.00 (b)	Filipino	0.00% 0.00%
Common	May G. Buencamino	990 -	Php9,900.00 (r) - (b)	Filipino	0.00% -
Common	Catherine Anne B. Casas	20,638 7,268	Php206,380.00 (r) Php72,680.00 (b)	Filipino	0.00% 0.00%
Common	Luis Alberto A. Castañeda	23,876 14,864	Php238,760.00 (r) Php148,640.00 (b)	Filipino	0.00% 0.00%
Common	Efrenilo L. Cayanga, Jr.	9,003 -	Php90,030.00 (r) - (b)	Filipino	0.00% -
Common	Abigail Sarena T. Chua	1,607 588	Php16,070.00 (r) Php5,880.00 (b)	Filipino	0.00% 0.00%

Common	Luis Martin S. Clemente	953 -	Php9,530.00 (r) - (b)	Filipino	0.00% -
Common	Hannah Theresa S. Contreras	71,050 -	Php710,500.00 (r) - (b)	Filipino	0.00% -
Common	Antonio Miguel D. Dans II	967 19,455	Php9,670.00 (r) Php194,550.00 (b)	Filipino	0.00% 0.00%
Common	Jonathan Jerald V. Deomano	4,706 2,255	Php47,060.00 (r) Php22,550.00 (b)	Filipino	0.00% 0.00%
Common	Gladys G. Enriquez	801 -	Php8,010.00 (r) - (b)	Filipino	0.00% -
Common	Edric B. Fernandez	695 3,089	Php6,950.00 (r) Php30,890.00 (b)	Filipino	0.00% 0.00%
Common	Marilou I. Ferrer	515 -	Php5,150.00 (r) - (b)	Filipino	0.00% -
Common	Norman C. Gabriel	4,349 2,000	Php43,490.00 (r) Php20,000.00 (b)	Filipino	0.00% 0.00%
Common	Erika Denise D. Go	2,658 -	Php26,580.00 (r) - (b)	Filipino	0.00% -
Common	James Morris P. Iletto	1,219 150	Php12,190.00 (r) Php1,500.00 (b)	Filipino	0.00% 0.00%
Common	Mariano Dominick F. Lacson	20,030 -	Php200,300.00 (r) - (b)	Filipino	0.00% -
Common	Adrian H. Lim	8,622 3,257	Php86,220.00 (r) Php32,570.00 (b)	Filipino	0.00% 0.00%
Common	Angelbert D. Macatangay	9,048 23,154	Php90,480.00 (r) Php231,540.00 (b)	Filipino	0.00% 0.00%
Common	Kenneth C. Mariano	753 -	Php7,530.00 (r) - (b)	Filipino	0.00% -
Common	Ma. Eloisa Jovita M. Mariano	8,441 6,353	Php84,410.00 (r) Php63,530.00 (b)	Filipino	0.00% 0.00%
Common	Don Jerico B. Matriano	1,235 -	Php12,350.00 (r) - (b)	Filipino	0.00% -
Common	Edgar Allan G. Oblena	753 -	Php7,530.00 (r) - (b)	Filipino	0.00% -
Common	Christopher Patrick G. Ocampo	10,104 3,864	Php101,040.00 (r) Php38,640.00 (b)	Filipino	0.00% 0.00%
Common	Lauro P. Peralta	5,756 2,964	Php57,560.00 (r) Php29,640.00 (b)	Filipino	0.00% 0.00%
Common	Maria Iraida B. Recto	1,941 250	Php19,410.00 (r) Php2,500.00 (b)	Filipino	0.00% 0.00%
Common	Maria Katrina N. Roxas	- 200	- (r) Php2,000.00 (b)	Filipino	- 0.00%
Common	Jose Paolo G. Rufo	3,820 -	Php38,200.00 (r) - (b)	Filipino	0.00% -
Common	Quintin C. San Diego, Jr.	5,153 17,494	Php51,530.00 (r) Php174,940.00 (b)	Filipino	0.00% 0.00%
Common	Christine V. Siapno	8,214 898	Php82,140.00 (r) Php8,980.00 (b)	Filipino	0.00% 0.00%
Common	Jose Paulo R. Soliman	1,921 -	Php19,210.00 (r) - (b)	Filipino	0.00% -
Common	Ben P. Sy Chu	2,391 95,312	Php23,910.00 (r) Php953,120.00 (b)	Filipino	0.00% 0.00%
Common	Leslee May T. Cruz	965 123	Php9,650.00 (r) Php1,230.00 (b)	Filipino	0.00% 0.00%
Common	Ma. Cristina C. Tismo	3,483 954	Php34,830.00 (r) Php9,540.00 (b)	Filipino	0.00% 0.00%

Common	Jo-Ann Fatima L. Tolentino	7,363 293,608	Php73,630.00 (r) Php2,936,080.00 (b)	Filipino	0.00% 0.01%
Common	Menchie M. Tormon	4,582 2,519	Php45,820.00 (r) Php25,190.00 (b)	Filipino	0.00% 0.00%
Common	Maria Paz B. Urmata	7,520 1,381	Php75,200.00 (r) Php13,810.00 (b)	Filipino	0.00% 0.00%
Common	Dominador N. Velasco IV	3,511 -	Php35,110.00 (r) - (b)	Filipino	0.00% -
Common	Jane Ann C. Vergara	979 -	Php9,790.00 (r) - (b)	Filipino	0.00% -
Common	Anna Lea O. Axalan	- 11,492	- (r) Php114,920.00 (b)	Filipino	- 0.00%
Common	Edzel S. Babas	12,707 31,284	Php127,070.00 (r) Php312,840.00 (b)	Filipino	0.00% 0.00%
Common	Margaret O. Chao	73,810 9,528	Php738,100.00 (r) Php95,280.00 (b)	Filipino	0.00% 0.00%
Common	Michael Vincent F. Condez	- 56,620	- (r) Php566,200.00 (b)	Filipino	- 0.00%
Common	Marnita J. Tan	- 1,200	- (r) Php12,000.00 (b)	Filipino	- 0.00%
Common	Ronald Gerard M. Arceo	- 2	- (r) Php20.00 (b)	Filipino	- 0.00%
Common	Aaron Jon D. Atienza	957 5,304	Php9,570.00 (r) Php53,040.00 (b)	Filipino	0.00% 0.00%
Common	Basille Alicesandra L. Avelino	- 1,538	- (r) Php15,380.00 (b)	Filipino	- 0.00%
Common	Ma. Rowena S. Basconcillo	18,018 9,784	Php180,180.00 (r) Php97,840.00 (b)	Filipino	0.00% 0.00%
Common	Jenille Stephanie N. Chuan	- 887	- (b) Php8,870.00 (r)	Filipino	- 0.00%
Common	Enrique Noel L. Yusingco	- 1,400	- (r) Php14,000.00 (b)	Filipino	- 0.00%
Common	Therese G. Chan	- 19,983	- (r) Php199,830.00 (b)	Filipino	- 0.00%
Common	Girly G. Magnait	- 736	- (r) Php7,360.00 (b)	Filipino	- 0.00%
Common	Cheryl L. Patino	1,355 -	Php13,550.00 (r) - (b)	Filipino	0.00% -
Common	Catherine N. Laniog	- 266	- (r) Php2,660.00 (b)	Filipino	- 0.00%
Common	Catherine Z. De Guzman	17,505 8,975	Php175,050.00 (r) Php89,750.00 (b)	Filipino	0.00% 0.00%
Common	Marcelo A. Belleca	20,346 14,501	Php203,460.00 (r) Php145,010.00 (b)	Filipino	0.00% 0.00%
Common	Camille Frances L. Basilio	- 20,367	- (r) Php203,670.00 (b)	Filipino	- 0.00%
Common	Tina Marie T. Calderon	- 2,500	- (r) Php25,000.00 (b)	Filipino	- 0.00%
Common	Elizabeth C. Tang	- 554	- (r) Php5,540.00 (b)	Filipino	- 0.00%
Common	Julian Michel A. Aboitiz	482 197,426	Php4,820.00 (r) Php1,974,260.00 (b)	Filipino	0.00% 0.01%
Common	Ann Lilibeth M. Antiquina	505 1,609	Php5,050.00 (r) Php16,090.00 (b)	Filipino	0.00% 0.00%
Common	Theeex D. Agapito	- 276	- (r) Php2,760.00 (b)	Filipino	- 0.00%

Common	John Edrian M. Atendido	- 1,723	- Php17,230.00	(r) (b)	Filipino	- 0.00%
Common	Marco Paulo S. Dumaliang	- 35,000	- Php350,000.00	(r) (b)	Filipino	- 0.00%
Common	Maria Paz Angelica H. Alvarez	- 1,400	- Php14,000.00	(r) (b)	Filipino	- 0.00%
Common	Xavier Dominic D. Arroyo	- 77	- Php770.00	(r) (b)	Filipino	- 0.00%
Common	Ma. Rosario Kristine A. De La Torre	- 20	- Php200.00	(r) (b)	Filipino	- 0.00%
Common	Jerome T. Guarin	- 63	- Php630.00	(r) (b)	Filipino	- 0.00%
Common	Robert Marco S. Ibarra	- 3,800	- Php38,000.00	(r) (b)	Filipino	- 0.00%
Common	Agnes Victoria D. Casal	46,416 1,000	Php464,160.00 Php10,000.00	(r) (b)	Filipino	0.00% 0.00%

The aggregate number of shares owned of record by the Chief Executive Officer, key officers, and directors as a group as of February 28, 2026 is 65,237,556 shares equivalent to Php652,375,560.00 at Php10.00/share which is approximately 1.91% of the Bank's outstanding capital stock.

"r" represents record ownership.

"b" represents beneficial ownership at par value of Php10.00/share.

3. There is no existing voting trust agreement involving shares of the Bank.

4. There was no change in control that occurred in the Bank since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers

A. Directors and Nominees:

The following are the names of the nominee for directors of UnionBank who have been pre-screened and certified qualified by the Corporate Governance Committee of the Board pursuant to SRC Rule No. 38, the BSP's Manual of Regulations for Banks, SEC Code of Corporate Governance and the Bank's Manual on Good Corporate Governance, at the meeting held on February 5, 2026, by the following Corporate Governance Committee Members:

1. Peter B. Favila, *Chairman/Independent Director*
2. Justo A. Ortiz
3. Sabin M. Aboitiz
4. Nina Perpetua D. Aguas
5. Robert Joseph M. De Claro
6. Roberto G. Manabat, *Lead Independent Director*
7. Manuel D. Escueta, *Independent Director*
8. Josiah L. Go, *Independent Director*
9. Honorio G. Poblador IV, *Independent Director*

NOMINEES	AGE	CITIZENSHIP	POSITION	Period during which individual has served as such
Erramon I. Aboitiz	69	Filipino	Chairman Director	May 22, 2020 to present July 23, 1993 to present October 11, 1988 to April 23, 1993
Justo A. Ortiz	68	Filipino	Vice Chairman Chairman Chairman & CEO	May 22, 2020 to present January 1, 2018 to May 22, 2020 July 23, 1993 to December 31, 2017
Ana Maria A. Delgado	45	Filipino	Director President & CEO	April 23, 2021 to present January 1, 2025 to present
Sabin M. Aboitiz	61	Filipino	Director	May 24, 2013 to present
Samel A. Aboitiz	34	Filipino	Director	April 22, 2022 to present
Iker M. Aboitiz	53	Filipino	Director	April 25, 2025 to present

Jose Emmanuel U. Hilado	62	Filipino	Director	April 28, 2023 to present
Nina Perpetua D. Aguas	73	Filipino	Director	January 4, 2016 to present
Robert Joseph M. De Claro	54	Filipino	Director	January 27, 2023 to present
Victor Alfonso A. Limlingan	49	Filipino	Director	February 28, 2025 to present
INDEPENDENT DIRECTORS				
Roberto G. Manabat	79	Filipino	Lead Independent Director	July 23, 2021 to present
			Independent Director	May 25, 2018 to present
Manuel D. Escueta	75	Filipino	Independent Director	April 23, 2021 to present
Josiah L. Go	63	Filipino	Independent Director	April 23, 2021 to present
Honorio G. Poblador IV	56	Filipino	Independent Director	April 28, 2023 to present
Peter B. Favila	77	Filipino	Independent Director	July 3, 2025 to present

The nominees for Independent Directors, namely, Roberto G. Manabat, Manuel D. Escueta, Josiah L. Go, Honorio G. Poblador IV, and Peter B. Favila possess the qualifications and none of the disqualifications of an independent director. They have complied with all the requirements of the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC), and the Bank's Manual on Good Corporate Governance for their respective positions. Messrs. Manabat, Escueta, and Go were nominated by stockholders, Edzel S. Babas, Alfredo Arradaza III, and Ben P. Sy Chu, respectively. Mr. Poblador and Mr. Favila were nominated by stockholders, Myrna E. Amahan and Jonathan Jerald A. Deomano, respectively. The nominators are not related to the nominees for independent directors.

The above-named nominees are eligible for election as Independent Directors at the forthcoming Annual Stockholders' Meeting on April 24, 2026. Their Certifications of Independent Director, in accordance with SEC Memorandum Circular No. 5, Series of 2017, are attached as **Annexes "A", "A-1", "A-2", "A-3" and "A-4"**.

BUSINESS EXPERIENCE:

The following is a brief description of the business experience of each of the directors/nominees of the Bank:

Erramon I. Aboitiz serves as Chairman of the Board of UnionBank. He is also the Chairman of Board of Directors of Aboitiz & Company, Inc. and Endeavor Philippines. Mr. Aboitiz sits as Director of Aboitiz Equity Ventures, Inc.* and Aboitiz Power Corporation* and serves as Chairman of the Board of Trustees of the Asian Institute of Management. **Publicly listed company*

Mr. Aboitiz was awarded the Management Association of the Philippines' Management Man of the Year and Ernst & Young's Entrepreneur of the Year both in 2011.

Mr. Aboitiz earned a Bachelor of Science degree in Business Administration, Major in Accounting and Finance, from Gonzaga University in Spokane, Washington, U.S.A. He was also conferred an Honorary Doctorate Degree in Management by the Asian Institute of Management. He is not connected with any government agency or instrumentality.

Committee Memberships:

Chairman	- Executive Committee
Vice Chairman	- Non-Executive Board
Alternate Member	- Corporate Governance Committee

Justo A. Ortiz serves as Vice Chairman of the Board of UnionBank. He holds the position of Director in the following entities: UBX Philippines Corporation, Aboitiz Foods Holdings, Inc., Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, Concepcion Industrial Corporation*, Philippine Payments Management, Inc., and Distributed Ledger Technology Association of the Philippines, Inc. He also serves as a Member of the Board of Trustees of The Insular Life Assurance Co., Ltd. **Publicly listed company*

Mr. Ortiz was the Chief Executive Officer of UnionBank from 1993 to 2017. Prior to his stint in the Bank, he was Managing Partner for Global Finance and Country Executive for Investment Banking at Citibank, N.A.

Mr. Ortiz became a member of the Claustro de Profesores of the University of Santo Tomas (UST) as he was conferred a Doctor of Humanities degree, Honoris Causa on December 11, 2015. He was inducted as Honorary Fellow of Institute of Corporate Directors (ICD) on August 12, 2022. Other recognition bestowed to him were Asian Banker Lifetime Award and Philippine Blockchain Leader of the Year 2022. He graduated Magna Cum Laude with a degree in the Economics Honors Program from Ateneo de Manila University.

Committee Memberships:

Chairman	- Information Technology and Cybersecurity Committee
Member	- Non-Executive Board, Executive Committee, Risk Management Committee, Market Risk Committee, Operational Risk Management Committee, Corporate Governance Committee

Ana Maria Aboitiz Delgado is the President, Chief Executive Officer, and a Director of Union Bank of the Philippines. She also serves as Chairman of City Savings Bank, Inc., and as Director of the following companies: UnionDigital Bank, Inc., Aboitiz Equity Ventures, Inc.*, UBP Investments Corporation, the Bankers Association of the Philippines, and BancNet, Inc. **Publicly listed company*

Before assuming her current role, Ms. Delgado was the Bank's Senior Executive Vice President and Head of Institutional Banking, where she championed innovation and growth across the enterprise. Her journey at UnionBank began as a Product Manager in the Retail Banking Center, evolving through key leadership roles in Institutional Banking, Customer Experience, SME Lending, and Consumer Finance.

Prior to joining UnionBank, she was with Citibank, N.A. as an Assistant Vice President for Product Management.

Ms. Delgado holds a Bachelor of Arts in Art History and Painting from Boston College and a Master's Degree in Business Administration from the NYU Stern School of Business.

Known for her visionary leadership and deep passion for innovation, Ms. Delgado believes that modern banking must go beyond transactions—it must transform lives. She is committed to enhancing customer experiences by designing transformative products and solutions that improve people's lives.

Committee Memberships:

Member	- Executive Committee, Information Technology and Cybersecurity Committee
Alternate Member	- Market Risk Committee

Sabin M. Aboitiz serves as Director of UnionBank. He is Director, President and Chief Executive Officer of Aboitiz Equity Ventures, Inc.* (AEV), and Chairman of the Board of Aboitiz Power Corporation*. Mr. Aboitiz is also the President of AEV Aviation, Inc., and AEV-CRH Holdings, Inc., both of which are wholly-owned subsidiaries of AEV. **Publicly listed company*

He is the Chairman of Aboitiz Foundation, Inc., Aboitiz Land, Inc.; Director of Aboitiz & Company, Inc., Aboitiz InfraCapital, Inc., City Savings Bank, Inc., UnionDigital Bank, Inc., Republic Cement and Building Materials, CRH Aboitiz Holdings, Inc., Aboitiz Construction International, Inc., Aboitiz Construction, Inc., Republic Cement Services, Inc., Unity Digital Infrastructure Inc., AEV International Pte. Ltd., Pilmico Animal Nutrition Corporation, Pilmico Foods Corporation, Aboitiz Data Innovation Pte. Ltd., Aboitiz Foods, Inc., Lima Land, Inc., AEV Aviation, Inc., Aboitiz Foods Holdings, Inc., and CCEP Aboitiz Beverages Philippines, Inc.

He spent much of his professional life with Aboitiz Transport, Inc.; his last position was as President and Chief Executive Officer of one of its subsidiaries, Aboitiz One, Inc. (owner of the 2GO brand) now called 2GO Group, Inc. He graduated from Gonzaga University in the USA with a B.S. Business Administration Degree, majoring in Finance.

Committee Memberships:

Member	- Non-Executive Board, Executive Committee, Corporate Governance Committee
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Alternate Member - Operational Risk Management Committee

Samel A. Aboitiz serves as Director of UnionBank. He is First Vice President for Finance, Accounting and Risk of Aboitiz Equity Ventures, Inc.* (AEV). He is also concurrently Treasurer and Controller of Aboitiz & Company (ACO). He is a member of the Board of Advisors of ACO, and the Board of Directors of Aboitiz Renewables Inc., San Fernando Light & Power Co., and UnionDigital Bank, Inc. He served as Assistant Vice President and Controller for Coal Business Unit of Aboitiz Power Corporation* from January 2019 to July 2021; Deputy Head of Operations of PETNET, Inc. from July 2018 to December 2018; and Corporate Finance Manager of AEV from September 2016 to July 2018. Prior to joining the Aboitiz Group, he was Investment Banking Analyst for CLSA Exchange Capital, and with Castleton Commodities International as Freight Analyst. Mr. Aboitiz earned his Bachelor of Arts, major in Economics and minor in Philosophy degree from the University of Virginia, Charlottesville, USA. **Publicly listed company*

Committee Memberships:

Member - Non-Executive Board, Risk Management Committee, Audit Committee
Operational Risk Management Committee
Alternate Member - Executive Committee, Market Risk Committee

Iker M. Aboitiz serves as Director of UnionBank. He is currently a Director of Aboitiz Land, Inc. and Aboitiz InfraCapital, Inc. He also sits as Chairman of the Risk and Audit Committee of Aboitiz InfraCapital, Inc., and a member of its Cyber Security Committee. He also serves as Treasurer of Mendal Realty Management and Development Corporation. He has held various roles with the Aboitiz Group as follows:

First Vice President - Finance of Aboitiz Equity Ventures, Inc.* and First Vice President - Chief Financial Officer and Corporate Information Officer of Aboitiz Power Corporation*; Director and Chief Financial Officer of Aboitiz Holdings, Inc.; Director and Chief Financial Officer and Treasurer of Hijos de F. Escaño; Director of Cotabato Light and Power & Power Company, Therma Power, Inc., Aboitiz Renewables, Inc., Cebu Private Power Corporation, East Asia Utilities Corporation, AEV Aviation, Inc; Treasurer of Mactan Enerzone Corporation and Subic Enerzone Corporation. **Publicly listed company*

Mr. Aboitiz began his career with Aboitiz & Company, Inc. in 1994 as Analyst - Corporate Planning Department and has held various positions in the company. He also served as Treasurer of Davao Light & Power Company, Inc. and Cotabato Light & Power Company from 1998 to 1999. He was previously Adviser to the Board of Directors of City Savings Bank from 1998 to 1999. Mr. Aboitiz was also Executive Assistant to the Chairman & CEO of UnionBank and Member of the Asset and Liability Committee (ALCO) from 1999 to 2000. He served as Analyst - Corporate Finance Group of Credit Lyonnais SA Exchange Capital Corp. from 2000 to 2003 and Chief Finance Officer of Aboitiz Construction Group Inc. from 2003 to 2007. He worked for FBMA Marine Inc. in several positions including Chief Finance Officer, and Member of the Board of Directors and Executive Committee from 2003 to 2007.

He graduated cum laude from Boston College, Newton, Massachusetts with a degree in Bachelor of Science in Business Management, Major in Finance.

Committee Memberships:

Member - Non-Executive Board
Alternate Member - Executive Committee, Risk Management Committee

Jose Emmanuel U. Hilado serves as Director of UnionBank and its subsidiaries, UnionDigital Bank Inc., and UBX Philippines Corporation. He currently serves as Senior Vice President - Chief Financial Officer, Corporate Information Officer, and Chief Risk Officer at Aboitiz Equity Ventures* (AEV) and holds directorships in various entities under the Aboitiz Group including Aboitiz Foundation, Inc., AEV CRH Holdings, Inc., AEV International Pte. Ltd., Aboitiz Data Innovation Pte. Ltd., Aboitiz Renewables, Inc., AEV Aviation Inc., and CCEP Aboitiz Beverages Philippines, Inc., amongst others. With over 30 years of banking experience, he has held various positions in treasury, trading, investments, correspondent banking, bank operations, human resources, and purchasing. **Publicly listed company*

Mr. Hilado joined UnionBank in July 2017 as Senior Executive Vice President, Treasurer, and Head of Global Markets. He later became its Senior Executive Vice President and Chief Financial Officer, a position he held until December 2022.

His previous roles with publicly listed companies include Senior Executive Vice President and Chief Operating Officer at East West Banking Corporation*, Treasurer at Rizal Commercial Banking

Corporation*, and Chief Trader at BDO Unibank, Inc.* He is also a current member of the Financial Executives Institute of the Philippines.

He earned his bachelor's degree in Business Economics from the University of the Philippines and completed his MBA at Kellogg-Hong Kong University of Science and Technology. Additionally, he is a Certified Treasury Professional, a qualification he obtained from the BAP-Ateneo Graduate School.

Committee Memberships:

- | | | |
|------------------|---|---|
| Member | - | Non-Executive Board, Executive Committee, Market Risk Committee, Information Technology and Cybersecurity Committee |
| Alternate Member | - | Risk Management Committee |

Nina Perpetua D. Aguas serves as Director of UnionBank. She is currently the Executive Chairperson of the Board of Trustees of The Insular Life Assurance Company, Ltd. (InLife); Director of Insular Health Care Inc.; Chairperson of InLife Benefits Insurance Company, Inc.; and Chairperson and President of the Insular Foundation, Inc. She sits as Non-Executive Director of Shell Pilipinas Corporation*, and as Independent Director of Monde Nissin Corporation*. She also sits in the Governing Council of the Philippine Business Coalition for Women Empowerment (PBCWE). She is a Trustee of Nextgen Organization of Women Corporate Directors (NOWCD) Philippines and a member of its global community network Women Corporate Directors (WCD). She was also a member of the Board of Directors and Chairperson of Bank of Florida (A Rural Bank) and has served as a member of the World Bank Group's Advisory Council on Gender and Development. **Publicly listed company*

She was the President and Chief Executive Officer of Philippine Bank of Communications, from August 2012 to March 2015. Prior to this, she was the Managing Director for Private Banking, Asia-Pacific at ANZ Banking Group Ltd., Singapore. She also held various positions with Citigroup Inc. - Managing Director for Corporate Compliance, New York; Country Business Manager, Global Consumer Group, Philippines; Head of Sales & Distribution, Global Consumer Group, Philippines; and Regional Audit Director, Citigroup, Asia-Pacific.

Committee Memberships:

- | | | |
|--------|---|--|
| Member | - | Non-Executive Board, Executive Committee, Audit Committee, Market Risk Committee, Corporate Governance Committee |
|--------|---|--|

Robert Joseph M. De Claro serves as Director of UnionBank. He was appointed as President and Chief Executive Officer of the Social Security System (SSS) on December 6, 2024. He also serves as Vice Chairperson of the Social Security Commission (SSC), the governing body of the SSS. Prior to becoming President and Chief Executive Officer of the SSS, he was appointed as SSS Officer-in-Charge (OIC) on October 11, 2024. He was a member of the SSC representing the Employers sector since January 11, 2023. In the SSC, he is a member of the Committees on Investments, Risk Management and Actuary, Contribution and Collection, and Corporate Governance. He is a member of the Governing Board of the Employees' Compensation Commission, the Board of Trustees of Overseas Workers Welfare Administration, and the National Disaster Risk Reduction and Management Council. He sits as Chairperson of the SSS Employees' Provident Fund. He represents the SSS in the Boards of City Savings Bank, Inc., UnionDigital Bank, Inc., and PLDT Inc.* **Publicly listed company*

With a background in creating and spearheading startup and operating entities for over 33 years, Mr. De Claro is a business leader seasoned over decades of professional experience and equipped with necessary knowledge to achieve corporate goals. He has been able to deliver double-digit gains in revenue through strategic growth strategies and with expertise in identifying opportunities, coupled with exceptional customer relationship management skills. He held various roles in companies such as President and CEO for People4u, Inc.; Operating Partner for FutureNow Business Services, Inc.; President and General Manager for JMango Philippines, Inc.; and General Manager, APAC for GlobalOne Solutions, Inc. and Cloud Sherpas.

Mr. De Claro holds a Bachelor of Science in Computer Science with specialization in Information Technology from De La Salle University.

Committee Memberships:

- | | | |
|--------|---|--|
| Member | - | Non-Executive Board, Executive Committee, Corporate Governance Committee |
|--------|---|--|

Alternate Member - Risk Management Committee, Market Risk Committee, Operational Risk Management Committee, Information Technology and Cybersecurity Committee

Victor Alfonso A. Limlingan serves as Director of UnionBank. He was appointed as a Social Security Commission (SSC) Commissioner, representing Employer's group on November 19, 2024, and took his oath on November 25, 2024. In January 2025, he was designated as Chairperson of the SSS Risk Management and Actuary Committee, and a member of the SSS Investment Committee, Contribution and Collection Committee, and Corporate Governance Committee. He currently serves as the chairman of the SSS Investment Oversight Committee and a member of the Risk Management and Actuary Oversight Committee.

Concurrently, Mr. Limlingan serves as the Managing Director at Regina Capital Development Corporation, a leading local institutional stock brokerage in the Philippines. He is an entrepreneur with investments in Information Technology, Renewable Energy and Real Estate industries. He was a member of the Board of Directors of the Development Bank of the Philippines in 2024.

Prior to this, he was Senior Vice President of Small Business Corporation; and Managing Director of Argyle Street Management Limited (Hongkong). He has held positions at Cerberus/ GMAC LLC (New York and Detroit Offices), and Sun Life Asset Management Co., (Manila). He also served in the National Economic Development Authority as Technical Consultant under the Office of the Secretary as well as Consultant to Office of the Chairman in Banco Filipino. Mr. Limlingan started his career as Private Equity Analyst at Clemente Capital Consultants.

Mr. Limlingan holds an MBA from the Kellogg School of Management and obtained his undergraduate degree in Interdisciplinary Studies Major in History and Humanities from the Ateneo De Manila University. He obtained his Chartered Financial Analyst designation in 2001. He is a member of the Financial Executives Institute, Rotary Club of Makati Central, and the Foundation for Economic Freedom.

Committee Memberships:

Member - Non-Executive Board, Risk Management Committee, Audit Committee, Market Risk Committee, Operational Risk Management Committee, Information Technology and Cybersecurity Committee

Alternate Member - Executive Committee, Corporate Governance Committee

Roberto G. Manabat serves as Lead Independent Director of UnionBank. He is also an Independent Director of the following companies: City Savings Bank, Inc.; UnionDigital Bank Inc.; UnionBank Financial Services and Insurance Brokerage Philippines, Inc.; Goldilocks Bakeshop, Inc.; Pluxee Philippines, Inc.; National Reinsurance Corporation*; and EEI Corporation*. He is a Certified Public Accountant. Mr. Manabat is a Board Adviser on Internal Audits of SM Investments Corporation and its subsidiaries/affiliates. He sits as Director of PA Properties and Development Corp. and Canelle Food Corporation, and as Chairman of KPMG R.G. Manabat Foundation. * *Publicly listed company*

As the first General Accountant of the Securities and Exchange Commission (SEC) from 2003-2005, he set up the mechanism for effective financial reviews of the financial reports submitted by listed and other public companies regulated by the SEC. His past experience involves: Chairman and Chief Executive Officer of KPMG R.G. Manabat & Co.; a member of the Global Council of KPMG International; a member of the Asia-Pacific Board of KPMG International; Chairman of Auditing & Assurance Standards Council; Consultant of the SEC; and Partner of SyCip Gorres Velayo & Co., among others. Mr. Manabat has an esteemed track record of more than 40 years in the field of accountancy and has been a prominent advisor to many corporate and government agencies on good governance principles and practices.

In 2018, he received The Outstanding Professional Award in the Field of Accountancy given by the Professional Regulation Commission. In 2019, he was honored by The Federation of Asian Institute of Management Alumni Associations, Inc. (FAIM) with an AIM Alumni Achievement (Triple A) Award, the most prestigious recognition given to AIM graduates. In 2023, Mr. Manabat was the recipient of the Top 100 Notable CPAs Centenary Award granted by the Professional Regulatory Board of Accountancy during the Centennial Celebration of the Accountancy profession.

Mr. Manabat graduated from the University of the East with a degree in Business Administration. He obtained his Master's degree in Business Management from the Asian Institute of Management.

Committee Memberships:

Chairman	- Non-Executive Board, Audit Committee
Member	- Risk Management Committee, Market Risk Committee, Operational Risk Management Committee, Corporate Governance Committee, Related Party Transactions Committee

Manuel D. Escueta serves as Independent Director of UnionBank. He is also an Independent Director of the following companies: City Savings Bank, Inc., UnionBank Financial Services and Insurance Brokerage Philippines, Inc., Pascual Laboratories, Inc., and Mega Prime Foods, Inc.

Mr. Escueta sits as Vice Chairman of the Board of Trustees and Advisory Council of Educhild Foundation, Philippines; and Vice Chairman of the Board of Trustees of PAREF Southridge School for Boys. He served as Independent Director of Vitarich Corporation* from 2014 to mid-2022. He was the President of Educhild Foundation Philippines from 2004 to 2019, and the President and CEO of Pascual Laboratories, Inc. from 2009-2012. He also served as the Chairman of the Board of Directors and Business Head of Pascual Consumer Health Corporation, Inc. and Pascual Consumer Health Division, respectively. He was the Vice President for Corporate Marketing and Communications of United Laboratories, Inc. from September 2001 to March 2004. He also worked as General Advertising Manager for Procter & Gamble Asia. *Publicly listed company

Mr. Escueta is a graduate of University of the Philippines in Diliman, Quezon City, with a degree in Business Administration, Majoring in Marketing.

Committee Memberships:

Chairman	- Risk Management Committee
Member	- Non-Executive Board, Audit Committee, Market Risk Committee, Operational Risk Management Committee, Corporate Governance Committee, Related Party Transactions Committee

Josiah L. Go serves as Independent Director of UnionBank. He is Chairman and Chief Innovation Strategist of Mansmith and Fielders, Inc., the first private company to be honored with the Agora Award for Nation Building. Mansmith also won the Innovation Excellence Award from the ASEAN Business Awards. Mr. Go is Founder and Chairman of Waters Philippines, the market leader in the direct selling of premium home water purifiers in the Philippines. His leadership roles include serving as National President of the Philippine Marketing Association in 1991, Chairman of the Direct Selling Association of the Philippines in 2002, and National President of the Association of Marketing Educators from 2004-2005. He is Director of the following companies: Gosingtian Ventures, Inc., Noah Ventures, Inc., Day 8 Business Academy Foundation, and Josiah and Carolina Go Foundation, Inc. He also sits as President of LifeLifters Transportation Inc.

Mr. Go is widely regarded as one of the Philippines' foremost marketing gurus, and is the most awarded marketing educator in the country, with 20 bestselling and record-breaking books on marketing and entrepreneurship. He has received numerous accolades, including multiple Agora Awards in 1994 and 2025, recognition as one of the Ten Outstanding Young Men (TOYM) of the Philippines in 2001, and as one of the Ten Outstanding Young Persons (TOYP) of the World in 2002. He was one of only two Lifetime Achievement Awardees from the Association of Marketing Educators in 2007, being the youngest educator to receive this distinction. Additionally, he earned the Brand Leadership Award at the World Brand Congress in India in 2009 and was listed in the 10th edition of the International Who's Who of Intellectuals (England).

Mr. Go is qualified in Blue Ocean Strategy from the Blue Ocean Strategy Institute at INSEAD, France. He has taught at De La Salle and Ateneo Universities and holds an Executive Scholar designation from Kellogg Business School (in Marketing and Sales Management) as well as from MIT Sloan (in Strategy and Innovation). He has also completed advanced programs at Harvard, Wharton, and London Business School. Specializing in the intersection of marketing and innovation, he focuses on data-driven entrepreneurship and teaches advanced marketing courses. Over the years, he has conducted over 1,000 seminars and talks on marketing, both in the Philippines and internationally, covering a range of industries and contexts.

Mr. Go holds a degree in Management from De La Salle University and took his Master of Arts in Religious Studies from Maryhill School of Theology.

Committee Memberships:

- | | |
|----------|--|
| Chairman | - Operational Risk Management Committee |
| Member | - Non-Executive Board, Risk Management Committee, Audit Committee, Market Risk Committee, Corporate Governance Committee, Related Party Transactions Committee |

Honorio G. Poblador IV serves as Independent Director of UnionBank. He is a Founder and Managing Partner of The Navegar Fund. He also serves as Independent Director for ABS-CBN Corporation* and UnionDigital Bank, Inc. He is a Non-Executive Director of Bo's Coffee and Asia Digital Holdings; and a member of the Board of Trustees of Ateneo Scholarship Foundation. Mr. Poblador has over two decades of investment banking and private equity experience having worked with Credit Suisse First Boston, Morgan Stanley, Iron Capital Management, and Rothschild. **Publicly listed company*

Mr. Poblador holds a Bachelor's degree in Management Economics from the Ateneo de Manila University and earned his Master's Degree in Business Administration from Columbia University.

Committee Memberships:

- | | |
|----------|--|
| Chairman | - Market Risk Committee |
| Member | - Non-Executive Board, Risk Management Committee, Corporate Governance Committee, Information Technology and Cybersecurity Committee, Related Party Transactions Committee |

Peter B. Favila serves as Independent Director of UnionBank. He is a distinguished executive with extensive leadership experience in banking, trade, treasury, and public policy. He has served as Secretary of Trade and Industry (2005–2010) and as a Monetary Board Member of the Bangko Sentral ng Pilipinas (2008-2014 and 2017–2023), contributing significantly to national economic development and international trade relations.

He presently serves in distinct leadership and advisory capacities within the financial and public sectors. He is currently an Independent Director at the Philippine Stock Exchange* (PSE), Securities Clearing Corporation of the Philippines, GT Capital Holdings Inc.*, Credit Information Bureau Inc., Sunlife Grepa Financial Inc., Malayan Insurance, Philippine Dealing System Holdings Corp., Bright Kindle Resources & Investments, Inc.*, and PetroEnergy Resources Corp. In the private sector, Mr. Favila held top executive roles including Chairman of PSE; President and CEO of Philippine National Bank*; President of Allied Banking Corporation; and President of Security Bank Corporation*. **Publicly listed company*

Mr. Favila holds a Bachelor of Science in Commerce, major in Banking and Finance, from the University of Santo Tomas (UST). He further enhanced his executive and leadership capabilities by completing the Advanced Management Program at the Wharton School of the University of Pennsylvania.

Committee Memberships:

- | | |
|----------|--|
| Chairman | - Corporate Governance Committee, Related Party Transactions Committee |
| Member | - Non-Executive Board, Audit Committee, Market Risk Committee, Operational Risk Management Committee |

B. Attendance of the Board of Directors in Board Meetings

The Board of Directors held a total of fifteen (15) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Erramon I. Aboitiz, Chairman	15	15	100%
Justo A. Ortiz	15	15	100%
Ana Maria A. Delgado	15	15	100%
Sabin M. Aboitiz	13	15	86.67%
Samel A. Aboitiz	15	15	100%
Jose Emmanuel U. Hilado	15	15	100%
Nina Perpetua D. Aguas	15	15	100%
Robert Joseph M. De Claro	14	15	93.33%
Roberto G. Manabat	15	15	100%
Manuel D. Escueta	15	15	100%

Josiah L. Go	15	15	100%
Honorio G. Poblador IV	14	15	93.33%
Francisco Ed. Lim ¹	6	6	100%
Edwin R. Baustista ²	2	2	100%
Santiago Dionisio R. Agdeppa ³	1	1	100%
Victor Alfonso A. Limlingan ⁴	14	14	100%
Iker M. Aboitiz ⁵	10	11	90.91%
Peter B. Favila ⁶	8	8	100%

¹ Resigned on June 9, 2025

² Resigned on March 26, 2025

³ Resigned on February 1, 2025

⁴ Elected on February 28, 2025

⁵ Elected on April 25, 2025

⁶ Elected on June 27, 2025, effective July 3, 2025

B.1. Attendance of the Board of Directors in Non-Executive Board Meeting

There were two (2) Non-Executive Directors' Board meetings held on March 28, 2025 and November 28, 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Roberto G. Manabat, Chairman	2	2	100%
Erramon I. Aboitiz	2	2	100%
Justo A. Ortiz	2	2	100%
Sabin M. Aboitiz	2	2	100%
Samel A. Aboitiz	2	2	100%
Nina Perpetua D. Aguas	2	2	100%
Jose Emmanuel U. Hilado	2	2	100%
Robert Joseph M. De Claro	2	2	100%
Victor Alfonso A. Limlingan ¹	2	2	100%
Manuel D. Escueta	2	2	100%
Josiah L. Go	2	2	100%
Francisco Ed. Lim ²	1	1	100%
Honorio G. Poblador IV	2	2	100%
Iker M. Aboitiz ³	1	1	100%
Peter B. Favila ⁴	1	1	100%

¹ Elected on February 28, 2025

² Resigned on June 9, 2025

³ Elected on April 25, 2025

⁴ Elected on June 27, 2025, effective July 3, 2025

B.2. Attendance of the Board of Directors in Board Committee Meetings

a. Audit Committee

The Audit Committee held a total of fourteen (14) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Roberto G. Manabat, Chairman	14	14	100%
Samel A. Aboitiz	14	14	100%
Nina Perpetua D. Aguas	14	14	100%
Francisco Ed. Lim ¹	7	7	100%
Manuel D. Escueta	13	14	92.86%
Josiah L. Go	14	14	100%
Santiago Dionisio R. Agdeppa ²	1	2	50%
Victor Alfonso A. Limlingan ³	8	10	80%
Peter B. Favila ⁴	6	6	100%

¹ Resigned on June 9, 2025

² Resigned on February 1, 2025

³ Elected on February 28, 2025

⁴ Appointed on June 27, 2025, effective July 3, 2025

b. Corporate Governance Committee

The Corporate Governance Committee held a total of eighteen (18) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Peter B. Favila ¹ , Chairman	8	8	100%
Justo A. Ortiz	18	18	100%
Erramon I. Aboitiz ²	7	7	100%
Nina Perpetua D. Aguas	18	18	100%
Roberto G. Manabat	18	18	100%
Honorio G. Poblador IV	18	18	100%
Manuel D. Escueta	18	18	100%
Josiah L. Go	18	18	100%
Robert Joseph M. De Claro	11	18	61.11%
Sabin M. Aboitiz ³	11	11	100%
Francisco Ed. Lim ⁴	9	9	100%

¹Appointed on June 27, 2025, effective July 3, 2025

²Regular Member until April 25, 2025

³Regular Member effective April 25, 2025

⁴Resigned on June 9, 2025

c. Executive Committee

The Executive Committee held a total of nineteen (19) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Erramon I. Aboitiz, Chairman	18	19	94.74%
Justo A. Ortiz	19	19	100%
Sabin M. Aboitiz	18	19	94.74%
Jose Emmanuel U. Hilado	18	19	94.74%
Nina Perpetua D. Aguas	19	19	100%
Robert Joseph M. De Claro ¹	13	19	68.42%
Edwin R. Bautista ²	2	2	100%
Ana Maria A. Delgado ³	16	17	94.12%

¹Appointed on December 2, 2024

²Member until January 31, 2025; resigned on March 26, 2025

³Appointed on January 31, 2025

d. Market Risk Committee

The Market Risk Committee held a total of twelve (12) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Honorio G. Poblador IV, Chairman	12	12	100%
Josiah L. Go	12	12	100%
Erramon I. Aboitiz ¹	4	4	100%
Justo A. Ortiz	12	12	100%
Nina Perpetua D. Aguas	12	12	100%
Francisco Ed. Lim ²	6	6	100%
Roberto G. Manabat	12	12	100%
Manuel D. Escueta	12	12	100%
Santiago Dionisio R. Agdeppa ³	0	1	0.00%
Victor Alfonso A. Limlingan ⁴	9	10	90%
Jose Emmanuel U. Hilado ⁵	7	8	87.50%
Peter B. Favila ⁶	6	6	100%

¹Regular Member until April 25, 2025

²Resigned on June 9, 2025

³Resigned on February 1, 2025

⁴Appointed on February 28, 2025

⁵Appointed on April 25, 2025

⁶Appointed on June 27, 2025, effective July 3, 2025

e. Operational Risk Management Committee

The Operational Risk Management Committee held a total of twelve (12) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Josiah L. Go, Chairman	12	12	100%
Justo A. Ortiz	12	12	100%
Samel A. Aboitiz	12	12	100%
Francisco Ed. Lim ¹	5	5	100%
Manuel D. Escueta	12	12	100%
Roberto G. Manabat	12	12	100%
Robert Joseph M. De Claro	7	12	58.33%
Peter B. Favila ²	6	6	100%

¹ Resigned on June 9, 2025

² Appointed on June 27, 2025, effective July 3, 2025

f. Related Party Transactions Committee

The Related Party Transactions Committee held a total of fifteen (15) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Peter B. Favila, Chairman ¹	7	7	100%
Roberto G. Manabat	15	15	100%
Manuel D. Escueta	15	15	100%
Josiah L. Go	15	15	100%
Honorio G. Poblador IV	13	15	86.67%
Francisco Ed. Lim, Chairman ²	7	7	100%

¹ Appointed on June 27, 2025, effective July 3, 2025

² Resigned on June 9, 2025

g. Risk Management Committee

The Risk Management Committee held a total of twelve (12) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Manuel D. Escueta, Chairman	12	12	100%
Erramon I. Aboitiz ¹	4	4	100%
Justo A. Ortiz	12	12	100%
Roberto G. Manabat	12	12	100%
Josiah L. Go	12	12	100%
Honorio G. Poblador IV	12	12	100%
Santiago Dionisio R. Agdeppa ²	1	1	100%
Victor Alfonso A. Limlingan ³	10	10	100%
Samel A. Aboitiz ⁴	8	8	100%

¹ Regular Member until April 25, 2025

² Resigned on February 1, 2025

³ Appointed on February 28, 2025

⁴ Appointed on April 25, 2025

h. Information Technology and Cybersecurity Committee

The Information Technology & Cybersecurity Committee held a total of twelve (12) meetings from January to December 2025.

Member	Meetings Attended	Meetings Held	Percentage of Attendance
Justo A. Ortiz, Chairman	12	12	100%
Honorio G. Poblador IV	12	12	100%
Jose Emmanuel U. Hilado	10	12	83.33%
Dennis D. Omila, <i>Non-voting Member</i>	11	12	91.67%

Robert Joseph M. De Claro ¹	7	12	58.33%
Ana Maria A. Delgado ²	9	11	81.82%
Edwin R. Bautista ³	1	1	100%

¹ Appointed on December 2, 2024

² Appointed on January 31, 2025

³ Member until January 31, 2025; resigned on March 26, 2025

C. Executive Officers:

The Executive Officers of the Bank, and their respective age, citizenship, and position as of February 28, 2026, are as follows:

NAME	AGE	CITIZENSHIP	POSITION	Period during which individual has served as such
Ana Maria A. Delgado	45	Filipino	President & Chief Executive Officer Senior Executive Vice President - Institutional Banking Head and Chief Digital Channel Officer and Chief Customer Experience Officer Senior Executive Vice President - Chief Digital Channel Officer and Chief Customer Experience Officer Executive Vice President - Chief Digital Channel Officer and Chief Customer Experience Officer Senior Vice President - Center Head, Consumer Finance and Chief User Experience Officer	January 1, 2025 to present July 1, 2023 to December 31, 2024 June 1, 2022 to June 30, 2023 June 1, 2020 to May 31, 2022 October 23, 2018 to May 31, 2020
Manoj Varma	61	American	Senior Executive Vice President - Consumer Bank Group Head	August 1, 2022 to present
Therese G. Chan	52	Filipino	Executive Vice President - Wealth Client Relationships Head Executive Vice President - Wealth Management Head Wealth Brokerage Head	October 1, 2025 to present July 1, 2025 to September 30, 2025 August 1, 2022 to June 30, 2025
Manish Chawla	51	Indian	Executive Vice President - Chief Technology and Operations Officer Executive Vice President - Chief Information and Operations Officer Executive Vice President - Chief Operations Officer	June 28, 2024 to present July 28, 2023 to June 9, 2024 July 1, 2023 to July 27, 2023
Melina C. Concha	54	Filipino	Executive Vice President - Institutional Banking Head Executive Vice President -	February 2, 2026 to present January 1, 2026 to

			Institutional Banking Head and Corporate Banking Center Head	February 1, 2026
			Executive Vice President - Institutional Banking Head	June 2, 2025 to December 31, 2025
Antonio Sebastian T. Corro	53	Filipino	Executive Vice President - Chief Cross-Sell Officer and Chief External Relations Officer	July 1, 2025 to present
			Senior Vice President - Chief Cross Sell Officer and Chief External Relations Officer	April 1, 2025 to June 30, 2025
			Senior Vice President -Chief Cross Sell Officer	September 1, 2022 to March 31, 2025
			Senior Vice President - Consumer Finance Center Head	August 28, 2020 to August 31, 2022
			Senior Vice President - Head, Cards Business	August 1, 2018 to August 27, 2020
Atty. Isagani R. Cortes	58	Filipino	Executive Vice President - Chief Compliance and Corporate Governance Officer	January 1, 2025 to present
			Executive Vice President - Compliance and Corporate Governance Executive	November 4, 2024 to December 31, 2024
Albert Raymond C. Cuadrante	54	Filipino	Executive Vice President - Chief Marketing & Customer Experience Officer	July 1, 2025 to present
			Senior Vice President - Chief Marketing and Experience Officer	September 1, 2024 to June 30, 2025
			Senior Vice President - Chief Marketing Officer	August 16, 2021 to October 31, 2024
Ramon G. Duarte	61	Filipino	Executive Vice President - Senior Advisor - Special Projects	January 1, 2026 to present
			Executive Vice President - Transaction Banking Head and Platform Development Head	July 1, 2021 to December 31, 2025
			Senior Vice President - Transaction Banking Center Head and Platform Development Head	May 22, 2020 to June 30, 2021
			Senior Vice President - Head, Platform Development Group	June 23, 2006 to May 21, 2020
Concepcion Perla P. Lontoc	57	Filipino	Executive Vice President - Relationship Banking Center Head	July 1, 2025 to present

			Senior Vice President – Relationship Banking Head	January 1, 2025 to June 30, 2025
			Senior Vice President – Sales Director and Retail Banking Center Deputy Head	October 27, 2023 to December 31, 2024
			Senior Vice President – Sales Director	May 1, 2020 to October 26, 2023
			First Vice President – Sales Director	July 1, 2016 to April 30, 2020
Manuel R. Lozano	55	Filipino	Executive Vice President – Chief Financial Officer	January 1, 2023 to present
Dennis D. Omila	53	Filipino	Executive Vice President – Chief Transformation Officer	June 28, 2024 to present
			Executive Vice President – Chief Technology and Operations Officer	July 28, 2023 to June 9, 2024
			Executive Vice President – Chief Information Officer, and Head, IT Services Group and Operations and Shared Services Group	March 25, 2019 to July 27, 2023
			Executive Vice President – Chief Information Officer	August 1, 2018 to March 24, 2019
			Senior Vice President – Chief Information Officer	November 16, 2016 to July 31, 2018
Michaela Sophia E. Rubio	61	Filipino	Executive Vice President – Chief Human Resource Officer and Head of Corporate Social Responsibility	October 1, 2024 to present
			Executive Vice President – Chief Human Resource Officer and Head of CSR and Sustainability	August 1, 2019 to September 30, 2024
			Senior Vice President - HR Director	June 1, 2014 to July 31, 2019
			First Vice President and HR Director	June 1, 2012 to May 31, 2014
Raquel N. Sevidal	59	Filipino	Executive Vice President – Commercial Banking Center Head	July 1, 2025 to present
			Senior Vice President – Commercial Banking Head	January 1, 2025 to June 30, 2025
			Senior Vice President – Deputy Commercial Banking Head	September 1, 2024 to December 31, 2024
			Senior Vice President – Chief Wholesale Credit Officer	July 1, 2022 to August 31, 2024

Johnson L. Sia	58	Filipino	Executive Vice President – Treasurer and Global Markets Head	October 1, 2022 to present
Gaurav Srivastava	45	Indian	Executive Vice President – Wealth Management Business Head	December 16, 2025 to present
Mukul Sukhani	57	Indian	Executive Vice President – Cards and Consumer Loans Head	March 5, 2024 to present
Erwin Wiriadi	53	Indonesian	Executive Vice President – Chief Risk Officer and Enterprise Risk Management Head Chief Risk Officer Acting Chief Risk Officer Credit Portfolio Senior Group Manager	July 1, 2025 to present December 16, 2022 to June 30, 2025 October 28, 2022 to December 15, 2022 August 1, 2022 to October 27, 2022
Raymond Anthony B. Acosta	49	Filipino	Senior Vice President – Infrastructure and Service Management Head First Vice President – Head, Infrastructure and Service Management/ Digital Integration Committee Vice President – Senior Team Manager – Technical Support Database Admin	June 1, 2022 to present July 1, 2019 to May 31, 2022 July 1, 2016 to June 30, 2019
Jonnaluz B. Arañas	45	Filipino	Senior Vice President – Digital Acquisition and Partnerships Head Senior Vice President - Telesales Group Manager -	July 1, 2025 to present August 1, 2022 to June 30, 2025
Donald A. Asuncion	57	Filipino	Senior Vice President – Corporate Banking Group Head Vice President – Senior Relationship Manager	June 1, 2021 to present August 15, 2016 to May 31, 2021
Atty. Joselito V. Banaag	55	Filipino	Senior Vice President – General Counsel and Corporate Secretary	November 16, 2015 to present
Conrad Anthony Dominic L. Banal	42	Filipino	Senior Vice President – Global Markets Trading Head First Vice President – Head of Markets	July 1, 2023 to present March 1, 2018 to June 30, 2023
Konstantin O. Beloglazov	43	Russian	Senior Vice President – Portfolio Lending Head	November 3, 2022 to present
Ma. Cecilia Teresa S. Bernad	60	Filipino	Senior Vice President – Corporate Banking Group Head Senior Vice President – Corporate Banking Group Head	July 1, 2023 to present July 1, 2015 to June 30, 2023

Michael L. Chong	40	Filipino	Senior Vice President -Debt Capital Markets Head	August 15, 2023 to present
Carlo I. Eñanosa	50	Filipino	Senior Vice President - Corporate Planning and Strategy Group Head	July 23, 2025 to present
			Senior Vice President - Corporate Planning and Investor Relations Head	June 1, 2022 to July 22, 2025
			First Vice President - Corporate Planning Group Head	August 1, 2018 to May 31, 2022
			Vice President - Planning and Budget Head	July 1, 2016 to July 31, 2018
Norman C. Gabriel	46	Filipino	Senior Vice President - Chief Audit Executive	July 1, 2023 to present
			Senior Vice President - Deputy Chief Audit Executive	February 23, 2021 to June 30, 2023
			First Vice President - Deputy Head of Internal Audit	April 3, 2020 to February 22, 2021
Erika Denise D. Go	39	Filipino	Senior Vice President - Transaction Banking Center Head	January 1, 2026 to present
			Senior Vice President - Deputy Head for Transaction Banking	September 1, 2024 to December 31, 2025
			Senior Vice President - Corporate Product Management Head	July 1, 2024 to August 31, 2024
			Senior Vice President - Fintech Business Head	June 1, 2021 to June 30, 2024
			Vice President - Head, Sales and Relationship Management	July 1, 2019 to May 31, 2021
Simran Khanna	47	Indian	Senior Vice President - Consumer In-Business Risk Head	June 18, 2024 to present
Angelbert D. Macatangay	45	Filipino	Senior Vice President - Corporate Banking Group Head	July 1, 2017 to present
			Vice President - Head, Corporate Banking 7	July 1, 2015 to June 30, 2017
Michael P. Magbanua	51	Filipino	Senior Vice President - Corporate and Digital Operations Head	June 1, 2022 to present
			First Vice President - Head, Customer Service Group	April 3, 2017 to May 31, 2022
Ana Jania F. Mañalac	48	Filipino	Senior Vice President - Data Science and Analytics Head	July 1, 2024 to present
			Senior Vice President - Business Analytics Group Manager	August 1, 2022 to June 30, 2024

Rear Admiral Donn Anthony L. Miraflor (Ret.)	58	Filipino	Senior Vice President - Chief Security Officer	June 1, 2025 to present
			Senior Vice President - Deputy Chief Security Officer	May 16, 2025 to May 31, 2025
Jose Maria O. Roxas	58	Filipino	Senior Vice President - Sales Director	June 1, 2022 to present
			First Vice President - Sales Director	July 1, 2019 to May 31, 2022
Gautam Sharma	42	Indian	Senior Vice President - Bancassurance and Digital Wealth Head	December 19, 2025 to present
			Senior Vice President - Retail Bank Sales Network Head	November 3, 2022 to December 18, 2025
Angellyn Claudette P. Sumpaico	50	Filipino	Senior Vice President - Corporate Banking Center Head	February 2, 2026 to present
Ma. Cristina C. Tismo	45	Filipino	Senior Vice President - Chief Information Officer, Information Technology & Services Group Head, and Platforms and Solutions Delivery Management Head	October 27, 2023 to present
			Senior Vice President - Solutions Delivery	June 1, 2023 to October 19, 2023
			Senior Vice President - Platforms Integration and Management	June 1, 2021 to May 31, 2023
			Vice President - Lean Systems Engineering Head	May 1, 2020 to May 31, 2021
Maria Paz B. Urmatam	41	Filipino	Senior Vice President - Liquidity and Liability Management Head	May 1, 2020 to present
			Vice President - Liquidity and Liability Management Head	July 1, 2017 to April 30, 2020
Jeannette Yvonne M. Zagala	55	Filipino	Senior Vice President - Global Markets Sales Head	March 1, 2023 to present
			Senior Vice President - Financial Markets Sales Head	June 1, 2021 to February 28, 2023
			First Vice President - Head of Distribution	November 8, 2017 to May 31, 2021
Edgar Allan G. Oblena	43	Filipino	Senior Vice President - Financial Controller	April 1, 2024 to present
			Senior Vice President - Officer-in-Charge, Financial Controllershship	September 16, 2023 to March 31, 2024
			First Vice President - Head of Corporate Accounting	June 1, 2022 to September 15, 2023

			Vice President – Head of Corporate Accounting Department	April 1, 2020 to May 31, 2022
Jose Paolo G. Rufo	41	Filipino	Senior Vice President – Chief Information Security Officer	August 1, 2025 to present
			Senior Vice President – Chief Information Security Officer and Data Protection Officer	July 1, 2022 to July 31, 2025
			First Vice President – Chief Information Security Officer	June 1, 2021 to June 30, 2022
			Vice President – Chief Information Security Officer	August 9, 2018 to May 31, 2021
Atty. Jesse Pauline B. Solis	36	Filipino	Assistant Vice President - Data Privacy Office Head and Data Protection Officer	August 1, 2025 to present
			Assistant Vice President - Data Privacy Office Head and Deputy Data Protection Officer	July 1, 2025 to July 31, 2025
Atty. Patricia Mae G. Peralta	31	Filipino	Assistant Corporate Secretary and Corporate Affairs Head	June 1, 2024 to present

BUSINESS EXPERIENCE:

The following is a brief description of the business experience of each of the Executive Officers of the Bank:

Ana Maria Aboitiz Delgado – please refer to Item 5 (A) for the business experience write-up.

Manoj Varma is Senior Executive Vice President and Head of the Consumer Bank Group of UnionBank. He is also the Chairman of UnionBank Financial Services and Insurance Brokerage Philippines, Inc. Prior to joining the Bank, he was the Country Business Manager of Citibank N.A. Philippines from 2018 to 2022. During his 30-year career with Citibank, he served in various business management across all functional units in finance, sales, credit, and marketing from Philippines, India, Taiwan, South Korea, and the United States of America. Mr. Varma graduated in bachelor's degree in mechanical engineering from New Delhi, India and obtained his MBA degree from Georgetown University, Washington DC.

Therese G. Chan is Executive Vice President and Head of Wealth Client Relationships of UnionBank. She serves as Director of UnionBank Financial Services and Insurance Brokerage Inc. (UFSI). Prior to joining the Bank, she was Retail Bank Director of Citibank N.A. Philippines. She also held various roles with Citibank N.A. Philippines such as Consumer Sales & Distribution Director from 2016-2019, and Senior Vice President and Cards and Loans Sales Head (2012-2015), and CitiPhone Head (2010-2011), among others. Ms. Chan holds a Bachelor of Science degree in Broadcast Communication minor in Economics from the University of the Philippines – Diliman, Quezon City.

Manish Chawla is Executive Vice President and Chief Technology and Operations Officer of UnionBank. Prior to joining the Bank, he was Site Head of Citigroup Business Process Solutions Pte. Ltd. He was the Head of Operations & Technology at Citibank Philippines from June 2019 to December 2022. Mr. Chawla has about twenty (20) years of experience handling various positions in the operations and technology functions of Citibank, specifically in collections and the project management office in Indonesia from 2005 - 2012 and then moved to Singapore to be part of the Regional Credit Operations in 2013. Before joining Citi, he spent five (5) years of his career in GE Capital and GE SBI Cards in collections and risk. Mr. Chawla has a Master of Finance and Control post graduate degree from the Kurukshetra University in India.

Melina C. Concha is Executive Vice President, Institutional Banking Head of UnionBank. She is responsible for the growth and management of the Institutional Banking business, overseeing Corporate Banking, Commercial Banking and Transaction Banking Group. She was formerly the Head of Wholesale Banking in HSBC Philippines. She has over 25 years of banking experience in banking, spanning coverage

of Corporates, Financial Institutions and Public Sector, as well as in Retail Banking. She has demonstrated exceptional leadership throughout her career. She successfully manages large, high-performing teams and drives significant business growth. Her ability to formulate and execute strategic initiatives has positioned her as a results-driven leader, particularly in corporate relationship management and deal execution at the C-suite level. She is recognized for her strong credit expertise and in-depth product knowledge, covering areas such as corporate finance, capital markets, treasury and liquidity management, trade finance, and receivables financing. She has also held various roles with HSBC. She was the Treasurer and Trustee for International School of Phnom Penh (ISPP) where she oversees the monthly financial performance and liquidity management. She also served as Executive Vice President and Head of Global Corporate Banking of Bank of Tokyo Mitsubishi-UFJ Ltd. (Manila Branch), responsible for the Non-Japanese corporate business. Ms. Concha graduated with a Bachelor's degree in Management Engineering from the Ateneo De Manila University.

Antonio Sebastian T. Corro is Executive Vice President, Chief Cross-Sell Officer and Chief External Relations Officer of UnionBank. He also serves as Director of the following companies: UBX Philippines Corporation, PETNET, Inc., and UBX Private Ltd. He joined the Bank in 2018 as a Senior Vice President, heading its Cards Business until 2020. Mr. Corro was then promoted as Consumer Finance Head, a position he held from 2020 to 2022. In September 2022, he was named Chief Cross-Sell Officer. Prior to his stint in UnionBank, he held various positions from 2001 to 2017 in MasterCard Asia/Pacific Pte. Limited. He was Country Manager in Thailand & Myanmar, leading the execution of business development strategies to expand MasterCard products and services throughout Thailand and Myanmar. Mr. Corro was also Country Manager and Chief Representative in Indochina Region, guiding the member banks across the Indochina region Vietnam, Cambodia, Laos and Myanmar, through the execution of franchise related activities, among others; and in the Philippines, he was Vice President for Operations and Member Relations for MasterCard. He also held various positions in Standard Chartered Bank from 1997-2001 and Citibank N.A. Philippines from 1996-1997. Mr. Corro has a degree on *Administracion de Recursos Fisicos Y Financieros* from Colegio Universitario Fermin Toro, Venezuela.

Atty. Isagani A. Cortes is Executive Vice President and Chief Compliance and Corporate Governance Officer of UnionBank. He is a highly experienced compliance professional with over two decades of demonstrated leadership in the banking and financial sector, particularly in regulatory and financial crime compliance, and corporate governance. He served as the Executive Vice President and Chief Compliance Officer of the Philippine National Bank* from 2019 to 2024 where he managed the bank's regulatory compliance and financial crime risk programs including its overseas branches and subsidiaries. Prior to this role, he was the Senior Vice President and Deputy Head of the Regulatory Affairs Group at Rizal Commercial Banking Corporation*. Atty. Cortes spent fourteen years at The Hongkong and Shanghai Banking Corporation, where he held various positions, including Senior Vice President of Legal and Compliance, Country Head of Regulatory and Financial Crime Compliance, and Country Head of Financial Crime Compliance (Band 3). In his last role with HSBC, he was a subject matter expert and risk steward on financial crime risk, implementing and overseeing controls on transaction monitoring and screening, customer due diligence, and acceptance and exit processes, among others. He has also worked as Vice President and Compliance Officer of East West Banking Corporation*, and as Assistant Vice President for Legal and Remediation Office of ABN-AMRO, Philippines. Atty. Cortes obtained his Bachelor of Arts degree Major in English from the University of the East and his Bachelor of Laws degree from the University of the Philippines. *Publicly listed company

Albert Raymond C. Cuadrante is Executive Vice President, Chief Marketing & Customer Experience Officer of UnionBank. He is also UnionBank's nominated representative to the Instapay Steering Committee of the Philippine Payments Management, Inc. (PPMI). Mr. Cuadrante is the current Chairman and formerly the President of Acumen Strategy Consultants, providing consultancy services focused on strategy, transformation and capability building to enable higher business performance. He also sits as a Member of the Advisory Board of the Asia Pacific Tambuli Awards and the Executive Academic Board of the University of Asia and the Pacific's Master in Brand Management program. He is also presently a part-time Marketing faculty lecturer at the Ateneo De Manila University JG School of Management.

Mr. Cuadrante has over 30 years of collective experience in the field of brand management, product management, marketing, advertising and digital commerce. In 2008, he joined Jollibee Foods Corporation* and handled various positions from Marketing Director for Red Ribbon, Vice President and Marketing Head of Jollibee, President for Greenwich, and established and headed the Digital Commerce and Customer Loyalty division for the Philippines, which was tasked to lead the digital transformation for customer-facing touchpoints. He was part of the Board of Trustees of the Digital Marketing Association of the Philippines. *Publicly listed company

Mr. Cuadrante was the recipient of the 2013 Asia Pacific Tambuli Chief Marketing Officer of the Year award, the 2023 Top 10 CMOs from the Philippines by CEO Insights Asia and the 2022 10 Most Inspiring CMOs by C Level Focus and most recently awarded as 2024 CMO of the Year by Marketech APAC. He started his Marketing career at Procter & Gamble Philippines. Mr. Cuadrante graduated Bachelor of Science Major in Management Engineering (Honors Program) from Ateneo De Manila University.

Ramon G. Duarte is Executive Vice President and Senior Advisor for Special Projects of UnionBank. Prior to his current role, he was designated as Head of various units of the Bank as follows: Transaction Banking Center (2020 to 2025), Platform Development (2006 to 2020), Program Management Office, Retail Product Development, and e-Channels Solutions Management. He also serves as Director of Bangko Kabayan, Inc. (A Private Development Bank), PETNET, Inc., and Philippine Clearing House Corporation. Before joining UnionBank, he was Chief Technology Officer at Dotenable, Inc. from 2000-2001; Vice President and Head of Electronic Banking and Solutions Delivery at ABN AMRO Philippines from 1999 to 2000; and Assistant Vice President and Product Manager of Cash Product Management at Citibank from 1995 to 1999. He graduated with a degree in Bachelor of Science in Business Administration major in Management from the De La Salle University.

Concepcion Perla P. Lontoc is Executive Vice President and Relationship Banking Center Head of UnionBank. She also serves as Director of UBP Investments Corporation. Prior to this, she was Sales Director and Deputy Head for Retail Banking Center until December 31, 2024; and First Vice President and Sales Director from July 2016 to June 2020. She started her career with the UnionBank as Assistant Manager/ Sales Officer in May 1996. She graduated with a degree in BS Economics from the University of the Philippines Diliman in 1989.

Manuel R. Lozano is Executive Vice President and Chief Financial Officer of UnionBank. He is currently a Director of the different subsidiaries of the Bank, namely, UnionBank Financial Services Insurance Brokerage (UFSI); and Chairman/Director of UBP Investments Corporation (UIC), IEB Land, Inc., IEB Premium Properties Corporation, Gold Field Corporation, and UBP Securities, Inc.

He likewise serves as Director of ATR Asset Management, Inc., ATRAM Trust Corporation, both of which are affiliates of the Bank. He also served as Director of the Bank from May 2017 to April 2023.

He was Senior Vice President and Chief Financial Officer of Aboitiz Equity Ventures, Inc.* from June 2015 to December 2022, and Aboitiz Power Corporation* from January 2014 to June 2015. He was also the Chief Financial Officer of the Aboitiz Power Generation Group and AP Renewables, Inc. from December 2008 to December 2013. Prior to joining the Aboitiz Group, Mr. Lozano was the Chief Financial Officer and Director of PAXYS, Inc. and held various positions in financial institutions including Jardine Fleming & CLSA. **Publicly listed company*

Dennis D. Omila is Executive Vice President and Chief Transformation Officer of UnionBank. He was previously Chief Technology and Operations Officer, Chief Information Officer and IT Services Group and Operations and Shared Services Group Head of the Bank. He was the former Senior Vice President of the Infrastructure Engineering and Service Operations cluster of Globe Telecom, Inc.* from 2014 to 2016. He was also the President and COO of NetX Technology Solutions, Inc. from 2002 to 2007. His certifications include Certified Information Systems Security Professionals (CISSP), Certified Check Point Security Instruction (CCSI), Certified Check Point Security Engineer (CCSE), Certified Check Point Security Administrator (CCSA), Vulnerability Assessment Specialist, Threat Assessment Specialist, Certified Core and Edge ATM Network Specialist (Fore Systems), Certified Networks Administrator (Nortel Networks), Certified SINIX, IRIX, Solaris and BSD UNIX Administrator and Business Continuity Certified Planner (BCCP). Mr. Omila is a graduate of De La Salle University with a degree in Bachelor of Science major in Computer Science with specialization in Computer Technology (BSCS-CT). **Publicly listed company*

Committee Membership:

Non-Voting Member - Information Technology and Cybersecurity Committee

Michaela Sophia E. Rubio serves as Executive Vice President and Chief Human Resource Officer and Head, Corporate Social Responsibility of Union Bank of the Philippines.

Before joining UnionBank, she held the role of Vice President and Philippine Country Human Resource, Quality, and Corporate Communications Head at Asea Brown Boveri (ABB), a leading global electrical engineering and power technologies company. Prior to this, she worked as a Senior Consultant at OTi Consulting Singapore, where she supported both government and private sector organizations in achieving Singapore Quality Class, People Developer, and Industry Capability Upgrading Program (ICAP)

certifications, as well as in Work-Life and Work Redesign initiatives. Her expertise in these areas was recognized through certifications from SPRING Singapore. Ms. Rubio began her career as an engineer in the semiconductor and electronics manufacturing industry. She holds a degree in Industrial Management Engineering from De La Salle University. She has been recognized as one of the Most Influential HR Executives of 2022 by CIO Views and has received several Stevie Awards for Great Employers, including the Gold Stevie Award for HR Thought Leader of the Year in 2023.

Raquel N. Sevidal is Executive Vice President and Head of Commercial Banking Center of UnionBank. She has been the Deputy Head for Commercial Banking and the Chief Wholesale Credit Officer of the Bank. She is a member of the Bank's Credit Committee and Special Accounts Monitoring Committee. She has more than thirty (30) years of experience in the banking industry. Prior to joining UnionBank, she was First Vice President and Sub-Group Head - Countryside of the Commercial Banking Group of Metropolitan Bank and Trust Company* ("MBTC"). During her stint in MBTC, she also held the position of Division Head of Credit Group from and a Designated Senior Credit Officer; served as Vice Chairman of Credit Committee and as member of Non-Performing Asset Committee. She started her career as Relationship Manager of Equitable PCIBank. Ms. Sevidal graduated with a Bachelor of Science degree in Psychology from the University of Santo Tomas and holds a Master's degree in Business Administration at De La Salle University. **Publicly listed company*

Johnson L. Sia is Executive Vice President, Treasurer and Head of Global Markets of UnionBank. He was formerly the Head of Financial Markets of ING Philippines. He has twenty-eight (28) years of experience in treasury and financial markets from Citibank Philippines, Singapore and Korea. Mr. Sia started his banking career in Citibank by being part of the bank's Management Associate Program and rose from the ranks. He has broad treasury experience spanning risk management, sales, operations, product development and general treasury management, including balance sheet management.

He has been active in leading industry market issues in the Philippines as Vice Chair of the Open Markets Committee of the Bankers Association of the Philippines (BAP) as well as the Chairperson of the BAP's Benchmark Committee.

He graduated Magna Cum Laude and obtained his Bachelor of Science degree in Computer Science from Ateneo de Manila University. He obtained his Master of Science in Business Management from the Asian Institute of Management and finished his graduate studies with high distinction.

Gaurav Srivastava is Executive Vice President and Wealth Management Business Head of UnionBank. He previously served as Head of Private Banking, Wealth Management & Segments at VPBank. He brings over 24 years of experience in banking and financial services across Vietnam and India, with expertise in wealth management, private banking, and customer segment strategy. From 2022 to mid-2023, he was Managing Director for Wealth & Asset Management at VNDIRECT Securities Corporation. Earlier in his career, he held leadership roles at ICICI Securities and Standard Chartered Bank. Mr. Srivastava has experience in managing large client portfolios, developing segment-specific propositions, and contributing to regional and global projects focused on digital wealth solutions. His educational background includes executive programs from Harvard University and IIM Ahmedabad, as well as an MBA in International Business.

Mukul Sukhani is Executive Vice President and Head of Cards and Consumer Loans of UnionBank. He is a seasoned banker and business leader in the area of credit cards and consumer loans. Prior to joining UnionBank, he was Senior Vice President for Business Development of Mastercard, responsible for India and Nepal. He managed all aspects of the Mastercard relationship with issuing partners in terms of profitability, product development and solutioning. He worked with product leads to identify new segments and product opportunities to broaden their reach and market penetration.

Prior to Mastercard, he was Director, Head of Credit Cards and Personal Loans in Citi Philippines from August 2018 – 2021. He held the same position in Citi Vietnam from 2015-2017 and as Head of Small Business Payments Solutions in Citi India from 2011-2015. Early in his career, he worked as COO of Loyalty Management Insights Network and Exchange Pvt Ltd., a startup in the business of customer loyalty programs from 2009 - 2011. He was Director of American Express in Gurgaon from 2004- 2009. He completed a post graduate course in Business Management from XLRI, Jamshedpur and gained a Bachelor's degree in Chemical Engineering from Laxmi Narayan Institute of Technology, Nagpur University India.

Erwin Wiriadi is Executive Vice President, Chief Risk Officer and Enterprise Risk Management Head of UnionBank. He has more than 29 years of experience in Risk Management. Prior to joining the Bank, he was the Director and Head of Consumer Risk Management of Citibank N.A. Philippines from 2017 to July

2022 and also served as TransUnion Philippines Board of Director member representing Citibank. He held various capacities relating to Risk Management in Citibank N.A. Indonesia for over 20 years prior being assigned to the Philippines. He held Senior Credit Officer entitlement since 2005 during his stint in Citibank N.A. Indonesia and had international exposures through risk reviews/audits and short-term assignment. Mr. Wiriadi graduated from The Ohio State University, Columbus, Ohio with a degree in MSc Industrial and Systems Engineering in 1995.

Raymond Anthony B. Acosta is Senior Vice President and Head of Infrastructure and Service Management of UnionBank. He is responsible for the IT and Service Management operations and has led various infrastructure initiatives of the Bank; latest of which, was heading the production readiness for LD2 Citi integration. Prior to joining the Bank, he was Database Administrator/ Solutions Consultant of iASpire.Net Philippines. He served as LEAD Database Administrator/ Solutions Consultant of Active Business Solutions, Inc. He started his career as LEAD Database Administrator/ Solutions Consultant for DataCenter Operations and Services of Open Systems Operation Corporate Information Solutions, Inc.

Mr. Acosta graduated from Ateneo de Manila University with a degree in Bachelor of Science Major in Management Information Systems.

Jonnaluz B. Arañas is Senior Vice President and Digital Acquisition and Partnerships Head at UnionBank. She brings 25 years of experience across banking and insurance. She built her early career in Life Insurance, handling product pricing and development, valuation, and asset-liability risk management across several global insurers, including John Hancock-Manulife, Generali Pilipinas, and AXA from 2001 to 2013. In 2013, She joined Citi under Cards and Loans, focusing on Sales Performance Management and Analytics. During this time, she led key initiatives in sales optimization, performance management, MIS automation, and cost-efficiency improvements. In 2021, she was appointed Telesales Head, where she helped navigate the team through the pandemic while driving substantial gains in sales productivity. In 2022, she joined Product team where she played a pivotal role kicking off the synergy of existing UnionBank Cards business with the legacy Citi portfolio. Ms. Arañas holds a BS Mathematics degree from the University of the Philippines.

Donald A. Asuncion is Senior Vice President and Corporate Banking Group Head of UnionBank. He started his career with the Bank as Vice President and Senior Relationship Manager where he led the team that handled relationship of top local conglomerates. Prior to joining the Bank, he was Vice President at The Hongkong and Shanghai Banking Corporation Ltd. - Philippines (HSBC) from 2007 to 2016 and held various positions in the Retail Banking Center including Branch Head of HSBC Main Branch and Head of Mortgage Sales. From 2005 to 2007, he worked for Citibank N.A. - Philippines as Vice President and Senior Relationship Manager for Global Relationship Banking that handled multinational companies which have presence in the Philippines. Mr. Asuncion obtained his degree in Bachelor of Science in Commerce Major in Business Management from the Dela Salle University.

Atty. Joselito V. Banaag is Senior Vice President, Corporate Secretary, and General Counsel of UnionBank. He was the former Head of the Legal and Compliance Division and Corporate Governance of GT Capital Holdings, Inc.* from 2012 to 2015. He also previously worked at the Philippine Stock Exchange (PSE)* as the General Counsel and concurrently, as Chief Legal Counsel of the Securities Clearing Corporation of the Philippines (SCCP). He was also Officer-in-Charge of the Exchange's Issuer Regulation Division. Prior to that, he held various positions in SGV & Co., Cayetano Sebastian Ata Dado & Cruz Law Offices, PNOG Exploration Corporation, and Padilla Jimenez Kintanar & Asuncion Law Offices. *Publicly listed company

He earned his Bachelor of Arts in Political Science minoring in Japanese Studies from the Ateneo de Manila University and his Bachelor of Laws from the University of the Philippines.

Conrad Anthony Dominic L. Banal is Senior Vice President and Global Markets Trading Head of UnionBank. Prior to joining the Bank, he worked with several banks: East West Banking Corporation* as Head of Dollar Fixed Income Trading; and Security Bank Corporation* as a Peso Fixed Income Trader. He started his career with Citibank N.A. as Business Process Analyst under its Regional Financial Control. *Publicly listed company

He is active in various industry-related associations. He was a Member of the Board of the Money Market Association of the Philippines (MART) from 2016-2024 and was President in 2023, and was a Member of the Board of ACI Philippines from 2022-2025 and was President in 2025.

He obtained his Bachelor of Arts in European Studies from the Ateneo De Manila University, and his MBA from the William E. Simon Graduate School of Business at the University of Rochester. He is also a CFA charterholder.

Konstantin O. Beloglazov is Senior Vice President and Portfolio Lending Head of UnionBank. Prior to joining the Bank, he was the Consumer Lending Business Strategy & Development Head of Citibank N.A. He has 19 years of experience in Operations, Customer Engagement, Customer Lending and Project Implementation. Expert in call centre operations & productivity, Product & portfolio SME in cards, cash loans, instalments. He started his career with Citibank N.A. and has held various positions within Citibank. Mr. Beloglazov obtained his Bachelor's degree in Linguistics from Sakhalin State University.

Ma. Cecilia Teresa S. Bernad is Senior Vice President and Corporate Banking Group Head of UnionBank. She has been with the Bank for thirty-four (34) years and started her career as Account Assistant under the Bank's Corporate Banking. Prior to joining UnionBank, she was Credit Analyst of the International Corporate Bank and Corporate Customer Assistant of Citytrust Banking Corporation. Ms. Bernad graduated from the University of the Philippines with a degree in Bachelor of Arts in Economics.

Michael L. Chong is Senior Vice President and Head of Debt Capital Markets of UnionBank. He has around eighteen (18) years of experience in banking and finance. He was formerly the Managing Director, Head of Origination and Client Coverage at China Bank Capital Corporation where he is responsible for deal origination and primary client relationship management, managing fee income targets, client service delivery, and ensuring timely deal execution. Prior to this, he was with HSBC Philippines for seven (7) years as Vice President of Debt Capital Markets. He has led key landmark transactions in both the onshore and offshore capital markets for the Philippine issuers. Mr. Chong graduated from the Ateneo de Manila University with a BS Management Engineering degree.

Carlo I. Eñanosa is Senior Vice President and Head of Corporate Planning and Strategy of UnionBank. He also served as Treasurer of UBX Philippines Corporation, a wholly-owned subsidiary of the Bank. He joined the Bank in 2015 as Assistant Vice President and Head of Strategic Risk Management Division and then held the role of Vice President and Head of Budget and Planning Division. Prior to joining the Bank, he was Senior Assistant Vice President and Head of Strategic Management Department of East West Banking Corporation*. He had been a Project Management Officer for Citigroup Business Service - Asia. He also worked with International Exchange Bank from 1998-2006 and held roles as Methods Analyst and Investments & Capital Budgeting Officer. Mr. Eñanosa graduated from De La Salle University with a Bachelor's degree in Industrial Engineering Minor in Mechanical Engineering. **Publicly listed company*

Norman C. Gabriel is Senior Vice President and Chief Audit Executive of UnionBank. He is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA) and also holds certifications in Risk Management Assurance (CRMA) and Controls Self-Assessment (CCSA). He has more than 20 years of audit, operations and financial controllership experience from consumer goods, consumer electronics, banking and other industries. He previously worked as Country Controller for Accenture and Internal Audit Head at Goodyear Tires Asia Pacific and Samsung Electronics Philippines. He spent most of his career in Procter & Gamble, majority of which doing regional and global roles in the Internal Audit function. While at P&G, he also held roles in Credit Risk, Revenue and Trade Fund Management in the Asia HQ in Singapore. His early audit experience includes stints in KPMG, Security Bank Corporation* and UnionBank. Mr. Gabriel obtained his Bachelor of Science degree in Accountancy from De La Salle University. **Publicly listed company*

Erika Denise D. Go is Senior Vice President and Transaction Banking Center Head of UnionBank. She has been in the banking and finance industry for over a decade holding various posts in both Manila and Hong Kong for Citibank, the French investment bank CA. She is a SEC-certified Trader and Head of the Fintech Business Group, prior to joining the Transaction Banking Center, and has had vast experience in Finance specifically in the field of Debt and Capital Markets, FX Sales Trading, Derivative Structuring and Corporate Banking and Investment Banking. She was a News Anchor for Bloomberg Philippines and hosted the headlines for some of its daily business news programs.

Ms. Go graduated with special mention from Ateneo de Manila University with a degree in Management and a minor in International Business. She also took further studies in Oxford University's Saïd Business School under their Fintech Program.

Simran Khanna is Senior Vice President and Head of Consumer Risk of UnionBank. She is a seasoned business leader with extensive experience to nearly twenty-five (25) years in the areas of Credit Lending, P&L Strategy formulation, end-to-end Technology Implementation, and Analytic Service Delivery. Her career spans across Risk/Collections Strategy and Marketing, with notable achievements in senior stakeholder management, team leadership, and fostering innovation. Prior to joining the Bank, she was part of Citibank as a Credit Risk Review Head in North Americas where she led the credit risk and audit function for Secured Products managing credit risk, and prior to this role, she was assigned as Head for Unsecured Lending Policy and Portfolio Management in India and Head for Credit Risk Review in APAC

and EMEA. She had a 3-year stint in Standard Chartered Bank, Singapore as Head of Retail Banking Unsecured Lending where she successfully developed risk decision framework and conducted portfolio shaping and stress testing. In Genpact LLC, India, she handled Retail Consumer Finance Collections Strategy Analytics and Implementation. Earlier in her career, she led the Marketing Models and strategy at the Analytics Center of Excellence in GE Capital International Services Consumer and Commercial businesses.

She graduated from Sri Ram College of Commerce with a degree in BA Economics in 1999 and from Delhi School of Economics with post graduate degree in MA Economics and Econometrics in 2001. She earned her Global Executive MBA from INSEAD in 2018 and Certificate in Machine Learning and AI from John Moores University in 2022.

Angelbert D. Macatangay is Senior Vice President and Corporate Banking Group Head of UnionBank. He is a competent, driven, and innovative banking executive with extensive experience in Corporate, Commercial, and SME Banking. Demonstrates a strong track record in revenue generation through strategic account acquisition, effective portfolio management, and origination of various loan structures including Project Finance, Bilateral, and Syndicated Term Loans. Adept at cross-selling, corporate ecosystem development, and advancing digital transformation initiatives for corporate clients by optimizing cash management processes and integrating emerging technologies such as APIs, blockchain, supply chain financing, and fintech partnerships. He was First Vice President and Group Head of the Corporate Banking Group where he manages the end-to-end coverage of multi-billion-peso loan and deposit portfolios for conglomerates and Top 1,000 corporations across diverse industries. Prior to joining the Bank, he served as a Corporate Banking Relationship Manager at universal banks such as BDO Universal Bank* and Equitable PCI Bank. **Publicly listed company*

He is a Certified Public Accountant with a Master's degree in Business Administration from the Ateneo Graduate School of Business. He completed his undergraduate degree of Bachelor of Science in Accountancy from the Divine Word College. He is also a Certified Trainer for Unitized Investment Trust Fund issued by the Trust Officers Association of the Philippines in 2014.

Michael P. Magbanua is Senior Vice President and Head of Corporate and Digital Operations of UnionBank. He was First Vice President and Head of Operations and Shared Services Group of the Bank from July 2019 to July 2021 and Head of Customer Engagement Group April 2017 to July 2019. From 2014 to 2016, he served as President & CEO of Price Solutions Philippines, Inc, a Standard Chartered Group Company. Prior to this, he held various positions in Sales and Distribution with Citibank N.A. Philippines and its affiliates. He was Marketing Manager, and Operations Special Projects & Front-end Collection Manager in Equitable Cardnetwork, Inc. Mr. Magbanua graduated from the De La Salle University with Bachelor's degree in Business Administration Major in Computer Application. He obtained his MBA from the University of the Philippines.

Ana Jania F. Mañalac is Senior Vice President and Head of Data Science and Analytics of UnionBank. Prior to this role, she was the Head of Data Group and Head of Data Ventures and Insights. She is responsible for providing business intelligence, analytics, data science and model validation support to various business units across the Bank. Before joining the Bank, she was the Head of Data and Analytics for Citibank Philippines from 2019-2022. She also held multiple roles within Citibank Consumer Risk Management from 2002-2019. She graduated with a Bachelor's degree in Statistics from the University of the Philippines in 1998.

Rear Admiral Donn Anthony L. Mirafior PN(Ret) is Senior Vice President and Chief Security Officer of UnionBank. He has 38 years of distinguished service in the Philippine Navy, specializing in intelligence, logistics, and strategic operations. Proven leader with a record of meritorious achievements in command roles and notable contributions to national security and defense. Experienced in joint military collaborations, intelligence, special operations, and high-level operational planning.

Some of the positions he held with the Armed Forces of the Philippines are: Commander, Naval Forces Western Mindanao of the Philippine Navy (January 19, 2023 to May 9, 2024); Deputy Chief of Staff for Education and Training, J8, GHQ (March 22, 2022 to January 18, 2023); Commander, Naval Forces West, PN (December 31, 2020 to March 21, 2022); Commander, Joint Task Force Malampaya, Western Command, GHQ (Oct 19, 2019 to December 31, 2020); Naval Task Force Commander in Eastern Mindanao (2019) and with the Fleet Marine Ready Force (2017-2018); Senior National Representative to Combined Maritime Forces, Bahrain (Jan 25, 2018 to February 22, 2019); Force Commander, Domestic Intelligence Force, Intelligence Service, AFP (August 8, 2016 to April 17, 2017); Group Commander, Military Intelligence Group 8 (February 20, 2012 to October 6, 2016); and Commanding Officer of four (4) commissioned Philippine Navy (December 15, 2009 to January 24, 2013), among others.

With graduate diplomas in strategic planning, maritime studies, and defense studies from top institutions in Australia, coupled with specialized training in intelligence, resource management, and explosives disposal in the U.S., U.K., and Australia, he brings a global perspective and technical depth to modern security challenges.

He finished his second year at Mapua Institute of Technology for Bachelor of Science in Electronics and Communications Engineering. He attended the Philippine Military Academy and became part of PMA Class of 1991.

He is also distinguished with various awards and recognitions such as Legion of Honor, Degree of Commander, Distinguished Service Star (multiple), Distinguished Navy Cross (multiple), and other military commendations.

Aside from his core responsibilities as the Chief Security Officer, he holds other critical positions. For instance, he serves as the Commander of the Incident Response Team (IRT) and a member of the Crimes Investigation Committee (CIC). Apart from these functions, He also serve as a Board of trustee for the UnionBank of the Philippines Condominium Association, Inc (UBPCAI) and the UnionBank Square Condominium Corporation (UBSCC).

Jose Maria O. Roxas is Senior Vice President and Sales Director of UnionBank. He started his career with the Bank as Foreign Exchange Trader in 1999 and then transferred to Retail Banking Group as Relationship Manager in 2007. In 2011, he was promoted as Sales Director for the Bank's Metro Central Region, and in 2017, for the Ortigas Central Business District. Mr. Roxas graduated Cum Laude with a degree in Bachelor of Science in Business Management from De La Salle - College of St. Benilde.

Gautam Sharma is Senior Vice President and Bancassurance and Digital Wealth Head of UnionBank. He has a 19-year track record of success in financial services and is a result-oriented professional with experience across business strategy, portfolio management, sales & marketing, and digital banking. Prior to joining the Bank, he was Senior Vice President in Regional Retail Bank for APAC & EMEA of Citibank, N.A. He started his career with Citibank N.A. in 2007 and has held various positions within Citibank across India, Philippines, and Singapore. He graduated with a Bachelor's degree in Technology (Mechanical Engineering) from Punjab Technical University and obtained his Master's in Management Studies (Marketing) from the University of Mumbai.

Angellyn Claudette P. Sumpaico is Senior Vice President and Corporate Banking Center Head of UnionBank. She has an extensive experience leading corporate relationship teams and managing Philippine corporates. She has two (2) decades of banking experience with The Hongkong and Shanghai Banking Corporation Limited - Philippine Branch (HSBC), progressing through roles of increasing responsibility in wholesale banking. Her last role prior to joining the Bank was Head of Local Corporates, a position she held from 2016 to 2025. She holds a Bachelor of Science in Management from Ateneo de Manila University and a Master of Science in Finance from the University of the Philippines.

Ma. Cristina C. Tismo is Senior Vice President, Chief Information Officer, Head of Information Technology & Services Group, and Head of Platforms and Solutions Delivery Management of UnionBank. She has over 20 years of experience in Information Technology. She started her career in the Bank as a Junior Programmer. Her role in leading the overall strategy and execution for application development, technical integration architecture, and quality assurance is paramount. Notably, she has exhibited remarkable leadership as the Bank's Lean Systems Engineering Head and more recently as Solutions Delivery Head. Her invaluable experience, expertise, and an illustrious track record set her on a course to lead the Bank into a new era of technological improvements. Ms. Tismo graduated from the University of the Philippines with a Bachelor's degree in Mathematics.

Maria Paz B. Urmatam is Senior Vice President and Head of Asset and Liability Management of UnionBank. She has more than twenty (20) years in the Treasury Group of the Bank with extensive experience in asset and liability management, local and foreign currency liquidity and USDPHP swaps. She served as the Treasurer of UnionDigital Bank from November 2021 to November 2022, during which she established its Treasury Department. She started her career with the Bank as Associate Private Banking Officer and has held various positions thereon such as Treasury Analyst, Liquidity Trader, and Unit Head of the Treasury Admin & Liquidity Management. Ms. Urmatam is a Certified Treasury Professional, and a Licensed Fixed Income Salesman accredited by the Securities and Exchange Commission. She graduated with a Bachelor of Science degree in Management Engineering minor in Economics from Ateneo de Manila University.

Jeannette Yvonne M. Zagala is Senior Vice President and Head of Global Markets Sales of UnionBank. Prior to joining the Bank in November 2017, she was First Vice President and Distribution Group Head of East West Banking Corporation*. She has extensive experience with distribution of investment and foreign exchange sales, fixed income securities and UITF products to different market segments, among other. Ms. Zagala's leadership positions have included serving as Vice President and Fixed Income Products and Trading Desk Head of Citicorp Financial Services and Insurance Brokerage Phils., Inc. from July 2010 to January 2015, Senior Assistant Vice President and Fixed Income Asian Credit Portfolio of Banco De Oro Universal Bank* from February 2007 to July 2010. She started her career as Money Market Trader from The Philippine Banking Corporation, and later joined the Metropolitan Bank and Trust Company* as US\$/PhP Swap and Forward Trader. She held various positions with the National Association of Securities Brokers, Inc. *Publicly listed company

Edgar Allan G. Oblena is Senior Vice President and Financial Controller of UnionBank. He also sits as Director of UBP Investments Corporation, a subsidiary of the Bank. Mr. Oblena was Vice President and Local Regulatory Reporting Head of Citibank N.A prior to joining the Bank in 2020. He also held position in ING Bank N.V. Manila Branch as Assistant Vice President and Head of Regulatory and Tax Accounting Services. He started his career as Audit Staff until he was promoted as Associate Director at E&Y Sycip Gorres Velayo & Co. Mr. Oblena is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. He holds a Bachelor of Science degree in Accountancy from the University of Santo Tomas.

Jose Paolo G. Rufo is Senior Vice President and Chief Information Security Officer of UnionBank. Mr. Rufo is a Certified Information Systems Security Professional, Member of Institute of Corporate Directors (ICD) and Founding Member and Membership Committee Head of ISC2 Philippine Chapter. In 2022, he was awarded as the Chief Information Security of the Year for Financial Institutions by the Information Security Officers Group. Prior to joining the Bank, he was Head of Data Privacy and Information Security Governance, and formerly served as Head of Data Management and Development of Globe Telecom, Inc.* from 2010 to 2018. He also served under the Government Service Insurance System as the Head of SAP and Database Administration Unit from 2009 to 2010. Mr. Rufo graduated with the degree in BS Statistics from the University of the Philippines - Diliman. *Publicly listed company

Atty. Jesse Pauline B. Solis is an Assistant Vice President and the Data Protection Officer of Union Bank of the Philippines since August 2025. She is an experienced legal and data privacy professional, serving for almost three years as the Bank's Data Privacy Office Head. In this role, she leads the development and implementation of data privacy and protection strategies, ensuring compliance with regulatory requirements across the Bank. Prior to joining the Bank, she served as a Legal Counsel at DITO Telecommunity Corporation, where she advised on labor, regulatory, corporate, and technology-related legal matters.

Atty. Solis is a Certified Information Privacy Manager (CIPM), an international professional certification offered by the International Association of Privacy Professionals (IAPP) that focuses on the operational management of privacy programs. She also graduated with a degree in Bachelor in Public Administration from the University of the Philippines - Diliman and a Juris Doctor degree from De La Salle University - Manila. She was admitted to the Bar in July 2020.

Atty. Patricia Mae G. Peralta is an Assistant Corporate Secretary and Corporate Affairs Head - Legal Division of Union Bank of the Philippines. Prior to her current role, she served as Legal Counsel in the Corporate Affairs Unit from June 2021 to August 2023, and subsequently as Legal Counsel in the Documentation and Consultancy Unit from August 2023 to June 2024. Prior to joining the Bank, she was a Junior Associate at Cochingyan and Partners Law Offices from 2020 to 2021, where she practiced corporate law, civil law, labor law, and taxation. She previously worked as a Graduate Research Assistant at the University of the Philippines Institute of Maritime Affairs and Law of the Sea from 2017 to 2019. She received her Bachelor of Arts degree in Political Science from the University of the Philippines and was awarded the College of Social Sciences and Philosophy Leadership Award. Atty. Peralta earned her Juris Doctor degree from the University of the Philippines College of Law. Upon her graduation, she was recognized as a Distinguished Intern by the University of the Philippines Office of Legal Aid.

Significant Employee

No person who is not an executive officer of the Bank is expected to make a significant contribution to UnionBank.

Family Relationship among Directors

Messrs. Erramon I. Aboitiz, Sabin M. Aboitiz, and Iker M. Aboitiz are siblings and are related within the 4th degree of consanguinity. Mr. Samel A. Aboitiz is the son of Mr. Sabin M. Aboitiz, thus, are related to each other within the 4th degree of consanguinity.

Other than the foregoing, there are no directors or officers related within the 4th degree either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

The Bank is not aware of any of the following events during the past five (5) years where any of its directors, nominees for election as director, executive officers, underwriter or control person were involved:

- any bankruptcy petition filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Bank was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, or subject of a pending criminal proceeding;
- having been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director, person nominated to become a director, executive officer, or control person of the Bank in any type of business or banking activities;
- having been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

The Bank is a defendant/respondent in various legal actions, most of which are claims for damages arising in the ordinary course of business. The results of these actions, however, will not have a material effect on the Bank's financial position.

Certain Relationships and Related Transactions

Related party transactions are transactions or dealings with related parties, regardless of whether a price is charged. These covers all types of transactions both on and off-balance sheet and regardless of which side of the transaction/deal of the bank is acting. Parties are said to be related if one has direct or indirect control as well as significant influence over the other. Related Parties of the Bank include, but is not limited to: (a) Directors, Officers, Stockholders and Related Interests (DOSRI), subsidiaries, affiliates, and any party that directly or indirectly has control over or is subjected to the control of the Bank as well as those with direct and indirect linkages to it, (b) the Bank's and its affiliated companies' directors, officers, stockholders, and their related interests and close family members, and (c) other persons and juridical entities whose interests may pose potential conflict with the Bank.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

The Group's significant transactions with its related parties are disclosed in Note 31 on Related Party Transactions of the Audited Financial Statements, pages 136-140, as required by Philippine Auditing Standards (PAS) 24, *Related Party Disclosures*, and SEC FRB No. 013. Likewise, disclosure of transactions of the Parent Bank with its subsidiaries that have been eliminated at consolidated level are also disclosed on page 136.

As deemed necessary, enumerated below are the elements of the transactions that are necessary for an understanding of the transactions' business purpose and economic substance, their effect on the financial statements, and the special risks or contingencies arising from these transactions, with reference to the Notes to the financial statements and corresponding pages:

(a) the business purpose of the arrangement;	The nature and business purpose are disclosed in columnar format in Note 31 on pages 136-137.
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(b) identification of the related party transaction with the registrant and nature of the relationship;	As required by PAS 24, the related party transactions and outstanding balances shall be made separately for each of the following categories: (a) parent; (b) entities with joint control of, or significant influence over the entity; (c) subsidiaries; (d) associates; (e) joint ventures in which the entity is a venturer; (f) key management personnel of the entity or its parent; and (g) other related parties as disclosed in Note 31, pages 136-137.
(c) how transaction prices were determined by the parties;	Related Party Transactions are transacted at arm's length, in the ordinary course of business, and in accordance with existing policies and regulations. The Bank has a Related Party Transaction (RPT) Committee, which assists the BOD in the fulfillment of its corporate governance responsibilities on related party transactions by ensuring that these are transacted on arm's length terms. The RPT Committee's role is further detailed in Note 4, page 37. Discussion of transaction prices are further discussed in the narratives in Note 31, pages 136-137.
(d) if disclosures represent that transactions have been evaluated for fairness, a description of how the evaluation was made; and	In accordance with the Bank's RPT Policy, related party transactions are reviewed by the Bank's RPT Committee for fairness and endorsed to the BOD for approval or confirmation, as applicable. Discussion of pricing is discussed in Note 31, pages 136 to 140.
(e) any on-going contractual or other commitments as a result of the arrangement.	Any further commitments, if applicable, are disclosed in narratives in Note 31, pages 136-140.

The disclosure shall also include information about parties that fall outside the definition of "related parties" under PAS No. 24, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from others, more clearly independent parties on an arm's length basis. For example, an entity may be established and operated by individuals that were former senior management of, or have some other current or former relationship with, a registrant. The purpose of the entity may be to own assets used by the registrant or provide financing or services to the registrant. Although former management or persons with other relationships may not meet the definition of a related party pursuant to PAS 24, the former management positions may result in negotiation of terms that are more or less favorable than those available on an arm's-length basis from clearly independent third parties that are material to the registrant's financial position or financial performance. The foregoing required disclosure is not applicable to the Bank.

In some cases, investors may be unable to understand the registrant's reported results of operations without clear explanation of these arrangements and relationships. Items of similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effect of related party transaction on the financial statements. Further details are discussed in narratives and disclosed also in Note 31, pages 136-138.

The table below shows the summary of Material Related Party Transactions (RPTs) in Y2025. All RPTs were conducted on a fairly and at arm's length basis.

Relationship	Nature	Terms and Conditions	Amount/ Contract Price	Outstanding Loan Amount*
DOSRI	Collections Guarantee / TD Swap / Service & Contract Fees / Rental Fees / Auto Loan / Club Share / Life Insurance & Collecting Agent Accreditation / Corporate Credit Line / Various Credit Line Facilities / Purchase of ROPA	Standard Terms and Conditions	Php16.234B	Php419.872K

Subsidiary	Various Credit Line Facilities / Service & Contract Fees / Card Rates / Capital Infusion / Rental Fees / Foreign Bond Trading Line / Consumer Loans / Corporate Credit Card	Standard Terms and Conditions	Php16.418B & USD20.0MM	Php108,246,363.62
Affiliate	Various Credit Line Facilities / Corporate Credit Card / Transfer of Ownership / Service & Contract Fees / Underwriter of Joint Bonds Offering / Card Rates / Rental Fees	Standard Terms and Conditions	Php14.346B	
Other Related Party	TD Swap / Rental Fees / Various Credit Line Facilities / Contract Fees / FX Settlement Line / Syndicated Term Loan	Standard Terms and Conditions	Php21.839B & USD50.0MM	Php6.931B

* O/S Balances inclusive of Material RPTs presented during the previous years.

Item 6. Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last two calendar years and to be paid in the ensuing calendar year to the Bank's Chief Executive Officer and four (4) other most highly compensated executive officers are as follows:

Name	Principal Position	Year	Aggregate Compensation (net of bonuses)	Bonuses
Ana Maria A. Delgado	President and Chief Executive Officer	2026	Php138,125,272.11*	Php29,594,190.03*
Manuel R. Lozano	Executive Vice President - Chief Financial Officer			
Dennis D. Omila	Executive Vice President - Chief Transformation Officer			
Michaela Sophia E. Rubio	Executive Vice President - Chief Human Resource Officer, Head of Corporate Social Responsibility			
Manoj Varma	Senior Executive Vice President - Consumer Bank Head	2025	Php130,306,860.48	Php27,919,047.20
Ana Maria A. Delgado	President and Chief Executive Officer			
Manuel R. Lozano	Executive Vice President - Chief Financial Officer			
Dennis D. Omila	Executive Vice President - Chief Technology and Operations Officer			
Michaela Sophia E. Rubio	Executive Vice President - Chief Human Resource Officer, Head of			

Manoj Varma	Corporate Social Responsibility Senior Executive Vice President - Consumer Bank Head			
Edwin R. Bautista**	President and Chief Executive Officer	2024	Php159,833,655.48	Php35,564,387.53
Ana Maria A. Delgado	Senior Executive Vice President - Institutional Banking Head and Chief Customer Experience and Digital Channel Officer			
Manuel R. Lozano	Executive Vice President - Chief Financial Officer			
Dennis D. Omila	Executive Vice President - Chief Technology and Operations Officer			
Manoj Varma	Senior Executive Vice President - Consumer Bank Head			
All other officers & directors as a group unnamed		2026 2025 2024	Php6,481,910,576.54* Php6,115,009,977.87 Php5,903,454,822.35	Php1,361,209,705.05* Php1,284,160,099.11 Php1,130,531,179.12

*estimated amount

** Resigned from the Bank on March 26, 2025

The non-executive directors each receive a per diem of Php200,000.00 for attendance in meetings of the Board, except for the Chairman of the Board who receives Php300,000.00. The executive directors receive a per diem of Php1,500.00 for attendance at Board meetings and Php3,000.00 for each committee meeting.

The Chairman of each committee receives a per diem of Php180,000.00 per meeting attended and a committee member receives a per diem of Php120,000.00. The per diems and bonuses of some directors who represent institutional shareholders are received by said directors for and on behalf of their respective institutions.

For 2025, the total annual compensation paid to the directors amounted to Php596,406,682.31. To avoid security concerns, the Bank decided to disclose the annual compensation on an aggregate basis.

The executive officers receive salaries and bonuses which are covered by the Bank's standard employment contract.

Item 7. Independent Public Accountants

The current external auditor of UnionBank is the accounting firm of Sycip Gorres Velayo & Co. (SGV) for the fiscal year 2025. SGV has been engaged as the external auditor of the Bank since 2018.

The Bank complies with SRC Rule 68 (3)(b)(ix) which prescribes the period for the assignment of the signing partner of external auditors. Should the 7-year limitation of such assigned partner be attained, the Bank will require the rotation of the engagement partner. Ms. Irene Janet Alvarado-Paraiso served as the Engagement Partner for the financial statements from 2018 to 2024. She was replaced by Ms. Janeth T. Nuñez as the new Engagement Partner in 2025.

The Audit Committee and the Board of Directors has recommended SGV and endorsed for approval of the stockholders at the forthcoming Annual Stockholders' Meeting on April 24, 2026.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and disagreements with the Bank's present external auditor, SGV, on accounting principles or practices, financial statement disclosures or scope of audit or procedures for the year ended December 31, 2025.

Availability of Accountants

Representatives of SGV are expected to be present at the forthcoming Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions. The stockholders, pursuant to their authority to appoint UnionBank's Independent Public Accountant have delegated the selection or appointment of Independent Public Accountants to the Board of Directors.

Members of the Audit Committee:

The following are the members of the Audit Committee of the Bank:

1. Roberto G. Manabat, Chairman/ Lead Independent Director
2. Samel A. Aboitiz
3. Nina Perpetua D. Aguas
4. Victor Alfonso A. Limlingan
5. Peter B. Favila, Independent Director
6. Manuel D. Escueta, Independent Director
7. Josiah L. Go, Independent Director

Item 8. Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Bank.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of any class of securities of the Bank, or the issuance or authorization for issuance of one class of securities of the Bank in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Attached herewith is the copy of the Bank's Audited Financial Statements for the fiscal year-end December 31, 2025.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to any transaction involving (i) the merger or consolidation of the Bank into or with any other person or of any other person into or with the Bank; (ii) the acquisition by the Bank or any of its security holders of securities of another person; (iii) the acquisition by the Bank of any other going business or of the assets thereof; (iv) the sale or other transfer of all or any substantial part of the assets of the Bank; and (v) the liquidation or dissolution of the Bank.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property of the Bank.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the Bank.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following matters will be submitted for approval of the stockholders at the Annual Stockholders' Meeting on April 24, 2026:

1. Approval of the minutes of the Annual Stockholders' Meeting held on April 25, 2025, a brief summary of the matters discussed and approved are as follows:
 - a. Call to Order and Proof of Notice of Meeting and Determination of Quorum. Chairman Erramon I. Aboitiz presided and called the Annual Meeting of the Stockholders to order. Atty. Joselito V. Banaag, Corporate Secretary, recorded the minutes of the proceedings. The Corporate Secretary certified the existence of quorum to conduct business represented in meeting by proxy, by voting in absentia and by participation through remote communication, 2,859,777,524 shares out of the total outstanding shares of the Bank of 3,316,405,584 or 86.23% of the total subscribed capital stock or more than 2/3 of the total outstanding shares entitled to vote.
 - b. The minutes of the Annual Meeting of the stockholders held on April 26, 2024, was approved.

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,854,746,843	100.00%
No	-	-
Abstain	-	-
Total	2,854,746,843	100.00%

- c. The President and CEO, Ana Maria Aboitiz Delgado, reported the Bank's financial and operating results for the year 2024. Upon motion duly made, the stockholders approved the Annual Report on Management Operations for 2024 and the Audited Financial Statements as of December 31, 2024.

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,853,755,459	99.97%
No	-	-
Abstain	991,384	0.03%
Total	2,854,746,843	100.00%

The Chairman asked if there were questions sent by the stockholders. The meeting moderator informed the Chairman that there was a question received from a stockholder sent via e-mail thru the Office of the Corporate Secretary. The summary of the questions and answers can be found in the minutes of the meeting attached hereto as **Annex "D"**.

- d. The stockholders approved and confirmed all the Acts, Resolutions, and Proceedings of the Board of Directors, its Board Committees, and Management for the year-ended 2024, including all related party transactions disclosed in the Notes to Financial Statements, Note 32, pages 132-138. The summary of the material RPTs in 2024 which were conducted fairly at arm's length basis was also presented for the stockholders' ratification and confirmation.

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,845,754,245	99.68%
No	8,000,000	0.28%
Abstain	992,598	0.04%
Total	2,854,746,843	100.00%

The stockholders also confirmed the Board's appointment of accounting firm of Sycip Gorres Velayo & Co. as the Bank's external auditor for fiscal year 2025.

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,854,746,582	100.00%*
No	-	-
Abstain	261	0.00%
Total	2,854,746,843	100.00%

*Rounded-off to the nearest two (2) decimal point

- e. The stockholders approved and confirmed the increase of per diem for increase of per diem for Non-Executive and Independent Directors for attending the regular Board of Directors meetings and Board Committee meetings, and the directors' fee of Independent Directors as endorsed by the Board of Directors for approval. The proposed increase for Regular Board meeting per diem of the Chairman is from Php240,000 to Php300,000 while the member's per diem is increased from Php160,000 to Php200,000. For Board Committee meeting, the per diem of the Chairman is increased from Php120,000 to Php180,000, while the member's per diem is increased from Php80,000 to Php120,000. Independent Directors' fees are increased from Php2,000,000 to Php2,400,000.

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,846,498,121	99.71%
No	8,000,953	0.28%
Abstain	247,769	0.01%
Total	2,854,746,843	100.00%

- f. The election of the fifteen (15) members of the Board of Directors was duly made and seconded by the stockholders to serve for the year 2025-2026.

	Vote	No. of Votes Cast	Percentage of the Total Votes Cast*
1. ERRAMON I. ABOITIZ	Yes	2,239,152,816	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,157,064	99.99%
2. DR. JUSTO A. ORTIZ	Yes	2,239,148,555	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,152,803	99.99%
3. ANA MARIA A. DELGADO	Yes	2,299,153,850	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,299,158,098	99.99%
4. SABIN M. ABOITIZ	Yes	2,239,143,294	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,147,542	99.99%
5. SAMEL A. ABOITIZ	Yes	2,299,143,555	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,299,147,803	99.99%
6. IKER M. ABOITIZ	Yes	2,239,141,755	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,146,003	99.99%
7. JOSE EMMANUEL U. HILADO	Yes	2,237,306,427	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,310,675	99.99%
8. NINA PERPETUA D. AGUAS	Yes	2,237,305,827	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%

	Total	2,237,310,075	99.99%
9. ROBERT JOSEPH M. DE CLARO	Yes	6,801,641,990	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	6,801,646,238	99.99%
10. VICTOR ALFONSO A. LIMLINGAN	Yes	6,803,480,222	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	6,803,484,470	99.99%
11. ROBERTO G. MANABAT	Yes	2,237,304,327	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,308,575	99.99%
12. MANUEL D. ESCUETA	Yes	2,237,304,127	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,308,375	99.99%
13. JOSIAH L. GO	Yes	2,237,303,427	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,307,675	99.99%
14. ATTY. FRANCISCO ED. LIM	Yes	2,237,305,327	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,309,575	99.99%
15. HONORIO G. POBLADOR IV	Yes	2,237,303,427	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,307,675	99.99%

*Rounded-off to the nearest two (2) decimal points.

A copy of the Minutes of the Annual Stockholders' Meeting held on April 25, 2025 is uploaded on the Bank's website at <https://www.unionbankph.com/about-us/disclosures/annual-stockholders'-meeting>.

2. President and CEO's Annual Report on Management Operations for 2025 and Approval of Audited Financial Statements as of December 31, 2025
3. Ratification of Past Actions of the Board of Directors, Board Committees, and Management since the previous annual meeting held on April 25, 2025, including all significant related party transactions. During the stockholders' meeting, the acts of the Board of Directors, Board Committees, and the Management of the Bank for the year ended 2025 as well as those prior to the date of annual meeting will be presented for approval and ratification. These pertain to all contracts, investments and resolutions issued, and all other acts and proceedings which are made in the ordinary course of business and have been subject of disclosures to the Securities and Exchange Commission ("SEC"), the Philippine Stock Exchange, Inc. ("PSE"), the Philippine Dealing and Exchange Corporation ("PDEX") and to some extent to the Bangko Sentral ng Pilipinas ("BSP"), when applicable.

Provided below is a summary of reports on SEC Form 17-C (Current Report) disclosed to PSE and PDEX, and filed with the SEC for the period March 1, 2025 to February 28, 2026:

Date of Report	Event Reported
March 3, 2025	Hiring of Mr. Paul Benedict F. Perez, Secured Policy Senior Reviewer and Senior Vice President, effective March 3, 2025
March 5, 2025	Resignations of the following senior officers: 1. Mr. Alvin Bernard O. Aure, Mortgage Finance Business Team Lead and Assistant Vice President, effective March 5, 2025 2. Ms. Arnie E. Rodriguez, Consumer Product Sales Senior Analyst and Assistant Vice President, effective March 8, 2025
March 13, 2025	Resignation of Ms. Geraldine A. Tirante, IT Risk Management Head and Senior Vice President, effective March 16, 2025

March 17, 2025	Hiring of Ms. Anna Cristina A. Javier, Digital Delivery Cluster Lead and Assistant Vice President, effective March 17, 2025
March 25, 2025	Resignation of Ms. Julie Anne C. Dela Cruz, Data Science Solutions Head and Senior Vice President, effective March 27, 2025
March 25, 2025	Approval by the BSP of the UBP's request to exercise its Voluntary Redemption Option on its Php6.8 Billion Unsecured Subordinated Debt Eligible as Tier 2 Capital
March 26, 2025	Acceptance by the Board of Director of the resignation of Mr. Edwin R. Bautista, Director, effective March 26, 2025
March 28, 2025	Appointment of Mr. Antonio Sebastian T. Corro, Senior Vice President, as Chief External Relations Officer, concurrent with his role as Chief Cross-Sell Officer, effective April 1, 2025
March 31, 2025	Resignation of Mr. Jonathan Luis M. Bagadiiong, Product Development Head and Assistant Vice President, effective April 3, 2025
April 2, 2025	Hiring of Mr. Clifford D. Resonable, Solutions Architect and Assistant Vice President, effective April 2, 2025
April 4, 2025	Completion of the Updated USD2 Billion Medium Term Note Programme
April 16, 2025	Hiring of Ms. Kathleen Anne A. Bejer, Service Level Management Head and Assistant Vice President, effective April 16, 2025
April 25, 2025	Press Release dated April 25, 2025 re: UnionBank Sustains Revenue Growth Momentum in 1Q25
April 25, 2025	Material Information/ Transactions re: UnionBank Sustains Revenue Growth Momentum in 1Q25
April 25, 2025	Results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors held on April 25, 2025
April 25, 2025	Consolidated Key Financial Information as of March 31, 2025
April 29, 2025	Resignation of Mr. Ronald A. Naguit, Security Research and Training Development Head and Assistant Vice President, effective April 29, 2025
May 2, 2025	Hiring of Ms. Annalyn A. Santos, Client Engagement Solutions Operations Head and Vice President, effective May 2, 2025
May 8, 2025	Clarification of News Article sourced from Biz Buzz column entitled "BIZ BUZZ: UnionBank, ATRAM trust units merger sealed" posted in Inquirer.net on May 8, 2025
May 8, 2025	Press Release dated May 8, 2025 re: ATRAM and UnionBank Formalize Partnership to Enhance Financial Services
May 8, 2025	Material Information/ Transactions re: ATRAM and UnionBank Formalize Partnership to Enhance Financial Services
May 9, 2025	Press Release dated May 9, 2025 re: UnionBank updates its PHP Bonds Program and Increases Program Size to PHP100 Billion
May 9, 2025	Material Information/ Transactions re: UnionBank updates its PHP Bonds Program and Increases Program Size to PHP100 Billion
May 13, 2025	Amended - Results of the Annual Stockholders' Meeting and Organization Meeting of the Board of Directors held on April 25, 2025
May 16, 2025	Press Release dated May 16, 2025 re: Deanno J. Basas Appointed President of UBITMC Following ATRAM and UnionBank Strategic Partnership
May 16, 2025	Material Information/ Transactions re: Deanno J. Basas Appointed President of UBITMC Following ATRAM and UnionBank Strategic Partnership
May 16, 2025	Hiring of the following senior officers, effective May 16, 2025: 1. Atty. Jessa Mary Ann C. Cedeño-Buyco, Corporate Governance Head and Vice President 2. Rear Admiral Donn Anthony L. Miraflor (Ret.), Deputy Chief Security Officer and Senior Vice President
May 16, 2025	Amended - Hiring of senior officers effective May 16, 2025
May 23, 2025	BSP Form 2B - Published Balance Sheets (Parent and Consolidated) as of March 31, 2025

May 27, 2025	Completion of the Exercise of Call Option by way of Voluntary Redemption on its Php6.8 Billion Unsecured Subordinated Debt Eligible as Tier 2 Capital Due 2030
May 29, 2025	Changes in Senior Officers: 1. Resignation of the following senior officers: a. Mr. Roosevelt Nelson S. Ang, Investor Sales Officer and Assistant Vice President, effective May 31, 2025 b. Mr. Robert B. Dela Peña, Solutions Architect and Assistant Vice President, effective June 2, 2025 2. Retirement of Rear Admiral Rommel Jason L. Galang (Ret.), Senior Vice President and Chief Security Officer, and the appointment of Rear Admiral Donn Anthony L. Miraflor (Ret.), Senior Vice President and Deputy Chief Security Officer, as Chief Security Officer, both effective June 1, 2025 3. Hiring of Mr. Julian Michel A. Aboitiz, Deputy Corporate Banking Group 2 Head and Senior Vice President, effective June 1, 2025
June 2, 2025	Hiring of Senior Officers, effective June 2, 2025: 1. Mr. Geoffrey Lancelot V. Remo, Compliance Assurance Head and Senior Vice President 2. Ms. Melina C. Concha, Institutional Banking Head and Executive Vice President
June 3, 2025	BSP Form 2B - Published Balance Sheets (Parent and Consolidated) as of March 31, 2025 (Amended)
June 4, 2025	Press Release dated June 4, 2025 re: UnionBank announces dual-tranche 1.5Y and 3Y Bond Offering
June 4, 2025	Material Information/ Transactions re: re: UnionBank announces dual-tranche 1.5Y and 3Y Bond Offering
June 9, 2025	Resignation of Atty. Francisco Ed. Lim as Independent Director and to various Board committees, effective June 9, 2025
June 10, 2025	Press Release dated June 10, 2025 re: John Januszczyk steps down as UBX President & CEO
June 11, 2025	Resignation of Ms. Mafel Adele E. Tamayo, Consumer Product Sales Senior Analyst and Assistant Vice President, effective June 14, 2025
June 16, 2025	Hiring of Atty. Alfonso Ismael A. Alcuaz, Senior Compliance Officer - Financial Crime Risk Advisory and Vice President, effective June 16, 2025
June 18, 2025	Resignation of Ms. Vi Maritoni V. David, Onboarding Fraud Detections and Governance Head and Vice President, effective June 20, 2025
June 18, 2025	Amended - Change in the effective date of resignation of Ms. Mafel Adele E. Tamayo, Consumer Product Sales Senior Analyst and Assistant Vice President
June 25, 2025	Press Release dated June 25, 2025 re: UnionBank raises Php16.0 billion dual-tranche 1.5Y and 3Y Bond Offering
June 25, 2025	Material Information/ Transactions re: UnionBank raises Php16.0 billion dual-tranche 1.5Y and 3Y Bond Offering
June 27, 2025	Changes in senior officers, effective July 1, 2025: 1. Retirement of Mr. Henry C. Perez, Occupational Safety and Health Division and Vice President 2. Resignation of Ms. Mary Grace C. Lledo, Cards Operations Head and Assistant Vice President
June 27, 2025	Results of the Board of Directors Meeting held on June 27, 2025: 1. Election of Mr. Peter B. Favila as Independent Director and appointment to various Board committees, effective July 3, 2025 2. Rank confirmation of executive officers effective July 1, 2025 3. Rank promotion of executive officers effective July 1, 2025

July 1, 2025	Hiring of the following senior officers, effective July 1, 2025: 1. Ms. Sandra L. Purificacion, IT Risk Management Head and Senior Vice President 2. Mr. Joseph D. Baricaua, Credit Portfolio Review Head and Vice President 3. Mr. Justin Daniel A. Honculada, Unsecured Risk Policy Senior Reviewer and Vice President 4. Mr. Cayo Ramon F. Espejo, Vulnerability and Patch Management Head and Assistant Vice President 5. Mr. Michael Vincent E. Repollo, Infrastructure Architect Head and Assistant Vice President
July 9, 2025	Amended - Analysts' Briefing of Union Bank of the Philippines for Second Quarter/ First Half 2025 Results
July 17, 2025	Clarification of News Article published in the Daily Tribune on July 16, 2025, titled "UnionBank expands in Cebu with new Aboitiz Corporate Center branch"
July 18, 2025	Resignation of Mr. Dave T. Morales, Mortgage Finance Business Head and Senior Vice President, effective July 18, 2025
July 25, 2025	Press Release dated July 25, 2025 re: UnionBank Maintains Revenue Momentum, Lays Foundation For Future Expansion
July 25, 2025	Material Information/ Transaction re: UnionBank Maintains Revenue Momentum, Lays Foundation For Future Expansion
July 25, 2025	Consolidated Key Financial Information as of June 30, 2025
July 30, 2025	Early retirement of Ms. Rosma M. Auza, Commercial Banking Group 1 Head and Vice President, effective August 1, 2025
August 1, 2025	Resignation of Mr. Wilfredo P. Montino, Jr., Chief Data Officer and Senior Vice President, effective August 15, 2025
August 1, 2025	Changes in Senior Officers, effective August 1, 2025: 1. Appointment of Atty. Jesse Pauline B. Solis, Assistant Vice President, as new Data Protection Officer, effective August 1, 2025 2. Hiring of the following senior officers, effective August 1, 2025: a. Ms. Javi Angela B. De Gorostiza, Senior Product Manager and Assistant Vice President b. Ms. Ryah Claudette Q. Sarile, Senior Organizational Development Manager and Assistant Vice President
August 7, 2025	Resignations of the following senior officers, effective August 9, 2025: 1. Mr. Erick Kristofer Y. Chua, Product Head - Cards Insurance and Vice President 2. Ms. Marlyn M. Garrido, Fraud Control Head and Assistant Vice President
August 8, 2025	Demise of Ms. Lennie P. Perez, Senior Team Manager and Assistant Vice President, on August 6, 2025
August 18, 2025	Hiring of the following senior officers, effective August 18, 2025: 1. Mr. Alexander John H. Sibal, Compliance Operations Head and Vice President 2. Ms. Maria Aileen A. Villarama, Compliance Investment Surveillance Head and Vice President 3. Conrad Carlos E. Bagui, Relationship Manager and Assistant Vice President
August 20, 2025	Resignation of Mr. Salvador G. Bagasmad, Jr., Senior Account Officer - Commercial Banking and Assistant Vice President, effective August 27, 2025
August 22, 2025	BSP Form 2B - Published Balance Sheets (Parent and Consolidated) as of June 30, 2025
August 29, 2025	Press Release dated August 29, 2025 re: UBx Appoints Dan Marogy as Chief Executive Officer
August 29, 2025	Material Information/ Transaction re: UBx Appoints Dan Marogy as Chief Executive Officer

September 1, 2025	Changes in senior officers: - Hiring of the following Senior Officers, effective September 1, 2025: - Ms. Marian Johanna D. Bailon, Corporate Sales Officer and Assistant Vice President - Ms. Mylene A. Llaneta, Senior Risk Officer - Acquisition Risk and Assistant Vice President - Promotion of Ms. Nerissa A. Gonzaga, from Vice President to Senior Vice President and Sales Director, effective September 1, 2025
September 4, 2025	Resignation of Mr. Romeo Gabriel M. Aspera, Balance Sheet and Capital Management Head and Assistant Vice President, effective September 6, 2025
September 11, 2025	Resignation of Ms. Maria Cristina D. Acta, Relationship Manager - Private Banking and Assistant Vice President, effective September 15, 2025
September 16, 2025	Changes in senior officers: - Hiring of Senior Officers, effective September 16, 2025: - Ms. Joanne Christine T. Capal, Risk Governance and Special Projects Head and Vice President - Ms. Angelica M. Santiago, Digital Delivery Cluster Lead and Assistant Vice President - Resignation of Mr. Gilbert A. Camitoc, IT Business Unit Manager and Vice President, effective September 19, 2025
September 26, 2025	Resignation of Mr. Wilbert P. Casillano, Treasury, Consumer Investment, Insurance and Quick Loans Operations Head and Senior Vice President, effective September 30, 2025
October 2, 2025	Hiring of Mr. Kendrick O. Crucillo, Solutions Architect Cluster Lead and Assistant Vice President, effective October 2, 2025
October 3, 2025	Termination of Mr. Chester Dino B. Velasco, Enterprise Communication Collation and Security Head and Vice President, effective October 3, 2025
October 8, 2025	Approval by the Board of Directors of the infusion of additional capital of up to P1.5 Billion in City Savings Bank, Inc.
October 16, 2025	Hiring of Senior Officers, effective October 16, 2025: - Mr. Gilbert E. Nero, IT Business Senior Analyst and Assistant Vice President - Mr. Rafael A. Rodriguez, Digital Delivery Cluster Lead and Assistant Vice President
October 20, 2025	Changes in Senior Officers: - Resignations of the following senior officers: - Ms. Maria Louisa S. Doce, ATM Services Manager and Assistant Vice President, effective October 23, 2025 - Ms. Anna Margarita A. Gapac, Product Development Head - Consumer Banking and Assistant Vice President, effective October 25, 2025 - Early retirement of Ms. Ma. Nerliza A. Centeno, Government and Debit Cards Channel Head and Assistant Vice President, effective October 22, 2025
October 24, 2025	Press Release dated October 24, 2025 re: UnionBank Posted Net Income of Php3.2 billion in Third Quarter, Php6.5 billion Year-to-Date
October 24, 2025	Material Information/ Transaction re: UnionBank Posted Net Income of Php3.2 billion in Third Quarter, Php6.5 billion Year-to-Date

October 24, 2025	Approval by the Board of Directors on the appointment of Atty. Katrina Joy C. Javier as Assistant Corporate Secretary, effective October 24, 2025
October 24, 2025	Consolidated Key Financial Information as of September 30, 2025
October 29, 2025	Resignation of Ms. Marianne Angelie S. Urbano, Product Management Lead and Assistant Vice President, effective November 1, 2025
November 3, 2025	Hiring of the following senior officers, effective November 3, 2025: 1. Ms. Margie D. Raymundo, Data and AI Architecture Head and Vice President 2. Ms. Kathleen Suzette B. Yu, Digital Delivery Cluster Lead and Assistant Vice President
November 13, 2025	Resignation of Mr. Adrian A. Cortez, Direct Sales Region Head and Assistant Vice President, effective November 16, 2025
November 20, 2025	BSP Form 2B - Published Balance Sheets (Parent and Consolidated) as of September 30, 2025
November 24, 2025	Resignation of Mr. Kristoffer Emmanuel I. Limon, Commercial Credit Head and Vice President, effective November 26, 2025
November 27, 2025	Resignation of the following senior officers: 1. Mr. Amiel Joseph S. Domingo, Acquisition Risk Officer and Assistant Vice President, effective November 29, 2025 2. Ms. Lenikarr Maria B. Tud, Consumer Business Operational Risk and Control and Vice President, effective December 1, 2025
December 1, 2025	Hiring of the following senior officers, effective December 1, 2025: 1. Mr. Jose Alfonso C. Reyna, Site Reliability Engineering Head and Senior Vice President 2. Mr. Leo Alexander N. Borromeo, Relationship Manager and Assistant Vice President 3. Ms. Agnes Victoria D. Casal, HR Business Partner and Assistant Vice President 4. Mr. Josemaria M. Hizon, Acquiring, Detections, and Authorizations Head and Assistant Vice President
December 11, 2025	Changes in senior officers, effective January 1, 2026: 1. Executive Vice President Ramon G. Duarte will assume a new role as Head of Special Projects 2. Senior Vice President Erika Denise D. Go is appointed as Transaction Banking Center Head, vice Mr. Ramon G. Duarte 3. Executive Vice President Antonino Agustin S. Fajardo, Corporate Banking Center Head, will retire 4. Executive Vice President Melina C. Concha is appointed as Corporate Banking Center Head, concurrent with her role as Institutional Banking Head
December 12, 2025	Resignation of Mr. Felix Martin S. Villanueva, Mortgage Finance Business Team Lead and Assistant Vice President, effective December 12, 2025
December 16, 2025	Hiring of the following senior officers, effective December 16, 2025: 1. Mr. Gaurav Srivastava, Wealth Head and Executive Vice President 2. Mr. Vincent Dante R. Benedicto, HR Business Partner and Vice President 3. Mr. Rene P. Guzman, Onboarding Fraud Detections and Governance Head and Vice President 4. Mr. Jose Gil C. Pineda, Talent Capability Manager and Assistant Vice President 5. Mr. Emmanuel Thomas Gerard O. Valena, Digital Experience Manager and Assistant Vice President 6. Mr. Antonio F. Villafria, Jr., Problem Management Head and Assistant Vice President
December 19, 2025	Results of the Board of Directors Meeting held on December 19, 2025:

	1. Infusion of additional capital of up to Php1.3 Billion in UnionDigital Bank, Inc. 2. Secondment of Atty. Arlene Joan T. Agustin, Senior Vice President, as Private Wealth Solutions Group Head of ATRAM Trust Corporation, effective January 1, 2026
December 26, 2025	Resignation of Ms. Ivy Jessen G. Galvan, Senior Product Manager - Corporate Product Management and Assistant Vice President, effective January 1, 2026
January 5, 2026	Hiring of the following senior officers, effective January 5, 2026: 1. Mr. Rommel D. De Guzman, Solutions Architect Cluster Lead and Assistant Vice President 2. Mr. Gian Carlo S. Lim, Senior Payment Product Manager and Assistant Vice President
January 7, 2026	Notice of Analysts' Briefings for 2026
January 12, 2026	Resignation of Ms. Adrienne G. Heindrich, AI Center of Excellence Head and Senior Vice President, effective January 15, 2026
January 29, 2026	Changes in senior officers: 1. Resignation of the following officers: a. Mr. Rene Alan M. Aguirre, Digital Experience and Development Head and Senior Vice President, effective January 31, 2026 b. Ms. Gillian Justine S. Pua, Product Manager and Senior Vice President, effective January 31, 2026 c. Ms. Ria Marie S. Pajado-Del Mundo, Relationship Manager - Private Banking and Assistant Vice President, effective January 31, 2026 d. Ms. Catherine Ann A. Santiago, Enterprise Architecture Governance Head and Assistant Vice President, effective January 31, 2026 e. Atty. Anne Chinika L. Tolentino, Senior Legal Counsel and Assistant Vice President, effective January 31, 2026 f. Mr. Jaime P. Garchitorea, Trade Finance Head and Senior Vice President, effective February 1, 2026. 2. Retirement of Ms. Edwin L. Salvador, Senior Corporate Solutions Manager and Assistant Vice President, effective February 1, 2026
January 30, 2026	Changes in the Board Committee memberships of Directors Robert Joseph M. De Claro and Victor Alfonso A. Limlingan in the Operations Risk Management Committee and Information Technology & Cybersecurity Committee, effective immediately
February 2, 2026	Hiring of Ms. Angellyn Claudette P. Sumpaico, Corporate Banking Center Head and Senior Vice President, effective February 2, 2026
February 4, 2026	Amended - Resignation of Ms. Ms. Gillian Justine S. Pua, Product Manager and Vice President
February 12, 2026	Resignation of Mr. Juan Paolo P. Gingco, Mortgage Finance Business Team Lead and Assistant Vice President, effective February 14, 2026
February 16, 2026	Hiring of senior officers, effective February 16, 2026: 1. Ms. Karen Kristine S. Yang, AI Center of Excellence Head and Senior Vice President under the AI Center of Excellence 2. Ms. Ma. Denise Isabel M. Avis, Relationship Manager - Corporate Banking and Assistant Vice President under the Corporate Banking Group 3. Mr. Fritz Gerard C. Pascua, Senior Related Party Transactions Officer and Assistant Vice President under the Corporate Governance and Related Party Transactions Advisory
February 23, 2026	BSP FORM 2B - Published Balance Sheets (Parent and Consolidated) as of December 31, 2025
February 24, 2026	Resignation of Mr. Gerard R. Darwin, Corporate Solutions Head and Senior Vice President, effective February 27, 2026

February 27, 2026	Results of the Board of Directors' meeting held on February 27, 2026: 1. Declaration of regular cash dividends of Php1.00 per common share in favor of all stockholders of the Bank, payable from the available unrestricted retained earnings of the Bank as of December 31, 2025. The record date for stockholders entitled to the cash dividend is March 16, 2026, and payment date is set on March 23, 2026. 2. Adoption of the Bank's Dividend Policy as part of its capital management strategy, with effective payout implementation starting 2027. 3. Setting of March 16, 2026 as the record date for stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting (ASM) of UnionBank which will be conducted virtually via the Annual Stockholders' Meeting Portal at https://asm.unionbankph.com on April 24, 2026, Friday, at 1:00 p.m. The Bank's stock and transfer book will be closed from April 3, 2026 to April 23, 2026. Notice and Agenda of the ASM.
February 27, 2026	Press Release dated February 27, 2026 re: UnionBank Delivers Php10.0 billion Net Income in 2025, Builds Foundation for a Stronger 2026
February 27, 2026	Material Information/ Transactions re: UnionBank Delivers Php10.0 billion Net Income in 2025, Builds Foundation for a Stronger 2026
February 27, 2026	Audited Financial Statements of Union Bank of the Philippines and Subsidiaries as of and for the year ended December 31, 2025

4. Appointment of External Auditor for the year 2026
5. Election of Directors for 2026-2027 Term

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-Laws or Other Documents

No action is to be taken with respect to amendments of the Bank's charter, by-laws or other documents.

Item 18. Other Proposed Action

No action is to be taken with respect to any matter not specifically referred above.

Item 19. Voting Procedures

A. Vote Requirement

1. For the election of Directors, in accordance with Section 23 of the Revised Corporation Code, the fifteen (15) nominees receiving the highest number of votes shall be declared elected.
2. For other matters submitted to a vote, a majority vote of the stockholders present either in person, through remote communication or *in absentia*, or by proxy is necessary for the approval of such matter.

B. Methods by which Votes will be Counted

Stockholders as of record date of **March 16, 2026** are entitled to notice of and to vote at the Annual Stockholders' Meeting. Stockholders who are unable to attend the meeting may choose to execute a proxy form or vote electronically in absentia using UnionBank's secure Annual Stockholders' Meeting

Portal ("ASM Portal") at <https://asm.unionbankph.com>. Stockholders who intend to participate through remote communication and exercise their right to vote *in absentia* on the agenda items may register in the ASM Portal **until 9:00 a.m. (Philippine time) of April 24, 2026**, such registration being subject to verification and validation by the Corporate Secretary. The Requirements and Procedures for Registration to Participate through Remote Communication and Vote Electronically in Absentia are set forth under Annex "B" of this Information Statement. A stockholder who participates and votes through remote communication or in absentia shall be deemed present for purposes of quorum.

Stockholders who choose to vote by proxy must submit and address their Proxy Form to the attention of the Corporate Secretary at 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx St., Ortigas Center, Pasig City, Metro Manila, Philippines or via e-mail at corpsec@unionbankph.com **not later than 5:00 p.m. (Philippine time) of April 14, 2026**.

With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code of the Philippines and pursuant to Article IV, Section 1(e) of the Bank's Amended By-laws, a stockholder may vote the number of shares held in his name in the Bank's stock books as of March 16, 2026, and may vote such number of shares for as many persons as there are directors to be elected; or the stockholder may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or the stockholder may distribute them on the same principle among as many candidates as may be seen fit: Provided, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Bank multiplied by the whole number of directors to be elected. Discretionary authority to cumulate votes is solicited.

The method of counting the votes of the stockholders shall be in accordance with the general provisions of the Revised Corporation Code of the Philippines. Counting will be done by tabulation of the votes by the Corporate Secretary with the assistance of his staff and the Bank's stock transfer agent, Stock Transfer Service Inc., together with Sycip Gorres Velayo & Co. as third-party vote validator.

The Bank undertakes to provide without charge to each person solicited, upon written request of such person, a copy of UnionBank's Annual Report on SEC Form 17-A. Requests may be sent to Mr. Edgar Allan G. Oblena, 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City, Metro Manila on March 10, 2026.

UNION BANK OF THE PHILIPPINES

By:


JOSELITO V. BANAAG
Corporate Secretary

MANAGEMENT REPORT

Item 1. Business

A. Description of Business

Union Bank of the Philippines (“UnionBank” or “UBP”) is a publicly listed universal bank whose principal shareholders are Aboitiz Equity Ventures, Inc. (“AEV”), Social Security System (“SSS”), and The Insular Life Assurance Company, Ltd. (“Insular Life”). Recognized as a digital trailblazer, the Bank continues to lead in providing innovative, technology-driven solutions for both retail and corporate clients. UnionBank is committed to delivering experiences that are not only fully digital but also intuitive, seamless, and deeply customer-centric. This vision drives the Bank to continuously transform the way Filipinos bank—making what was once unimaginable now possible through future-ready platforms and services. Defining its trajectory to become a NextGen Bank, UnionBank continues to lead the industry in reimagining how financial services are delivered—anchored on seamless digital experiences, data-driven intelligence, agile operations, and a culture that embraces innovation.

Historical Background

UnionBank, originally known as “Union Savings and Mortgage Bank”, was incorporated in the Philippines on August 16, 1968. On January 12, 1982, it was given the license to operate as a commercial bank. UnionBank’s common shares were listed in the Philippine Stock Exchange (PSE) on June 29, 1992 and shortly after, it was granted the license to operate as a universal bank on July 15, 1992. UnionBank became the 13th and youngest universal bank in the country in only its tenth year of operation as a commercial bank.

UnionBank’s principal shareholder groups include AEV, a shareholder of UnionBank since 1988 and the public holding company of the Aboitiz group of companies (the “Aboitiz Group”), one of the oldest and largest conglomerates in the Philippines with interests in power generation and distribution, financial services, real estate, food manufacturing and industrial production; SSS, a Government-owned and controlled corporation that provides social security to workers in the private sector; and Insular Life, one of the leading and largest Filipino-owned life insurance companies in the Philippines.

UnionBank has undertaken two mergers, with the International Corporate Bank (Interbank) in 1994 and the International Exchange Bank (iBank) in 2006.

As of December 31, 2024, UnionBank’s key subsidiaries and affiliates include: City Savings Bank, Inc. (CitySavings or CSB), Petnet, Inc., (Petnet), Bangko Kabayan, Inc. (A Private Development Bank) (Bangko Kabayan), UBP Investments Corporation (formerly Union Properties, Inc.) (UIC), First Union Plans, Inc. (FUPI), First Union Direct Corporation (FUDC), First Union Insurance and Financial Agencies, Inc. (FUIFAI), UBX Philippines Corporation (UBX PH), UBX Private Limited (UBX SG), UnionDigital Bank, Inc. (UnionDigital), UnionBank Financial Services and Insurance Brokerage Philippines, Inc. (formerly Citicorp Financial Services and Insurance Brokerage Philippines, Inc.) (UFSI) and UnionBank Investment Management and Trust Corporation (UBIMTC).

Acquisitions / Company Creation

On January 8, 2013, UnionBank’s Board of Directors (BOD) approved the purchase of CSB, a premier thrift bank specializing in granting teacher’s loans under the Department of Education’s (DepEd) Automatic Payroll Deduction System (APDS). The transaction was approved by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) on March 21, 2013. The acquisition of CSB is aligned with UnionBank’s business plans and long-term strategy of building businesses based on consumers.

In May 2013, UnionBank’s subsidiary, UIC¹, completed the acquisition of FUIFAI, a company organized to primarily engage in the business of a general agent for life and non-life insurance, and other allied financial services.

On December 15, 2016, CSB and UIC received Monetary Board approval to finalize its joint-acquisition of a majority stake in FAIRBank, a rural bank that provides banking and microfinance services and loan products to micro, small, and medium enterprises, and micro housing institutions.

¹ On July 22, 2019, the Securities and Exchange Commission (SEC) approved the change in the name of Union Properties, Inc. to UBP Investments Corporation (UIC) and change in primary purpose to that of a holding company and its secondary purpose was amended to act as a property administrator.

In December 2017, CSB signed a Share Purchase Agreement with the ROPALI Group to acquire 100% of the common shares and with International Finance Corp. (IFC) in February 2018 to acquire 100% of the preferred shares of PR Savings Bank. PR Savings Bank is a thrift bank engaged in providing motorcycle, agri-machinery, and teachers' salary loans. The acquisition of shares in PR Savings Bank was approved by the Philippine Competition Commission (PCC) on April 5, 2018. The BSP has issued its approval-in-principle of the acquisition on June 14, 2018. The merger of PR Savings Bank with CSB was approved by the BSP on December 27, 2018. The Securities and Exchange Commission (SEC) approved the same on February 28, 2019.

In January 2018, CSB and UIC executed a Share Purchase Agreement (SPA) with the majority shareholders of PBI for the acquisition of a 75% equity interest through a combination of subscription and purchase of common shares. PBI is a rural bank based in Iloilo engaged in the business of extending credit to farmers, tenants, and rural industries of enterprises. On February 24, 2020, the BSP approved the application of CSB and UIC to acquire 75% ownership of PBI.

In February 2018, CSB and UIC signed an SPA with AEV to purchase 51% of the common shares of PetNet. The transaction was approved by the PCC on May 8, 2018 and by the BSP on December 11, 2018. PetNet, more widely known by its retail brand name PeraHub, has over 3,000 outlets nationwide which offers a variety of cash-based services including remittance, currency exchange, and bills payment.

On December 19, 2018, UBX PH was incorporated with the SEC. On February 11, 2019, the BSP approved its incorporation. UBX PH serves as UnionBank's investment house to hold, purchase, and acquire businesses engaged in financial and information technology services. UBX PH also owns 30% of Shiptek Solutions Corporation and 35% of CC Mobile Financial Services Philippines, Inc.

A wholly-owned subsidiary of UBX PH, UBX SG was incorporated and registered with the Accounting and Corporate Regulatory Authority (ACRA) of Singapore in 2018. It is a holding company that is principally engaged in acquiring various fintech start-ups. UBX SG owns 100% of UBX Remit Pte. Ltd. (SG) and 1.96% of NYK Ventures Pte. Ltd. (SG). In June 2021, UBX SG sold its 25% stake in Pacific Payments Pte. Ltd. In October 2023, UBX SG also sold its 31.98% stake in Fintech Platform Ventures Pte. Ltd.

In February 2019, City Savings and UIC executed a Share Purchase Agreement with the majority shareholders of Batangas-based Bangko Kabayan to acquire 70% ownership in the MSME-oriented rural bank. The transaction was approved by the BSP and PCC on September 19, 2019 and January 9, 2020, respectively.

In July 2021, the BSP granted a digital banking license to UnionDigital. It is the only digital bank established by a universal bank among the six licensees approved by the BSP. UnionDigital was incorporated in November 2021 and started commercial operations on July 18, 2022. It is UnionBank's foray to penetrate the larger untapped retail segment in the country in a purely digital and cost-effective manner.

In December 2021, UnionBank entered into a Share and Business Transfer Agreement with the subsidiaries of Citigroup Inc. (Citi) to acquire Citi's consumer banking in the Philippines. The transaction includes Citi's credit card, personal loans, wealth management, and retail deposit businesses. The acquisition also includes Citi's real estate interests in relation to Citibank Square in Eastwood, 3 full-service bank branches, and 5 wealth centers. UnionBank's acquisition of Citi was approved by the BSP on July 18, 2022, and UnionBank became the legal owner of the business beginning August 1, 2022. The deal brought in almost 1 million new customers and Php99.4 billion in total assets, Php69.4 billion in gross loans and Php65.3 billion in deposits. The acquisition is seen to accelerate UnionBank's objective of becoming a 'Great Retail Bank' given Citi's market leadership in the credit cards, personal loans, and wealth management business.

In June 2023, the BSP approved the Parent Bank's request to purchase 1,011,961 shares of Bangko Kabayan. In July 2023, the Parent Bank completed the purchase representing 27.52% ownership in Bangko Kabayan. The result of the purchase of the said shares increased the Group's ownership in Bangko Kabayan to 97.52%. CSB's and UIC's ownership remained the same at 49% and 21%, respectively.

In July 2023, the Securities and Exchange Commission (SEC) officially approved the tripartite merger between Bangko Kabayan, FAIR Bank and PBI, with Bangko Kabayan being the surviving entity.

In July 2023, UnionBank received from the BSP the Certificate of Authority for UBIMTC to operate as a stand-alone trust corporation. UBIMTC is a wholly owned subsidiary of UnionBank. Pursuant to the requirements for incorporating UBIMTC, UnionBank contributed Php300.0 million in May 2023 in

exchange for 300.0 million common shares. In October 2023, the SEC issued UBIMTC's Certificate of Incorporation together with its approved Articles of Incorporation and By-Laws.

In May 2025, following the Bangko Sentral ng Pilipinas' (BSP) approval last April of transactions leading to a proposed merger of trust entities, the ATRAM Group (ATRAM) and Union Bank of the Philippines (UnionBank) have formally signed and officially sealed their strategic partnership. In November 2024, it was announced that UnionBank will acquire a 27.5% ownership stake in ATR Asset Management, Inc. (AAMI) while AAMI will simultaneously acquire 100% of UnionBank's trust subsidiary, UnionBank Investment Management and Trust Corporation (UBIMTC). The transactions will ultimately lead to the merger of AAMI's trust subsidiary, ATRAM Trust Corp (ATC), and UBIMTC, forming the fourth-largest private asset management firm in the Philippines.

Capital Markets Transactions

In May 2022, UnionBank raised Php40 billion through a stock rights offering, with approximately 617.2 million common shares priced at Php64.81 per share. The proceeds from the offering were deployed to partially fund the acquisition of the Citibank N.A. consumer banking business.

On June 2, 2022, UnionBank successfully issued the first-ever digital peso bonds in the Philippines, raising an aggregate size of Php11.0 billion under its Php39.0 billion bond program. UnionBank is the pilot user of the Philippine Depository & Trust Corp.'s (PDTC) Proof of Concept Digital Registry & Digital Depository that uses Distributed Ledger or Blockchain Technology for registry and depository operations. The bonds, which have a tenor of 1.5 years and a fixed rate of 3.25% per annum, are listed on Philippine Dealing and Exchange Corp. (PDEX) for trading in the PDEX Fixed Income Market.

On November 25, 2022, UnionBank raised \$358.0 million from a three-year syndicated loan. The proceeds will be used to refinance UnionBank's maturing USD loans and existing USD bonds, and fund its general corporate purposes.

In December 2022, UnionBank announced another stock rights offering for approximately 210.97 million shares for Php56.88 each. The proceeds amounting to approximately Php12.0 billion are mainly for the expansion of the Bank's loan portfolio and for infusion into its digital banking arm, UnionDigital. The listing date of the new shares in the PSE is February 06, 2023.

In February 2023, the BOD of the Bank at its regular meeting held on February 24, 2023, approved the increase in authorized capital stock of the Bank from Php35.3 million to Php60.3 million. In August 2023, the BSP approved the amendment of its Articles of Incorporation to increase the authorized capital stock. In December 2023, the SEC approved the amendments to the Articles of Incorporation of Union Bank of the Philippines increasing its authorized capital stock.

In October 2023, the Bank completed the update of its Peso Bonds Program increasing the Program size to Fifty billion Pesos (Php50.0 billion). The increase in the Bank's Peso Bonds Program was approved by its BOD last March 24, 2023. The Bank's Peso Bonds Program was initially established on April 26, 2019 with an original size of Thirty-Nine billion Pesos (Php39.0 billion).

In November 2023, the Bank announced the start of the public offer of its 1.5Y Senior Fixed Rate Series F Bonds due 2025 and 3Y Senior Fixed Rate Series G Bonds due 2026 (collectively, the "New Bonds"). The New Bonds will be issued under UnionBank's Php50.0 billion Bond Program and each tranche will be offered with a minimum aggregate principal amount of Php1.0 billion, with an oversubscription option. The 1.5Y Series F Bonds and 3Y Series G Bonds have interest rates of 6.5625% per annum and 6.6800% per annum, respectively. The public offer period for the New Bonds started from November 20, 2023 and ended on November 29, 2023.

On December 5, 2023, the Bank issued and listed on PDEX its Php18.168 billion of Peso denominated fixed rate bonds via a dual tranche offering. This is the largest bond issuance by UnionBank from its Php50.0 billion Bonds Program, which received strong demand from both retail and institutional investors. This enabled the Bank to upsize the issuance to over nine times its initial minimum offer size of Php2.0 billion for the two tranches.

The 1.5Y Series F Bonds due 2025 raised a total of Php10.3385 billion and carries an interest rate of 6.5625% per annum while the 3Y Series G Bonds due 2026 raised a total of Php7.8295 billion and carries an interest rate of 6.6800% per annum (collectively, the "New Bonds").

Concurrent with the issuance of the New Bonds, UnionBank also implemented the country's first public non-sovereign bond exchange which extended to the holders of its Php8.115 billion 2.750% Fixed Rate

Series C Bonds due December 9, 2023 (the "Exchangeable Bonds") the option to sell to UnionBank such Exchangeable Bonds in exchange for subscription to any of the New Bonds (the "Bond Exchange"). The Bond Exchange settlement date was on December 4, 2023, with Php236.7 million of Exchangeable Bonds to be exchanged with the New Bonds.

ING Bank N.V., Manila Branch ("ING") and Standard Chartered Bank ("SCB") are the Joint Lead Arrangers and Bookrunners for the New Bonds. They are also the Selling Agents for the offering of the New Bonds together with UnionBank.

In January 2024, UnionBank issued a 27% stock dividends in which the Bank listed 635.5 million common shares.

In May 2024, UnionBank concluded a stock rights offering of 327.12 million shares with a total transaction value amounting to approximately Php10.0 billion at a price of Php30.57 per share. The net proceeds will be used to fund the capital infusion to UnionDigital, projected retail loan availments, and/or for general corporate purposes.

On April 3, 2025, UnionBank completed the update of its USD 2 billion Medium Term Note ("MTN") Programme. The MTN, with an original size of USD 1 billion, was established in November 2017, followed by a maiden Senior Note issuance of USD 500 million. The Programme Limit was increase to USD 2 billion in October 2020, followed by a successful issuance of USD 300 million Senior Notes.

On May 26, 2025, the Bank completed the exercise of its Call Option date May 24, 2025 by way of Voluntary Redemption on its Php6.8 billion Unsecured Subordinated Debt Eligible as Tier 2 Capital Due 2030, which was issued on February 24, 2020.

On June 26, 2025, UnionBank issued and listed on PDEX its Php16.0 billion of Peso denominated fixed rate bonds via a dual tranche offering under its increased Php100.0 billion PHP Bond Program. This marks UnionBank's return to the domestic capital markets since 2023. The offering saw strong interest from institutional and retail investors, with both tranches exceeding their initial targets of Php5.0 billion each. The public offer period for the Bonds started from June 4, 2025 and ended on June 19, 2025.

The 1.5Y Series H Bonds due 2026 raised a total of Php9.2507 billion and carries an interest rate of 5.88% per annum, while the 3Y Series I Bonds due 2028 raised a total of Php6.7493 billion and carries an interest rate of 6.02% per annum (collectively, the "Bonds"). The minimum investment amount was Php100,000.00 with increments of Php50,000.00 thereafter. Proceeds from the issuance shall be used to extend term liabilities, expand funding base, support business expansion plans, and for other general corporate purposes.

B. Business of Issuer

Principal products and services

UnionBank offers a broad range of products and services, which include deposit and related services, consumer finance (comprising credit card services, mortgage and auto loans, and personal/salary loans), corporate banking, commercial banking (comprising middle-market banking), micro, small and medium-sized enterprises ("MSME") banking, cash management, trust and investment services, treasury products distribution, funding and trading (involving management of UnionBank's liquidity and funding requirements and handling of transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives).

In addition, UnionBank has a private banking unit which offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier and various life insurance products through its bancassurance partnership with Insular Life.

Deposits and Related Services

Savings Accounts: Personal Savings Account · US Dollar Savings Account · Third Currency Accounts · Dollar Access · My First Savings · Savings+ · Regular Savings Account · Corporate Savings · FCDU Corporate Savings

Checking Accounts: Regular Checking · Power Checking · Premium Deposit · BizStarter · Business Check · Corporate Checking

Investment Accounts: Time Deposit · Peso Optimizer · Hi-Five · USD Optimizer

Corporate, Middle-Market, and Consumer Lending**Corporate Banking Loans****Commercial Banking Loans****SME Banking Solutions:** BusinessLine Classic · Dealers Financing Line · MD Line**Consumer Lending:** Auto Loans · Mortgage · Quick Loans · eJudiciary

Debit Cards**Personal:** Easy Access · US Dollar Visa Debit · Go Rewards Debit · PlayEveryday · Lazada · e-Wallet**Corporate:** ePaycard · UnionBank Corporate Debit Card**Government:** GSIS UMID/eCard · SSS UMID/Quickcard · Pag-IBIG Loyalty Card

Credit Cards**Rewards Cards:** Visa Classic · Visa Gold · Visa Platinum · PlayEveryday Visa Classic · Rewards Visa Platinum · Platinum Mastercard · Lazada Mastercard Titanium · Rewards Platinum Mastercard**Cashback /Interest Rebate Cards:** Cash Back Visa Platinum · U Visa Platinum · Mastercard Gold · Mastercard Platinum · Cash Back Titanium Mastercard · U Mastercard Platinum**Travel and Lifestyle:** Miles+ Visa Platinum · Miles+ Visa Signature · Reserve Visa Infinite · Cebu Pacific Visa Gold · Cebu Pacific Visa Platinum · Go Rewards Visa Gold · Go Rewards Visa Platinum · Miles+ World Mastercard · Reserve World Elite Mastercard**Co-brand and Affinity Cards:** Mercury Drug Visa Gold · Shell Power Visa Gold · Shell Power Visa Platinum · Grab Mastercard Platinum · S&R Visa Platinum · Go Rewards Visa Gold · Go Rewards Visa Platinum · Cebu Pacific Visa Gold · Cebu Pacific Visa Platinum and various other products issued in partnership with companies that are involved in retail business; home-building; hotels; medical, health and fitness; financial security; airlines; educational and service-oriented institutions; and non-profit organizations focusing on religious, humanitarian, cause-oriented activities, and promotion of professional organizations**Business:** UnionBank Visa Corporate · Suy Sing Visa**Consumer Lending:** Personal Loan

Trust and Investment Products

The Bank continues to provide a comprehensive suite of trust and investment products across its retail channels, catering to diverse client risk profiles, time horizons, and investment objectives. These products are sourced and made available through our various distribution partners, enabling broader client access and a diversified investment platform.

Cash Management Services**Corporate Disbursements:** Electronic Fund Transfers (UnionBank Transfers, PESONet, InstaPay, PDDTS, SWIFT, RTGS) · Fund Transfers with CWT and Invoice/ PayExpress · eGobyerno (SSS, Philhealth, Pag-IBIG, BIR, BOC) · Checkwriter (Self-service, Outsourced) · Voucher Payout**Corporate Collections:** Bills Payment (inc. Batch Bills Payment) · Auto Debit Arrangement (ADA, DocuPay) · Check Collections (Check Collections, CheckHouse, Mobile Check Deposit, Remote Check Deposit) · Cash Mobilization · Partner Pay · UPAY (inc. Paygate)**Payroll:** Payroll & Corporate Disbursement Solutions (ePaycard, eCrediting/Fund Transfer, ePayroll) · UnionBank Corporate Prepaid Card (StopSell) · Corporate Debit Card · Payee Protect Coverage**Government Cards:** GSIS UMID/eCard · SSS UMID/Quickcard · Pag-IBIG Loyalty Card**Corporate Accounts:** Corporate Accounts (BizStarter, Corporate Regular Checking, Corporate Checking, Corporate Savings, FCDU Corporate Savings) · Account Pooling and Sweeping · Corporate Credit Card · Sponsorships (Bancnet, VISA, Instapay, Pesonet, SCCP Settlement) · Customized SOA**Other Products and Services:** API Marketplace · Financial Marketplace · FX via Portal · Unionbank Global Transfer via UnionBank Online**Trade Finance Facilitation:**

- **Supply Chain Financing:** A platform to support better cashflows for your business community through digital document presentment, receivables collection, payables settlement, and instant financing options - DocuPAY · Dealers Financing · Payables Discounting
 - **Trade Finance Services:** a suite of products that facilitate payment and collections for bank clients via Letter of Credit and non-Letter of Credit services - Import Financing · Export Financing · Documentary Letter of Credit (LC) · Stand-by Letter of Credit · Bank Guaranty/Performance Bond · Non-LC Transactions (Open Account, Documents against Payment, Document against Acceptance, Direct Remittance) · Export Packing
-

Line · Export Bills Purchase Line · Customs Duties Collection
Digital Channels Retail: UnionBank Online · Bonds.PH SME: UB Negosyante Corporate: The Portal
Private Banking Access to Global Funds and Investment Strategies · Government Securities, Corporate Bonds, Money Market Securities, UITFs · Asset Swaps · Family Services · Financial Advisory · Mutual Funds · FX · Other Investments
Wealth Management UB Elite wealth program for affluent and high net worth individuals. Team of experts, wealth advisory and insights, global investments, banking privileges & exclusive offer. UB Access wealth program for emerging affluent individuals. Convenient banking, wealth creation, banking privileges & offers. Savings Accounts: E-Savings · High-Rate Saver · Boost Up Savings · Peso Payroll Saver · USD FCDU Saver · EUR FCDU Saver · AUD FCDU Saver · GBP FCDU Saver · HKD FCDU Saver · SGD FCDU Saver · JPY FCDU Saver Checking Accounts: Everyday Account Cyber Fraud Deposit Insurance Debit Cards: World Debit Mastercard · Debit Platinum Mastercard · Debit Gold Mastercard · Access Visa Debit Card · Visa Signature Debit Card Brokerage Products and Services: BSP-registered Unit Investment Trust Funds · SEC-registered Mutual Funds · Global Mutual Funds · Philippine Government Bonds · Philippine Bank-Issued Bonds · Global Government Bonds · Local Currency Corporate Bonds · Foreign Currency Corporate Bonds · Structured Notes · Qualified Buyer Registration · Traditional Life Insurance · Investment Linked Life Insurance · Non-Life Insurance
Bancassurance Assurance · Assurance Prime · Security · Prominence · Dollar Prominence · Sure Cover · Bancassurance Abundance · Secure 5 · Secure 7

CitySavings is primarily engaged in extending salary loans to employees of public educational institutions under the DepEd's Automatic Payroll Deduction System ("APDS"). The guidelines for the grant of salary loans to public school teachers are set out in a memorandum of agreement between the DepEd and CitySavings. The Bank has diversified its product suite to cater to employees of national government agencies and local government units. In addition, the Bank offers loans to pensioners under the Government Service Insurance System (GSIS), Social Security System (SSS), and other government agencies. In 2019, CitySavings entered the motorcycle financing market through its acquisition of PR Savings Bank and it has substantially expanded its partner-dealer network to grow the business. The Bank also provides deposit products for both retail and corporate customers. CitySavings' affiliate, Bangko Kabayan, is into basic deposit and lending services which range from individual to mSME loans. Another affiliate of the Bank is PETNET, more widely known by its retail brand name PERA HUB. They deliver a variety of cash-based services including remittance, currency exchange and bills payment.

UBX is a premier technology company delivering digital transformation for enterprises and the government, with embedded finance as its core accelerator. We are differentiated by comprehensive local financial expertise and global fintech capabilities through our affiliation with UnionBank of the Philippines and SBI Holdings of Japan.

UnionDigital Bank is the digital bank subsidiary of UnionBank. It distinguishes itself as the sole digital bank in the country initiated by a private universal bank, holding a license from the BSP. It represents UnionBank's strategic approach to integrate the vast segments of unbanked and underbanked individuals within the financial system. As a crucial part of the Aboitiz Group, UnionDigital leverages the group's ecosystem and expertise, fostering collaborations that drive towards a vision of a financially inclusive nation. This effort also aligns with UnionBank's expansion goals, promoting inclusive growth and prosperity within the Filipino community.

The vision for UnionDigital is to evolve into a comprehensive financial services hub, offering a wide range of digital financial solutions such as savings and lending, payments, insurance, micro-investments, digital assets, and other value-added services. These offerings are designed to meet the needs of both the unbanked and underserved populations, as well as those who are tech-savvy. By addressing the entire financial lifecycle, including spending, saving, investing, protecting, and borrowing, UnionDigital aims to

go beyond traditional banking offerings to include alternative financial products. Central to its mission, UnionDigital is committed to making banking services, products, and financial education accessible to every Filipino, empowering them with the tools and resources needed to achieve their financial goals and uplift their lives.

Segment Reporting

Business Segments

The Group's main operating businesses are organized and managed separately according to the nature of products and services provided and the different markets served, with each segment representing a strategic business unit. These are also the basis of the Group in reporting to its chief operating decision-maker for its strategic decision-making activities.

The Group's main business segments are presented below.

a. *Consumer Banking*

This segment principally handles individual customer deposits, funds transfer facilities and provides consumer type loans, such as personal loans, automobiles and mortgage financing, and credit card facilities and small and medium enterprises loan products.

b. *Institutional Banking*

This segment principally handles loans and other credit facilities and deposit and current accounts for corporate, institutional and middle market customers.

c. *Mass Market/Digital Banking*

Mass Market banking primarily provides a range of mass market financial products and services such as salary loans, pension loans, seafarer loans, motorcycle loans, company loans, LGU salary loans, and traditional deposits. Digital Banking offers retail financial products, including deposits and loans, on a highly secure digital banking platform.

d. *Treasury Banking*

This segment is principally responsible for managing the Bank's liquidity and funding requirements, and handling transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives.

e. *Trust and Insurance*

The segment handles trust, asset management and fiduciary services provided by the Bank to its customers.

f. *Headquarters*

This segment includes corporate management, support and administrative units not specifically identified with Consumer Banking, Corporate and Commercial Banking or Treasury.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment resources and liabilities comprise operating resources and liabilities including items such as taxation and borrowings. Revenues and expenses that are directly attributable to a particular business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

In 2025, the Bank revised its segment reporting related to the deposit products within its RBC. Previously, all RBC deposits were reported under the Consumer Banking segment. To better reflect the underlying business dynamics and enhance clarity in the Group's segment performance measurement, the Group restructured its reporting approach. RBC deposit products are now allocated across Consumer Banking and Institutional Banking, based on their respective sub-product segments: Retail Personal and SME under Consumer Banking, and Retail Commercial and Retail Corporate under

Institutional Banking. As a result, the comparative segment reporting for the years ended December 31, 2024 and 2023 have been restated.

Subsidiaries and Affiliates

Name of Subsidiary	Percentage of ownership		Nature of Business
	2025	2024	
City Savings Bank, Inc. (CSB)	99.81%	99.79%	Thrift bank
PetNet, Inc. (PETNET) ^(a)	51.00%	51.00%	Foreign currency trader and remittance business
UBP Investments Corporation (UIC)	100.00%	100.00%	Holding company
First Union Plans, Inc. (FUPI) ^(b)	100.00%	100.00%	Pre-need
First Union Direct Corporation (FUDC) ^{(b)(h)}	-	100.00%	Financial products marketing
First Union Insurance and Financial Agencies, Inc. (FUIFAI) ^{(b)(c)}	100.00%	100.00%	Agent for insurance and financial products
UBP Securities, Inc. (UBPSI) ^(b)	100.00%	100.00%	Securities brokerage
Interventure Capital Corporation (IVCC) ^(b)	60.00%	60.00%	Venture capital
UBX Philippines Corporation (UBX)	83.33%	83.33%	Investment holding and innovation company
UBX Private Limited (UBX SG) ^(d)	83.33%	83.33%	Holding company
UBX Remit Pte Ltd. (UBX Remit) ^(e)	83.33%	83.33%	Remittance company
Bangko Kabayan, Inc. (A Private Development Bank) (Bangko Kabayan) ^(f)	97.75%	97.75%	Private development bank
UnionDigital Bank, Inc. (UnionDigital)	100.00%	100.00%	Digital bank
Unionbank Financial Services and Insurance Brokerage Philippines, Inc. (UFSI)	100.00%	100.00%	Insurance and securities brokerage
Unionbank Investment Management and Trust Corporation (UBIMTC)	-	100.00%	Trust and other fiduciary business

(a) Subsidiary through CSB and UIC, with 40% and 11% share in ownership, respectively

(b) Non-operating subsidiaries

(c) Wholly-owned subsidiary through UIC

(d) Wholly-owned subsidiary of UBX

(e) Wholly-owned subsidiary of UBX SG

(f) 24.96% owned by the Parent Bank; 49% and 23.79% owned through CSB and UIC, respectively

(g) On May 8, 2025, the Parent Bank sold its 100% ownership in UBIMTC to ATR Asset Management, Inc. (AAMI)

(h) On June 5, 2025, the SEC approved FUDC's application for dissolution

Other relevant information about the subsidiaries' nature of businesses and their status of operations are discussed in the sections that follow:

- (a) On November 7, 2024, the BOD of the Parent Bank approved the acquisition of ATR Asset Management, Inc. (AAMI) shareholdings and sale of its shareholdings in UBIMTC. On November 8, 2024, the Parent Bank and AAMI entered into an investment agreement for UBP's acquisition of a 27.5% shareholding in AAMI and a share purchase agreement for the sale of 100% of UBP's shareholding in UBIMTC to AAMI. The acquired ownership interest in AAMI is accounted for as an investment in associate in the statement of financial position.

In May 2025, following BSP's approval of the transactions in April 2025, the Parent Bank paid Php300.0 million to ATR KimEng AMG Holdings, Inc. and AAMI. This was funded by the proceeds from the sale of the Parent Bank's ownership interest in UBIMTC of Php300.0 million.

- (b) CSB was incorporated and registered with the SEC on December 9, 1965. It is a thrift bank specializing in salary loans, motorcycle loans and pension loans. CSB has 154 branches as of December 31, 2025.

On October 8, 2025, the BOD of the Parent Bank approved the infusion of up to Php1.5 billion capital to CSB to support its growth and ongoing business operations. Subsequently on November 28, 2025 and December 19, 2025, the Parent Bank infused capital amounting to Php1.2 billion and Php300.0 million, respectively.

- (c) PETNET is engaged in the business of remittance and in relation thereto, act as money changer/foreign exchange dealer or engage in the business of buying and/or selling foreign currencies and selling of other services as may be necessary to accomplish the purpose for which PETNET has been established.

- (d) UIC was incorporated and registered with the SEC on December 20, 1993. It is presently engaged in business as a holding company authorized to hold investments of real and personal properties, including shares of stocks, bonds, debentures, notes and other securities and obligations, without engaging in business of an investment company or broker or dealer in securities of stocks.

UIC holds investments of the Group's thrift banks, rural banks and remittance companies.

- (e) UBX operates as a financial technology services firm. It was incorporated to invest in, hold, own, purchase, lease manage, sell or otherwise dispose of real and personal properties of every kind and description. It shall also engage in the development of financial technology innovations and engage in electronic commerce business. UBX SG, a subsidiary of UBX, is incorporated to engage in the development of financial technology innovations and engage in electronic commerce business.

On September 27, 2024, UBX issued 8.0 million shares to a third party for a 16.67% ownership interest at USD10.0 million (or Php558.00 million). This resulted in a decrease in the Parent Bank's ownership interest in UBX to 83.33%. The reduction in the Parent Bank's ownership interest in UBX resulted in the recognition of other equity reserves of Php372.16 million in the Group's statement of financial position and Gain on deemed disposal of Php373.13 million presented as part of Miscellaneous income in the Parent Bank's statement of income, where the amounts represent the difference between the Parent Bank's "deemed share" in the proceeds from issuance of UBX shares and the carrying amount of the equity interest "deemed disposed" in UBX.

- (f) Bangko Kabayan is authorized to engage in the business of extending financial services to farmers, entrepreneurs, commercial, manufacturing and industrial enterprises and to such other persons or entities that require financial intermediation, and to have and to exercise all authority and powers, and to do and perform all acts, and to transact all business which may legally be done by thrift banks organized under and in accordance with the existing New Thrift Banks Act of 1995 (Republic Act No. 7906).

Bangko Kabayan has 35 branches and three (3) branch lites as of December 31, 2025.

- (g) UnionDigital was organized to engage in, and carry on, the general business of a digital bank, including such other expanded services as may be approved by the Monetary Board (MB) of the BSP such as creating, developing, owning, maintaining, distributing, and marketing a digital platform that allows the bank to offer digital services, and issues mortgage and chattel mortgage certificates, buys and sells them or accept them in to such terms and conditions as may be prescribed by the MB of BSP.

On September 23, 2024 and February 28, 2025, the BOD of the Parent Bank approved the infusion of additional capital of up to Php1.6 billion and another up to Php1.2 billion, respectively, in UnionDigital to support its ongoing business operations and enable it to deliver sustainable growth.

Pursuant to the aforementioned approvals, on September 30, 2024 and January 31, 2025, the Parent Bank infused capital totaling Php1.6 billion and on June 30, 2025, August 29, 2025, September 15, 2025, and October 27, 2025, the Parent Bank infused capital totaling Php1.2 billion.

As of December 31, 2025 and 2024, the Parent Bank's total equity investment in UnionDigital amounted to Php8.5 billion and Php6.7 billion, respectively.

Non-operating subsidiaries

- a. The BOD of FUPI and the stockholders, on May 9, 2025 and August 7, 2025, respectively, approved the dissolution of the company by way of an amendment to its Articles of Incorporation (AOI) through shortening its corporate term until December 31, 2025. The Insurance Commission favorably endorsed said dissolution on November 7, 2025. On December 10, 2025, the SEC approved the said dissolution. As of December 31, 2025, the other business closure applications with the other government agencies are ongoing.
- b. The BOD of FUDC authorized to temporarily suspend its business operations effective June 1, 2022 and until such time that management, with the approval of the BOD of FUDC, deems it appropriate to resume operations. The BOD of FUDC, in its special meeting on July 5, 2024, approved the cessation of business effective December 31, 2024. On November 6, 2024, the BIR issued the tax clearance for the cessation of business of FUDC.

Accordingly, on June 5, 2025, the SEC approved and issued the certificate of its amended articles of incorporation pertaining to Article IV shortening the term of its existence thereby dissolving the corporation.

- c. On July 15, 2025, the BOD of FUIFAI approved to suspend and cease its business operations effective August 31, 2025. Pursuant to said cessation, the BOD likewise approved on July 15, 2025 the dissolution of FUIFAI which will be done by way of an amendment of its Amended Articles of Incorporation through shortening its corporate term until May 31, 2026.
- d. UBPSI was incorporated and registered with the SEC on March 2, 1993. It was organized to engage in the business of buying, selling or dealing in stocks and other securities. In January 1995, as approved by UBPSI's stockholders and BOD, UBPSI sold its stock exchange seat in the PSE. Accordingly, UBPSI ceased its stock brokerage activities.
- e. IVCC was incorporated and registered with the SEC on October 10, 1980. It was organized to develop, promote, aid and assist financially any small or medium scale enterprises and to purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations as the transaction of the lawful business of the corporation may reasonably and necessarily require, subject to the limitations prescribed by law. IVCC has ceased operations since 1992.

The total assets, liabilities and capital funds of these non-operating subsidiaries amounted to Php5.38 million, Php3.16 million, and Php2.21 million, respectively, as of December 31, 2025 and Php9.12 million, Php3.18 million, and Php5.94 million, respectively, as of December 31, 2024.

The Bank's registered address, which is also its principal place of business, is at UnionBank Plaza, Meralco Avenue corner Onyx Street and Sapphire Road, Ortigas Center, Pasig City. AEVI's registered address is located at Ayala Triangle Gardens 2, Paseo De Roxas corner Makati Avenue, Makati City.

Distribution Network of Products and Services

UnionBank primarily services its clientele through its well-trained relationship managers, as well as its strong digital footprint through its website (www.unionbankph.com), mobile or online banking apps, customer service chatbot, and various digital platforms, following its digital transformation journey. Its digital channels are complemented by strategically located branch networks, partner outlets, ATMs, as well as a Customer Engagement Group that takes up voice and non-voice customer service-related concerns.

<i>Relationship Managers</i>	UnionBank's sales force is trained to have expertise in UnionBank's solutions-based financial services and are equipped with tools (e.g., MAX 5.0) that allow them to service clients remotely and enhance productivity. UnionBank's Relationship Managers and Financial Advisors are also licensed by the Insurance Commission to provide customers with bancassurance products.
<i>Branch Network</i>	As of December 31, 2025, UnionBank had 196 branches. All of UnionBank's branches were transformed into digital and paperless branches called "The ARK", which allow for straight-through processing of transactions over-the-counter or via self-service machines, and at the same time, house Branch Ambassadors for product discovery, digital conversion and advisory services. UnionBank also increased its presence nationwide through its subsidiaries' physical network which consisted of 154 branches of CitySavings across the country, 38 branches of Bangko Kabayan and the nationwide locations of PETNET. In addition, UnionBank has three mobile banking kiosks, also called "Bank on Wheels," which are vans equipped with 5G communication facilities to serve areas where branch access is limited by natural disasters, pandemics or geography, and/or high volume of ATM transactions are needed for a specific period. UnionBank introduced agency banking cash deposit capability through its partnership with 7-Eleven and ECPay among others.

ATM Networks	As of December 31, 2025, UnionBank had 489 ATMs and CitySavings had 113 ATMs for a total of 602 ATMs, which are further categorized as 428 onsite and 174 off-site ATMs. UnionBank and its subsidiaries' network supplements its branch network in providing 24-hour banking services to its customers. UnionBank's interconnection with the Bancnet ATM consortium, allows its cardholders to access thousands of ATMs nationwide. In addition, UnionBank's ATM card functions as a VISA or Mastercard debit card that allows electronic purchase and payment transactions.
Call Center	UnionBank's Customer Engagement Support Group (CESG), which is responsible for retail customer relationship and consumer finance relationship and care, manages UnionBank's 24-hour call center, which caters to deposit and card product queries, among others. The call center utilizes a mix of phone, social media, email, and website as customer touch points. In handling customer complaints, it adheres to certain service-level agreements such as feedback or resolution of concerns that were received from the customer touch points. Customer complaint handling is continuously improved through resolution tracking. UnionBank is currently enhancing other enabling channels capable of digital self-servicing and extended reach. The Customer Engagement Group is composed of the voice and email channels, sales and service recovery and strategic development and controls.
Mobile and E-Banking	UnionBank Online, is the online and mobile banking platform for UnionBank's retail customers. It is designed with an omni-channel user experience wherein the same look and feel applies to different touchpoints (websites and mobile applications), operating systems (Android or IOS) and device types. UnionBank Online enables UnionBank's customers to perform account management and banking transactions such as account opening, deposit checks, fund transfer, bills payment without visiting a branch or contacting UnionBank's call center. Customers may log in through biometric authentication, apart from password login. Customers can use UnionBank Online to send money to various remittance centers or cash outlets nationwide and deposit checks simply by taking a photo with the application. It also enables real-time account opening via a digital application and thus facilitates customer onboarding process. UnionBank was the first Philippine universal bank to introduce such function in the Philippines in 2019. UnionBank also introduced an upgraded version of its cash management platform for corporates called "The Portal". It is a fully featured application which enables, among others, single sign-on for customers with multi-org access, real-time fund transfers, bills payment facility, online check deposits, payroll account opening, and the ability to set up business approval steps. It helps customers' merchant acquisition, account management and lending activities. UnionBank also launched a cash management platform for MSME clients called MSME Business Banking in 2021, now known as "UB Negosyante". Its features include digital account opening for savings and checking account, mobile check deposit, local and international fund transfers, bills payment, payment gateway, and many more to help MSMEs manage financial operations. UnionBank also launched "UPAY" in 2021, an integrated payment acceptance hub for SME customers to support collection of funds through various payment channels including UnionBank Online, Gcash and GrabPay, over the counter, and debit and credit cards. In addition, UnionBank has launched "E-commerce Payment Gateway" with API connectivity via websites and mobile applications to enable merchants to accept major credit cards and alternative payment methods to support their customers' buying behavior and to deliver a cross-channel experience. Recurring customers could experience faster and more convenient payments by securely tokenizing payment credentials.

Competition

The Bank faces competition in all its principal areas of business. Philippine domestic and foreign banks are the Bank's main competitors, followed by finance companies, mutual funds and investment banks. Currently, the industry is dominated by the four largest universal banks, each with over Php3 trillion in assets: BDO Unibank, Inc. (BDO), Bank of the Philippine Islands (BPI), Land Bank of the Philippines (LBP), and Metropolitan Bank and Trust Co (MBT). These banks have greater financial and other capital resources, and greater market shares than UnionBank. Moreover, as a publicly-listed bank, UnionBank also monitors its performance against the ten largest publicly-listed universal banks in the country.

Based on the latest data of BSP as of December 31, 2025, there were a total of 44 domestic and foreign universal and commercial banks operating in the Philippines, with total assets of Php27.9 trillion, total loan portfolio (inclusive of Interbank Loans and RRP) of Php15.8 trillion, and total deposits of Php20.4 trillion. Among the universal banks, there are 13 private domestic universal banks, six branches of foreign universal banks and three government-controlled universal banks. On the other hand, the commercial banks comprise two private domestic commercial banks, 18 branches and two subsidiaries of foreign commercial banks. While mergers, acquisitions, and closures reduced the number of industry players, the entry of foreign banks under new and liberalized banking laws and regulations resulted in the growth of the number of universal and commercial banks.

The Bank also faces competition from financial technology firms and non-financial firms. In particular, non-financial firms pose a challenge to Philippine banks by offering digital products such as mobile payments or online services. Financial technology firms utilize software to provide financial services, and disrupt existing financial systems and corporations that rely less on software by offering faster, more convenient, and more efficient ways of transacting. In addition, purely digital financial technology or non-financial firms have no branches and thus have lower costs. The Bank seeks to gain a competitive advantage by continuing to implement its digital transformation strategies.

Amidst this operating environment, UnionBank leverages on its competitive advantages anchored on its use of superior technology, its unique sales and service culture, and centralized backroom operations, as well as its digital transformation roadmap geared towards strengthening its present business by repositioning itself into a digitally-transformed universal bank that achieves scale in a cost-efficient manner, while preparing for a future when embedded or decentralized banking becomes the dominant business model, all anchored on technology as the enabling factor.

Transactions with and/or dependent on related parties

Related party transactions are transactions or dealings with related parties, regardless of whether a price is charged. These covers all types of transactions both on and off-balance sheet and regardless of which side of the transaction/deal of the bank is acting. Parties are said to be related if one has direct or indirect control as well as significant influence over the other. Related Parties of the Bank include, but is not limited to: (a) Directors, Officers, Stockholders and Related Interests (DOSRI), subsidiaries, affiliates, and any party that directly or indirectly has control over or is subjected to the control of the Bank as well as those with direct and indirect linkages to it, (b) the Bank's and its affiliated companies' directors, officers, stockholders, and their related interests and close family members, and (c) other persons and juridical entities whose interests may pose potential conflict with the Bank.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

The Group's significant transactions with its related parties are disclosed in Note 31 on Related Party Transactions of the Audited Financial Statements, pages 136-140, as required by Philippine Auditing Standards (PAS) 24, *Related Party Disclosures*, and SEC FRB No. 013. Likewise, disclosure of transactions of the Parent Bank with its subsidiaries that have been eliminated at consolidated level are also disclosed on page 136.

As deemed necessary, enumerated below are the elements of the transactions that are necessary for an understanding of the transactions' business purpose and economic substance, their effect on the financial statements, and the special risks or contingencies arising from these transactions, with reference to the Notes to the financial statements and corresponding pages:

(a) the business purpose of the arrangement;	The nature and business purpose are disclosed in columnar format in Note 31 on pages 136-137.
(b) identification of the related party	As required by PAS 24, the related party transactions and

transaction with the registrant and nature of the relationship;	outstanding balances shall be made separately for each of the following categories: (a) parent; (b) entities with joint control of, or significant influence over the entity; (c) subsidiaries; (d) associates; (e) joint ventures in which the entity is a venturer; (f) key management personnel of the entity or its parent; and (g) other related parties as disclosed in Note 31, pages 136-137.
(c) how transaction prices were determined by the parties;	Related Party Transactions are transacted at arm's length, in the ordinary course of business, and in accordance with existing policies and regulations. The Bank has a Related Party Transaction (RPT) Committee, which assists the BOD in the fulfillment of its corporate governance responsibilities on related party transactions by ensuring that these are transacted on arm's length terms. The RPT Committee's role is further detailed in Note 4, page 37. Discussion of transaction prices are further discussed in the narratives in Note 31, pages 136-137.
(d) if disclosures represent that transactions have been evaluated for fairness, a description of how the evaluation was made; and	In accordance with the Bank's RPT Policy, related party transactions are reviewed by the Bank's RPT Committee for fairness and endorsed to the BOD for approval or confirmation, as applicable. Discussion of pricing is discussed in Note 31, pages 136 to 140.
(e) any on-going contractual or other commitments as a result of the arrangement.	Any further commitments, if applicable, are disclosed in narratives in Note 31, pages 136-140.

The disclosure shall also include information about parties that fall outside the definition of "related parties" under PAS No. 24, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from others, more clearly independent parties on an arm's length basis. For example, an entity may be established and operated by individuals that were former senior management of, or have some other current or former relationship with, a registrant. The purpose of the entity may be to own assets used by the registrant or provide financing or services to the registrant. Although former management or persons with other relationships may not meet the definition of a related party pursuant to PAS 24, the former management positions may result in negotiation of terms that are more or less favorable than those available on an arm's-length basis from clearly independent third parties that are material to the registrant's financial position or financial performance. The foregoing required disclosure is not applicable to the Bank.

In some cases, investors may be unable to understand the registrant's reported results of operations without clear explanation of these arrangements and relationships. Items of similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effect of related party transaction on the financial statements. Further details are discussed in narratives and disclosed also in Note 31, pages 136-138.

The table below shows the summary of Material Related Party Transactions (RPTs) in Y2025. All RPTs were conducted on a fairly and at arm's length basis.

Relationship	Nature	Terms and Conditions	Amount/Contract Price	Outstanding Loan Amount*
DOSRI	Collections Guarantee / TD Swap / Service & Contract Fees / Rental Fees / Auto Loan / Club Share / Life Insurance & Collecting Agent Accreditation / Corporate Credit Line / Various Credit Line Facilities / Purchase of ROPA	Standard Terms and Conditions	Php16.234B	Php419.872K

Subsidiary	Various Credit Line Facilities / Service & Contract Fees / Card Rates / Capital Infusion / Rental Fees / Foreign Bond Trading Line / Consumer Loans / Corporate Credit Card	Standard Terms and Conditions	Php16.418B & USD20.0MM	Php108,246,363.62
Affiliate	Various Credit Line Facilities / Corporate Credit Card / Transfer of Ownership / Service & Contract Fees / Underwriter of Joint Bonds Offering / Card Rates / Rental Fees	Standard Terms and Conditions	Php14.346B	
Other Related Party	TD Swap / Rental Fees / Various Credit Line Facilities / Contract Fees / FX Settlement Line / Syndicated Term Loan	Standard Terms and Conditions	Php21.839B & USD50.0MM	Php6.931B

* O/S Balances inclusive of Material RPTs presented during the previous years.

Patents, trademarks and tradenames

The Bank has registered the following trademarks with the Intellectual Property Office of the Philippines (IPOPHL) as of February 28, 2026:

	Trademark	Registration Date	Expiration
1	UNIONBANK LOGO	October 21, 2010	October 21, 2030
2	UNIONBANK EON	December 05, 2013	December 05, 2033
3	UBP	August 07, 2014	August 07, 2034
4	UREKA	November 10, 2016	November 10, 2026
5	DIGITAL ME	June 29, 2017	June 29, 2027
6	EON FOR THE DIGITAL ME	July 30, 2017	July 30, 2027
7	EON	July 30, 2017	July 30, 2027
8	EON CYBER	November 02, 2017	November 02, 2027
9	THE FUTURE BEGINS WITH U.	October 24, 2019	October 24, 2029
10	CYBERSURE	January 12, 2020	January 12, 2030
11	THE FIRST FINANCIAL SUPPLY BLOCKCHAIN IN THE PHILIPPINES - POWERED BY UNIONBANK	February 06, 2020	February 06, 2030
12	UB	February 24, 2020	February 24, 2030
13	NO VERBAL ELEMENTS 	February 24, 2020	February 24, 2030
14	NO VERBAL ELEMENTS 	February 24, 2020	February 24, 2030
15	UB UNIONBANK (Gray)	August 14, 2020	August 14, 2030
16	UB UNIONBANK	October 16, 2020	October 16, 2030
17	THE FIRST DIGITAL ACCOUNT OPENING FOR BUSINESS BY UNIONBANK	January 17, 2021	January 17, 2031
18	THE FIRST MOBILE CHECK DEPOSIT FOR BUSINESSES BY UNIONBANK	February 19, 2021	February 19, 2031
19	BANK THE WAY YOU LIVE	March 29, 2021	March 29, 2031
20	SELYADO (Greyscale)	April 16, 2021	April 16, 2031
21	SELYADO (Colored)	April 16, 2021	April 16, 2031
22	UNIONBANK ONLINE	April 16, 2021	April 16, 2031
23	UB ONLINE	April 16, 2021	April 16, 2031
24	UNIONBANK APP	April 16, 2021	April 16, 2031
25	UB MOBILE APP	April 16, 2021	April 16, 2031

26	P PHX COMMERCIAL BANK-BACKED PHILIPPINE STABLECOIN	April 16, 2021	April 16, 2031
27	PHX	May 21, 2021	May 21, 2031
28	UBP XCELLERATOR GAMECHANGERS	May 21, 2021	May 21, 2031
29	UBP XCELLERATOR BLOCKCHAIN BUSINESS SPECIALIST PROGRAM	June 18, 2021	June 18, 2031
30	UBP XCELLERATOR BLOCKCHAIN BASICS PROGRAM	June 18, 2021	June 18, 2031
31	PLAYEVERYDAY	May 7, 2022	May 7, 2032
32	PLAY EVERYDAY	June 2, 2022	June 2, 2032
33	QUICK GIVES	July 21, 2022	July 21, 2032
34	QUICK ADVANCE	August 8, 2022	August 8, 2032
35	UB UNION BANK (Orange logo)	August 18, 2022	August 18, 2032
36	UB UNIONBANK (Colored)	August 18, 2022	August 18, 2032
37	UBP DIGITAL	September 30, 2022	September 30, 2032
38	UB SME BUSINESS BANKING	September 30, 2022	September 30, 2032
39	UB DIGITAL BANK	October 24, 2022	October 24, 2032
40	EDGE A UNIONBANK PUBLICATION	November 28, 2022	November 28, 2032
41	BANK THE WAY YOU LIVE WITH UNIONBANK	December 19, 2022	December 19, 2032
42	UPAY BY UB UNIONBANK	May 29, 2023	May 29, 2033
43	UNIONBANK QUICK LOANS (Class 9)	July 24, 2023	July 24, 2033
44	UNIONBANK QUICK LOANS (Class 35, 36)	July 24, 2023	July 24, 2033
45	UNIONBANK MILES+	September 10, 2023	September 10, 2033
46	UNIONBANK RESERVE	September 10, 2023	September 10, 2033
47	PAYANYWAY	September 10, 2023	September 10, 2033
48	UNIONBANK REWARDS	December 11, 2023	December 11, 2033
49	UNIONBANK ELITE	February 24, 2024	February 24, 2034
50	UNIONBANK ACCESS	February 24, 2024	February 24, 2034
51	UNIONBANK BUSINESS CLASS	February 24, 2024	February 24, 2034
52	UB ONLINE	March 14, 2024	March 14, 2034
53	UREWARDS	April 11, 2024	April 11, 2034
54	EASYCONVERT	April 13, 2024	April 13, 2034
55	PAYDIRECT	April 13, 2024	April 13, 2034
56	PAYEASY	April 13, 2024	April 13, 2034
57	OWN THE FUTURE	May 16, 2024	May 16, 2034
58	UNIONBANK CASH BACK	May 30, 2024	May 30, 2034
59	UBP QUICKPAY	August 26, 2024	August 26, 2034
60	UB NEGOSYANTE SME BUSINESS BANKING	September 14, 2024	September 14, 2034
61	UB NEGOSYANTE (Gray)	September 21, 2024	September 21, 2034
62	UB NEGOSYANTE (White)	September 21, 2024	September 21, 2034
63	UB TAP2PAY	October 3, 2024	October 3, 2034
64	EASYBILL	October 7, 2024	October 7, 2034
65	UNIONBANK EASYBILL	November 2, 2024	November 2, 2034
66	UNIONBANK EASYCONVERT	November 2, 2024	November 2, 2034
67	NEXTGEN ACADEMY	February 2, 2025	February 2, 2025
68	ECONOMIX	February 2, 2025	February 2, 2035
69	UNIONBANK EASYTRANSFER	April 17, 2025	April 17, 2035
70	UNIONBANK EASYCASH	May 23, 2025	May 23, 2035
71	UNIONBANK GLOBAL TRANSFER	June 15, 2025	June 15, 2035
72	UNIONBANK GLOBAL TRANSFER (Horizontal Logo)	October 9, 2025	October 9, 2035

73	UNIONBANK GLOBAL TRANSFER (Vertical Logo)	October 9, 2025	October 9, 2035
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The Bank has also registered the following patents with the IPOPHL which are all valid for seven (7) years:

	TITLE
1	Computer-Implemented System for Cross-Border Remittance through Distributed Ledger Systems
2	Computer-Implemented System for Providing Authenticated Banking Services through Remittance Facilities
3	Computer-Implemented System for an Asset Backed Digital Currency Implemented through Distributed Ledger Systems
4	Computer-Implemented System for Detecting and Reporting Potential Money Laundering Transactions
5	Computer-Implemented System and Method for Managing Digital Accounts
6	Computer-Implemented System for Implementing an Authenticated Circulars Banking Policy Storage and Retrieval System through a Blockchain
7	A Computer-Implemented System for an Enterprise Online Banking Facility
8	Computer-Implemented System for a Financial Supply Chain System through Blockchain Technology
9	Computer-Implemented Method for Efficient Processing of Bank Transactions
10	Computer-Implemented System for Authenticated Consent Wallet
11	Computer-Implemented System for Quick Loans Enhancement
12	Computer-Implemented System for Model Risk Management Platform

Regulatory Approvals

The BSP, SEC, Philippine Deposit Insurance Corporation (PDIC), PSE, PDEX, and the Bureau of Internal Revenue (BIR) are the major regulatory agencies that provide rules, regulations, and guidelines to the Bank's activities.

UnionBank ensures that its products, services, and systems carry the necessary regulatory approvals and conform with prescribed internal controls prior to launch and continue to be compliant with prescribed rules and regulations.

Keeping abreast of regulations affecting the business

As a banking institution, UnionBank adheres to the provisions of the General Banking Law of 2000 (Republic Act No. 8791), as amended, and the regular issuances by the BSP as embodied in its Manual of Regulations for Banks (MORB). The regulatory issuances of the Anti-Money Laundering Council (AMLC), SEC, PDIC, PSE, PDEX, BIR, and other regulatory bodies are likewise monitored constantly for new developments.

Anti-Money Laundering Laws and Know Your Customer Procedures

UnionBank complies and is consistent with the provisions of Republic Act No. 9160, as amended by Republic Act Nos. 9194, 10167 and 10365, otherwise known as the "Anti-Money Laundering Act of the Philippines," and other pertinent laws, rules, regulations, and circulars issued by the BSP, SEC and other regulatory agencies of the Philippines, including the AMLC and the Financial Action Task Force (FATF) on Money Laundering. UBP adheres to the AML laws and regulations that include the Know Your Customer ("KYC") rules and customer due diligence at the inception of the bank-client relationship until its termination.

The Bank employs a third-party tool for screening customers during onboarding, subsequently, whenever there are updates to the sanctions and negative files and during periodic account reviews. A real-time transaction screening system is used to clear all transactions that pass through the SWIFT network. Customer due diligence remains robust through documentation and upgrading of client information, understanding of client activity, review of customer risk rating, identification of ultimate beneficial owners, authorized signatories and obtaining senior management approval, where warranted.

In July 2019, the Bank upgraded its AML system through the deployment of an internally developed, highly intuitive, and more flexible transaction monitoring and reporting system. In 2020, an in-house developed screening portal replaced the previous tool to assist in the name screening of clients against the lists of sanctioned individuals and organizations, persons convicted of AML predicate crimes, among other negative information. In 2026, the Bank launched an initiative to implement an end-to-end

Anti-Money Laundering (AML) solution aimed at significantly strengthening compliance with all applicable AML laws and regulations. The program covers key control areas such as Customer Risk Rating, Name Screening, Transaction Monitoring, Enhanced Due Diligence (EDD), Suspicious Transaction Report (STR) reviews, and Covered Transaction Report (CTR) submission. Included in the program is the creation of a unified AML system with a single user interface for Customer Risk Rating, Name Screening, STR reviews, and Enhanced Due Diligence which will enable a streamlined investigations, automated regulatory submissions, and complete AML processing within a single consolidated system.

Finally, on an annual basis, UnionBank, through its Compliance and Corporate Governance Office (CCGO), provides formal AML trainings to the members of the BOD, Senior Management, and its Branches. In coordination with the HR Group, CCGO deploys the AML e-learning refresher module to all bank employees; while Operations and Sales personnel are apprised of new BSP requirements during Compliance roadshows held throughout the year or thru timely compliance bulletins.

Capital Adequacy

Per existing BSP regulations, the combined capital accounts of each commercial bank should not be less than an amount equal to 10% of its risk assets. Risk assets consist of total resources after exclusion of cash on hand, due from BSP, loans covered by holdout on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items as determined by the Monetary Board of the BSP.

In implementing current capital requirements, the BSP requires the Group and the Parent Bank to maintain a minimum capital amount and a prescribed ratio of qualifying capital to risk-weighted assets, known as the "capital adequacy ratio" (CAR). Risk-weighted assets is the aggregate value of assets weighted by credit risk, market risk, and operational risk, based on BSP-prescribed formula provided under BSP Circular No. 360 and BSP Circular No. 538 which contain the implementing guidelines for the revised risk-based capital adequacy framework to conform to Basel II recommendations.

As of December 2024, 2023 and 2022, the Group and the Bank's CAR were at and 17.3%, 15.7%, 13.0% and 17.5%, 15.3%, 11.8%, respectively and as of December 31, 2025, the Group and the Bank's CAR was at 15.9% and 15.9%, respectively.

Research and Development Activities

The amount spent on research and development activities (in thousand pesos) and its percentage to revenues for the last three years has been as follows:

	2025	2024	2023
Cost	9,114,993	6,601,181	5,711,824
Ratio to Revenues	10.8%	7.9%	7.3%

Employees

As of December 31, 2025, the Bank employed 5,359 people, 588 as Executive, 4,129 as Officers, 642 as Clerical Staff and covered by CBA. Of these, 2,407 are in Operations, 1,452 are in Non-Operations, and 1,500 are in Sales/ Marketing. The Bank does not foresee an increase in the number of headcounts within the ensuing twelve (12) months.

The Collective Bargaining agreement started on June 01, 2025 and will expire on May 31, 2030.

RISK MANAGEMENT OBJECTIVES AND POLICE

Risks are inherent in the business activities of the Group. Among its identified top risks are credit risk, operational risk, regulatory compliance risk, interest rate risk on banking book (IRRBB), liquidity risk and market risk. These are managed through a risk management framework and governance structure that provides comprehensive controls and management of major risks on an ongoing basis.

Risk management comprises the systematic identification, assessment, measurement, and monitoring of risks across the Group. It provides a consistent and transparent framework for evaluating which risks are accepted or mitigated, in alignment with the risk appetite set by the BOD. This framework supports disciplined risk-taking while allowing business units to pursue sustainable value creation and maximize risk-adjusted returns.

Risk Management Structure

The BOD exercises oversight of the Bank's risk management process as a whole and through its various risk committees. For the purpose of day-to-day management of risks, the Bank has established independent risk management units (RMUs) that objectively review and ensure compliance to the risk appetite and parameters set by the BOD. They are responsible for the monitoring and reporting of risks to senior management and the various Board-level committees of the Bank.

The BOD is primarily responsible for setting the risk appetite, approving risk parameters, risk policies, and investment guidelines, as well as establishing the overall risk taking capacity of the Bank. To fulfil its responsibilities in risk management, the BOD has established the following Committees, whose functions are described below.

- a. The Executive Committee (EXCOM) is composed of seven (7) members of the BOD. The EXCOM exercises certain functions as delegated by the BOD, including among others, the approval of credit and loan transactions, asset recovery, real and other properties acquired (ROPA) sales, and such other transactions as may be initiated by the Bank units within the EXCOM's delegated limits.
- b. The Risk Management Committee (RMC) is composed of at least seven (7) members of the BOD, majority of whom are independent directors including the Chairman, who cannot be the chairman of the board or any other board committee. The RMC advises the BOD regarding the Bank's overall current and future risk appetite, oversees Senior Management's adherence to the risk appetite statement, and reports on the state of risk culture of the Parent Bank. The RMC oversees the Bank's risk management framework and the risk management function. The RMC also provides oversight, direction, and guidance to the other risk committees, specifically the Market Risk Committee (MRC) and the Operations Risk Management Committee (ORMC).
- c. The MRC is composed of nine (9) members of the BOD, majority of whom are independent directors, including the Chairman. The MRC is primarily responsible for reviewing the risk management policies and practices relating to market risk including interest rate risk in the banking book and liquidity risk.
- d. The Operational Risk Management Committee (ORMC), composed of at least seven (7) non-executive Board members (including an independent Chair), oversees the Bank's operational risk management. This oversight includes policy review and approval of the Operational Risk Management Framework (a component of the Enterprise Risk Management System), as well as ensuring its implementation across all business and functional units, including insourced, outsourced, and external services. The ORMC's objective is to minimize financial losses, exceed customer expectations, and maintain operational resilience. Furthermore, it fosters a culture of operational risk accountability through a framework emphasizing proactive prevention, root cause analysis, and lessons learned.
- e. The Audit Committee is composed of seven (7) members, all non-executive and majority of whom are independent, including the Chairman, most of whom are with accounting, auditing, or related financial management expertise or experience. The skills, qualifications, and experience of the committee members are appropriate for them to perform their duties as laid down by the BOD.

The Audit Committee serves as principal agent of the BOD in ensuring independence of the Parent Bank's external auditors and the internal audit function. It also oversees the Parent Bank's financial reporting process on behalf of the BOD. It assists the BOD in fulfilling its fiduciary responsibilities as to accounting policies, reporting practices and the sufficiency of auditing relative thereto, and regulatory compliance.

To effectively perform these functions, the Audit Committee obtains a good understanding of the Parent Bank's business, including its structure, controls, and the types of transactions or other financial reporting matters applicable to the Parent Bank, as well as to determine whether the controls are adequate, functioning as designed, and operating effectively. It also considers the potential effects of emerging business risks and their impact on the Parent Bank's financial position and results of operations.

Among the responsibilities of the Audit Committee are:

- *Oversight of the financial reporting process.* The Audit Committee ensures that the Parent Bank has a high-quality reporting process that provides transparent, consistent, and comparable financial statements. In this regard, the Audit Committee works closely with management

especially the Office of the Financial Controller, the Internal Audit Group (IAG), as well as the external auditors, to effectively monitor the financial reporting process and resolution of any significant financial reporting issues and concerns.

- *Monitoring and evaluation of internal control.* The Audit Committee requires management to maintain a comprehensive Internal Control Framework. The Audit Committee, through the IAG, monitors and evaluates the adequacy and effectiveness of the internal control framework, the integrity of financial reporting, and security of physical assets, and ensures that a proactive and forward-looking approach to evaluation of risks and controls is taken. The Audit Committee ensures that periodic assessment of the internal control system is conducted to identify weaknesses and evaluates its robustness considering the risk profile and strategic direction of the Parent Bank.
- *Oversight over the Internal Audit Function.* The Audit Committee ensures the independence and effectiveness of the internal audit function by establishing its reporting line to the Audit Committee and approving its charter, audit plans, and allocated resources. It ensures unrestricted access for audit activities, oversees the appointment and remuneration of the Chief Audit Executive, and monitors adherence to audit standards. The Committee also mandates periodic external quality reviews, evaluates governance structures across subsidiaries, and approves group-wide audit strategies to strengthen risk oversight.
- *Conduct of Executive Sessions.* The Audit Committee conducts executive sessions with the Board and the Chief Audit Executive, and separately with external auditors, to discuss matters deemed appropriate for private discussion without the Chief Executive Officer (CEO) or other members of management present. These sessions address the effectiveness and efficiency of the Bank's internal control system, significant internal audit reports and recommendations, and matters relating to fraud risk management and the whistleblowing mechanism.
- *Oversight of Implementation of Corrective Actions.* The Audit Committee monitors management's implementation of timely and effective corrective actions on audit recommendations. This oversight ensures that identified weaknesses, policy and regulatory non-compliance, and other issues raised by auditors and control functions are addressed promptly and adequately to maintain sound governance and risk management.
- *Oversight over External Audit.* The Audit Committee exercises oversight over the external audit process by reviewing the appointment, scope, approach, and fees the external auditor. The Audit Committee evaluates auditor independence, performance, and compliance with auditing standards, including restrictions on non-audit services. The Committee also monitors internal control issues raised by the external auditors and ensures timely, complete communication between management and the external auditors.
- *Oversight of the outsourced internal audit activities.* The Audit Committee oversees the performance of internal audit service providers and ensures that they comply with sound internal auditing standards and other supplemental standards issued by regulatory authorities as well as with relevant codes of ethics.
- *Oversees the implementation of Group Internal Audit Policy.* The Audit Committee oversees the implementation of the policy through the periodic reports on oversight of the Group Internal Audit and takes appropriate action on any group internal oversight issues identified. The Audit Committee reviews and evaluates the group internal audit policy, and any amendments thereto, and endorses the same to the BOD for approval.
- *Oversight of the Establishment of a Whistleblowing Mechanism.* The Audit Committee oversees the establishment of a whistleblowing mechanism in the Bank by which officers and staff shall in confidence raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing, or other issues, to persons or entities that have the power to take corrective action. It also ensures that arrangements are in place for the independent investigation, appropriate follow-up, action, and subsequent resolution of complaints.

The Audit Committee regularly reports to the BOD about committee activities in relation to its responsibilities and how they were discharged, issues, and related recommendations. The Audit Committee also assesses the continuing adequacy of the Audit Committee Charter and confirms annually that all responsibilities outlined therein have been carried out.

In the performance of these functions, the Audit Committee is supported by the IAG. The Chief Audit Executive derives authority from and is directly accountable to the Audit Committee. However, administratively, the Chief Audit Executive reports to the President of the Parent Bank.

The internal audit function is entirely independent from all the other organizational units of the Parent Bank, as well as from the personnel and work that are to be audited. It operates under the direct control of the Audit Committee and is given an appropriate standing within the Parent Bank to be free from bias and interference. IAG is free to report its findings and appraisals internally at its own initiative to the Audit Committee.

The IAG is authorized by the Audit Committee to have unrestricted access to all functions, records, property, and personnel of the Bank subject to existing mandates and applicable laws. This includes the authority to allocate resources, set audit frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish the audit engagement objectives.

The IAG is also authorized to obtain the necessary assistance from personnel within the Parent Bank units where they perform audits, as well as other specialized services within or outside the Parent Bank.

The IAG presents its risk-based and forward-looking audit plan consistent with the Parent Bank's strategic plans and priorities every quarter for approval by the Audit Committee.

At least once a month, the Audit Committee meets to discuss the results of the assurance and advisory engagements, and case investigations by IAG. Financial Reporting and Controllarship related topics are also included as needed. The results of these meetings are regularly reported by the Audit Committee Chairman to the BOD in its monthly meetings.

- f. The Corporate Governance Committee (CGC) is primarily responsible for helping the BOD fulfill its corporate governance and compliance responsibilities. It is responsible for ensuring the BOD's effectiveness and due observance of corporate governance principles and of oversight over the compliance risk management. It assists in the establishment of a compliance program that facilitates the escalation and resolution of compliance issues expeditiously. The CGC also acts as the Bank's Nomination Committee and reviews the qualifications of and screens candidates for the board including nominees for independent directors and key officers of the Parent Bank. The CGC likewise reviews the qualifications of and screens candidates of its nominees to its subsidiaries. It also oversees the succession plan for board members and senior officers, and directs the alignment of the latter's remuneration with corporate and individual performance.

The CGC is composed of nine (9) members of the BOD, all non-executive, majority of whom, including its Chairman, are independent directors. Its specific duties include, among others, making recommendations to the BOD regarding continuing education of directors, providing a communication channel for its subsidiaries and affiliates to ensure that the bank, as the Parent company, is kept well abreast of material issues, and overseeing the periodic performance evaluation of the 1) Board; 2) Board Committees; 3) Individual Directors; 4) Management-level Committees (through the respective committee secretariats); and 5) Chief Compliance and Corporate Governance Officer (CCO).

The CGC also performs oversight functions over the Compliance and Corporate Governance Office (CCGO) and the following management-level committees: 1) Anti-Money Laundering Committee and 2) Discipline Committee. Furthermore, the Sustainability Team of the Enterprise Risk and Management (ERM) unit regularly reports the status of the Bank's sustainability compliance to the CGC, pursuant to the Committee's mandate to ensure that ESG principles and sustainability objectives remain relevant to the business.

Senior management, through CCGO, periodically reports to the CGC the status of regulatory audit and compliance testing findings until their closure. Any material breaches of the compliance program are reported to and promptly addressed by the CCO within the mechanisms defined by the Compliance Manual.

The Parent Bank's CCO defines the Group's governance and compliance requirements and works closely with the subsidiaries' Chief Compliance Officers in the execution of these standards.

The Parent Bank's CCO assists the CGC in fulfilling its functions by apprising the same of (1) pertinent regulations and other issuances relating to compliance and corporate governance, (2) related regulatory issues and compliance initiatives affecting the various units and the status of the

corrective action plans, and (3) continuously giving updates thereon. In addition, the CCO keeps the CGC abreast of best governance practices and discusses issues brought up among private organizations and individuals advocating good governance philosophy.

- g. The Related Party Transaction Committee is a board-level committee composed of five (5) members, all of whom are independent directors, including its Chairman. The Committee assists the BOD in the fulfillment of its corporate governance responsibilities on related party transactions by ensuring among others, that:
- RPTs are transacted at arm's length, in the ordinary course of business, and in accordance with existing policies and regulations.
 - RPTs are reviewed and endorsed to the Board for approval or confirmation, as applicable
 - RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships are reflected in the relevant reports to the board and regulators.

The major risk types identified by the Group are discussed in the following sections:

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligation to the Group. The risk may arise from lending, trade finance, treasury, investments, derivatives and other activities undertaken by the Group. Credit risk is managed through strategies, policies and limits that are approved by the respective BOD and/or Credit Committee of the various companies within the Group. With respect to the Parent Bank, it has a well-structured and standardized credit approval process and credit scoring system for each of its business and/or product segments.

The ERM undertakes several functions with respect to credit risk management. The ERM independently performs credit risk assessment, evaluation and review for its consumer, commercial and corporate financial products to ensure consistency in the Parent Bank's risk assessment process. It also ensures that the Parent Bank's credit policies and procedures are adequate and are constantly updated to meet the changing demands or risk profiles of the business units. The ERM also reports to the Board's RMC.

The ERM's portfolio management function involves the review of the Parent Bank's loan portfolio, including the portfolio risks associated with particular customer segment, industry sectors, regions, loan size and maturity, and the development of a strategy for the Parent Bank to achieve its desired portfolio mix and risk profile. The ERM reviews the Parent Bank's loan portfolio quality in line with the Parent Bank's policy of avoiding significant concentrations of exposure to specific industries or groups of borrowers. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features. Concentrations indicate the relative sensitivity of the Parent Bank's performance to developments affecting a particular industry or geographical location.

The Group and the Parent Bank consider concentration risk to be present when the total exposure to a particular industry exceeds 30.0% of the total exposure, which is similar to the BSP requirement. As of December 31, 2025 and 2024, the Group and the Parent Bank did not exceed the limit in any of its industry concentration.

In order to avoid excessive concentrations of risk, the Parent Bank's policies and procedures include guidelines for maintaining a diversified portfolio mix (e.g., concentration limits). Identified concentrations of credit risks are controlled and managed accordingly. The ERM also monitors compliance to the BSP's limit on exposures.

The following summarizes the Group's credit risk management practices and the relevant quantitative and qualitative financial information regarding the credit exposure according to portfolios:

Credit risk management practices and credit quality disclosures

Corporate Loans

Corporate lending activities are undertaken by the Parent Bank's Corporate Banking Center. The customer accounts under this group belong to the top tier corporations, conglomerates and large multinational companies.

The Parent Bank undertakes a comprehensive procedure for the credit evaluation and risk assessment of large corporate borrowers based on its obligor risk rating master scale.

The Parent Bank currently utilizes the same single rating system for both Corporate and Commercial accounts. In addition, the result on the latter is further refined through a second model to take more careful account of the nuances between the commercial bank portfolio with that of the corporate loan book.

The rating system assesses default risk based on financial profile, management capacity, industry performance, and other factors deemed relevant. Significant changes in the credit risk considering movements in credit rating, among other account-level profile and performance factors, define whether the accounts are classified in either Stage 1, Stage 2, or Stage 3 per PFRS 9 impairment standards. In 2023, the Parent Bank updated the stage assessment to enhance the considerations related to movements in the borrower's credit rating when determining significant increase in credit risk, which include rating threshold triggers.

Based on foregoing factors, each borrower is assigned a Borrower Risk Rating (BRR), from AAA to D. In addition to the BRR, the Parent Bank assigns a loan exposure rating (LER), a 100-point system which consists of a Facility Tenor Rating (FTR) and a Security Risk Rating (SRR). The FTR measures the maturity risk based on the length of loan exposure, while the SRR measures the quality of the collateral and risk of its potential deterioration over the term of the loan. The FTR and the SRR, each a 100-point scoring system, are given equal weight in determining the LER.

Once the BRR and the LER have been determined, the credit limit to a borrower is determined under the Risk Asset Acceptance Criteria (RAAC) which is a range of acceptable combinations of the BRR and the LER. Under the RAAC system, a borrower with a high BRR will have a broader range of acceptable LERs.

The credit rating for each borrower is reviewed annually or earlier when there are extraordinary or adverse developments affecting the borrower, the industry and/or the Philippine economy such as the COVID-19 pandemic. Any major change in the credit scoring system, the RAAC range and/or the risk-adjusted pricing system is presented to and approved by the RMC.

The description of each credit quality grouping for the credit scores is explained further as follows:

High Quality Grade - These accounts are of the highest quality and are likely to meet financial obligations.

Standard Grade - These accounts may be vulnerable to adverse business, financial and economic conditions but are expected to meet financial obligations.

Substandard Grade - These accounts are vulnerable to non-payment but for which default has not yet occurred.

Non-Performing - These refer to accounts which are in default or those that demonstrate objective evidence of impairment.

Commercial Loans

The Group and Parent Bank's commercial banking activities are undertaken by its Commercial Banking Center (ComBank). These consist of banking products and services rendered to customers which are entities that are predominantly middle market companies. These products and services are similar to those provided to large corporate customers, with the predominance of trade finance-related products and services.

The non-financial ComBank accounts use an adjusted obligor rating scale derived from the one applied for corporate loans, and follows the same RAAC framework, while ComBank accounts classified as banks and non-bank financial institutions are still rated using the 2018 rating scale.

Consumer Financial Products

The Consumer loan portfolio of the Parent Bank is composed of five (5) main product lines, namely: Home Loans, Credit Card, Personal Loans, Small and Medium Enterprise (SME) financial products and Auto Loans.

In particular, SME portfolio is composed of business lines and a small portion from emerging products.

Each of these products has established credit risk guidelines and systems for managing credit risk across all products. Credit models are constantly reviewed and updated as necessary supported by enhanced data analytics to improve portfolio quality and product offers.

For the subsidiary, CSB, an accredited lending institution of the Department of Education (DepEd), provides salary loans to teachers under an agreement with DepEd for payroll deductions. CSB also provides motorcycle loans as a result of its acquisition and subsequent merger with PR Savings Bank.

Exposure to credit risk is managed through diligent assessment upon onboarding and regular portfolio and segment analysis of the ability of borrowers to meet interest and principal repayment obligations and by changing these lending limits when appropriate.

The Consumer products' respective masterscale is defined by the credit scoring models, which consider demographic variables and behavioral performance, to segment the portfolio according to risk masterscale per product. The stages are defined by the approved SICR for Consumer which takes into account the following: NPL status, days past due, and credit score rating for Application Score (point of application) and Behavior Score (monthly credit performance).

Home Loans (excluding Contract to Sell - CTS accounts) use a rating scale of 1 to 6, while CTS accounts follow the Corporate rating framework, which uses scores from 1 to 9. For Credit Cards, both Blue and Legacy portfolios apply the NR1 to NR7 scale for non-restructured accounts and the R1 to R6 scale for restructured accounts. Personal Loans utilize a broader rating scale ranging from 1 to 17. Auto Loans use a rating scale of 1 to 5. Meanwhile, the SME portfolio no longer uses a masterscale rating and instead applies a simplified PD assignment approach, where the probability of default is directly determined based on the account's stage classification.

CSB Salary Loans

For CSB salary loans, which relates to the DepEd loans of CSB, each borrower is assigned a credit score with E as minimal risk, D as low risk, C as moderate risk, B as average risk, A as high risk.

The description of each credit quality grouping for the credit scores is explained further as follows:

High grade (minimal to low risk) - These are receivables which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the security on the receivables is readily enforceable.

Standard grade (moderate to average risk) - These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but with experience of default.

Substandard (high risk) - Accounts classified as "Substandard" are individual credits or portions thereof which appear to involve a substantial and unreasonable degree of risk to CSB because of unfavorable record or unsatisfactory characteristics. There exists in such accounts the possibility of future loss to CSB unless given closer supervision. Those classified as "Substandard" must have a well-defined weakness or weaknesses that jeopardize their liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.

Other receivables from customers

Other receivables from customers of the Group and the Parent Bank include small portfolios such as, with respect to the Parent Bank (i) HR loans, (ii) bills purchased and (iii) customer liabilities under acceptances, (iv) home credit receivables, (v) teacher's loans acquired from CSB, (vi) high-net-worth individual loans, (vii) corporate retail loans and, with respect to the subsidiaries, (i) personal loans, and (ii) motorcycle loans. Each of these products has established credit risk guidelines and systems for managing credit risk across all businesses.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate.

Each product was risk rated using techniques appropriate to the Group's and Parent Bank's credit experience. Such methods consider the payment history that are reflected in aging, delinquency, and/or change in rating. These provide the bases for the ECL stage determination.

The description of each groupings according to stage is explained further as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, does not demonstrate significant increase in credit risk.

Stage 2 - those that are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date, and, based on change in rating, delinquencies and payment history, demonstrates significant increase in credit risk.

Stage 3 - Those that are considered default of more than 90 days past due or demonstrates objective evidence of impairment as of reporting date.

Investments and Placements

Investments and placements include financial assets at amortized cost, debt financial assets through other comprehensive income, due from BSP, interbank loans receivable, and due from other banks. Each has established credit risk guidelines and systems for managing credit risk across all businesses.

Modification

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges.

Collateral Held as Security and Other Credit Enhancements

The Group holds collateral against loans and other receivables from customers and SPURRA in order to mitigate risk. The collateral may be in the form of mortgages over real estate property, chattels, inventory, cash, securities and/or guarantees. The Bank regularly monitors and updates the fair value of the collateral depending on the type of credit exposure. Estimates of the fair value of collateral are considered in the review and assessment of the adequacy of allowance for credit losses. In general, the Bank does not require collateral for loans and advances to other banks, except when securities are held as part of reverse repurchase agreements.

Liquidity Risk

Liquidity risk is the risk that there are insufficient funds available to adequately meet the credit demands of the Group's customers and repay deposits on maturity. The Asset and Liability Committee (ALCO) and the Treasurer of the Group ensure that sufficient liquid assets are available to meet short-term funding and regulatory requirements. Liquidity is monitored by the Group on a daily basis and under stressed situations. A contingency plan is formulated to set out the amount and the sources of funds (such as unused credit facilities) that are available to the Group and the circumstances under which the Group may use such funds.

Liquidity ratios are used to monitor and manage the Bank's liquidity. The MRC approves the ratios to be used for monitoring the performance of the Bank and for mapping out areas where improvements are needed. These ratios include Liquid Assets to Deposits Ratio, Liquidity Ratio, Leverage Ratio and Intermediation Ratio.

The Group also manages its liquidity risks through the use of a Maximum Cumulative Outflow (MCO) limit which regulates the outflow of cash on a cumulative basis and on a tenor basis. To maintain sufficient liquidity in foreign currencies, the Group has also set an MCO limit for certain designated foreign currencies. The MCO limits are endorsed by the MRC and approved by the BOD. The Bank has separate limits for the short term (generally less than 30 days) and the medium term tenor (from 30 days to one year).

BSP Reporting

Liquidity Coverage Ratio (LCR)

BSP Circular No. 905 provides the implementing guidelines on LCR and disclosure standards that are consistent with Basel III framework. The LCR is calculated as the ratio of stock of high quality liquid

assets (HQLA) over the total net cash outflows over the next 30 calendar days, which should not be lower than 100%. The Group is required to disclose information related to the liquidity coverage ratio (LCR) in a single currency and on solo and consolidated basis.

The Group's and the Parent Bank's LCR as of December 31, 2025 and 2024 follows (amounts in millions):

	December 31, 2025	
	Group	Parent Bank
Total HQLA	Php308,002	Php258,388
Total net cash outflows	118,361	88,932
LCR Ratio	260.22%	290.55%

	December 31, 2024	
	Group	Parent Bank
Total HQLA	Php281,602	Php236,519
Total net cash outflows	112,682	88,517
LCR Ratio	249.91%	267.20%

Part of the disclosure requirements of BSP Circular 905 Implementation of Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR) and Disclosure Standards beginning in 2019 is the reporting of simple averages of quarterly observations over the last 12 months, following the format set forth in Annex C of BSP Circular 905. The results shown below, were simple averages of four data points, representing all the quarters of 2025.

NATURE OF ITEM	TOTAL UNWEIGHTED VALUE (AVERAGE)	TOTAL WEIGHTED VALUE (AVERAGE)
STOCK OF HIGH-QUALITY LIQUID ASSETS (HQLA)		
1. TOTAL STOCK OF HQLA (BEFORE CAP)		302,782,941
EXPECTED CASH OUTFLOWS		
2. Deposits, of which:	701,797,891	147,996,915
3. Retail funding	322,086,388	36,987,788
4. Wholesale funding, of which:	317,239,042	111,009,127
5. Operational deposits	215,475,235	64,642,570
6. Non-operational deposits (all counterparties)	101,763,807	46,366,556
7. Restricted term deposits	-	-
8. Hold-out deposits	62,472,462	-
9. Unsecured wholesale funding (all counterparties)	7,450,303	7,450,303
10. Secured funding	40,041,352	3,762,998
11. Derivatives contracts, of which:	58,244,818	58,244,818
12. Outflows related to derivative exposures (net)	58,244,818	58,244,818
13. Outflows related to collateral requirements	-	-
14. Structured financing instruments	-	-
15. Committed business facilities (all counterparties)	8,845,002	1,345,981
16. Other contractual obligations within a 30-day period	2,265,274	2,265,274
17. Other contingent funding obligations	514,118,587	15,423,558
18. TOTAL EXPECTED CASH OUTFLOWS	1,332,763,226	236,489,846
EXPECTED CASH INFLOWS		
19. Secured lending	-	-
20. Fully-performing exposures (all counterparties)	56,570,062	30,124,429
21. Other cash inflows	81,537,903	81,537,903
22. TOTAL EXPECTED CASH INFLOWS	138,107,965	111,662,332
23. TOTAL STOCK OF HQLA (AFTER CAP)		302,782,941
24. TOTAL EXPECTED NET CASH OUTFLOWS		124,827,514
25. LIQUIDITY COVERAGE RATIO (%)		242.56%

The Bank has always been compliant with the 100% minimum LCR requirement, as it continues to hold ample level of high-quality liquid assets (HQLA) in the form of cash, deposits with the BSP and investment grade securities. The Bank has also issued long-term liability instruments since 2017, in preparation for the LCR and net stable funding ratio (NSFR) requirements. Lastly, the Bank continues to

diversify its funding sources, including deposits with focus on growing the share of CASA to total to further improved the Bank's LCR.

Net Stable Funding Ratio (NSFR)

BSP Circular No. 1007 provides the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). The NSFR is aimed to promote long-term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short-term resilience of a bank's liquidity profile. Banks shall maintain an NSFR of at least 100 percent (100%) at all times. As of December 31, 2025 and 2024, the NSFR was at 134.73% and 127.89%, respectively, for the Group, and at 134.25% and 127.70%, respectively, for the Parent Bank.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading book or banking book. The market risk for the trading portfolio is managed and monitored based on a Value-at-Risk (VaR) methodology. Meanwhile, the market risk for the non-trading positions are managed and monitored using other sensitivity analyses.

The Parent Bank applies a VaR methodology to assess the market risk of positions held and to estimate the potential economic loss based upon a number of parameters and assumptions for various changes in market conditions. VaR is a method used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon.

The Bank uses a 10-day 99% VaR historical simulation with full revaluation approach. The historical simulation with full revaluation approach is the general market accepted methodology in the measurement of VaR. This methodology recalculates the market value of each financial product for each scenario by applying simulated risk factors based on historical movements to the market-accepted valuation methodology defined for each product.

VaR may also be underestimated or overestimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level.

The VaR figures are backtested daily against actual and hypothetical profit and loss of the trading book to validate the robustness of the VaR model. To supplement the VaR, the Parent Bank performs stress tests wherein the trading portfolios are valued under extreme market scenarios not covered by the confidence interval of the Parent Bank's VaR model.

Since VaR is an integral part of the Parent Bank's market risk management, VaR limits are established annually for all financial trading activities and exposures against the VaR limits and are monitored on a daily basis. Limits are based on the tolerable risk appetite of the Parent Bank.

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is the current and prospective risk to earnings and capital arising from adverse movements in interest rates that affect the bank's banking book positions. When interest rates change, the present value and timing of future cash flows change. This, in turn, changes the underlying value of the Bank's assets, liabilities and off-balance sheet items, and hence its economic value. On the other hand, changes in interest rates also affect the Bank's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII). The ALCO establishes appropriate asset and liability pricing in support of the Bank's balance sheet objectives.

The Group employs "gap analysis" to measure rate-sensitivity of the income and expenses, also known as Earnings-at-Risk (EaR). This sensitivity analysis is performed at least every month. The EaR measures the impact on the net interest income for any mismatch between the amounts of interest-earning assets, and interest-bearing liabilities within a one-year period. The EaR is calculated by first distributing the interest-sensitive assets, liabilities and off-balance sheet items based on the current balance sheet composition into tenor buckets based on time remaining to the next repricing date or the time remaining to maturity if there is no repricing and then subtracting the liabilities from the assets to obtain the repricing gap. The repricing gap per tenor bucket is then multiplied by the assumed interest rate shock

and appropriate time factor to derive the EaR per tenor. The 1st year (one-year) EaR is derived from the summation of the EaR per tenor within one year is subject to the established EaR limit per currency. EaR limits are reviewed and updated regularly to ensure that the risks brought by the changes in the balance sheet and liquidity strategies are within the risk appetite of the Bank.

The Bank also calculates EaR for the 2nd and 3rd years in order to measure medium-term vulnerabilities, i.e., those occurring in the 2nd and 3rd years. In addition, EaR is also calculated based on the current balance sheet composition plus projections to provide additional valuable insights in managing IRRBB. However, these are not subject to the EaR limit but are for monitoring purposes only.

Non-maturing or repricing assets or liabilities are considered to be non-interest rate sensitive and are not included in the measurement.

A positive gap occurs when the amount of interest rate-sensitive assets exceeds the amount of interest rate-sensitive liabilities while a negative gap occurs when the amount of interest rate-sensitive liabilities exceeds the amount of interest rate-sensitive assets. Accordingly, during a period of rising interest rates, an entity with a positive gap will have more interest rate-sensitive assets repricing at a higher interest rate than interest rate-sensitive liabilities which will be favorable to it. During a period of falling interest rates, an entity with a positive gap will have more interest rate-sensitive assets repricing at a lower interest rate than interest rate sensitive liabilities, which will be unfavorable to it.

EaR is complemented by stress tests which are conducted quarterly. It involves subjecting the total interest rate-sensitive assets and liabilities within one year to probable short-term and medium-term interest rate movements, assuming parallel and non-parallel shifts (flattener, steepener, short rates up and short rates down) in the yield curve.

Additionally, the Bank also monitors long-term sensitivity to interest rate risk of the Bank's balance sheet through the Delta Economic Value of Equity (EVE) method at least on a monthly basis. EVE measures the economic value which provides a more comprehensive view of potential long-term effects of changes in interest rates. EVE is defined as the net cash flows of the Bank's assets and liabilities which affect the Bank's capital. Delta EVE is calculated as the change in the Bank's long-term economic value assuming certain interest rate shocks.

Similar to EaR, EVE is also complemented by stress tests conducted quarterly. It involves subjecting the Bank's total interest rate sensitive assets and liabilities to probable short, medium and long-term interest rate movements, assuming parallel and non-parallel (flattener, steepener, short rates up and short rates down) in the yield curve.

The Bank's interest rate-sensitive asset and liability positions are analyzed based on its cash flows, and its present value are computed using appropriate market rates which include the current risk-free rate plus the corresponding margin. On the other hand, the present values of non-interest sensitive assets and liabilities will be kept at their carrying values.

The Bank's IRRBB models and its assumptions are validated by an independent party prior to use. The Bank's risk management program includes measuring and monitoring the risks associated with fluctuations in market interest rates on its net interest income and capital ensuring that the exposures in interest rates are kept within acceptable limits.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates.

The Group's net foreign exchange exposure, taking into account any spot or forward exchange contracts, is computed as foreign currency assets less foreign currency liabilities. The foreign exchange exposure is limited to the day-to-day, over-the-counter buying and selling of foreign exchange in the Group's branches, as well as foreign exchange trading with corporate accounts and other financial institutions. The Group is permitted to engage in proprietary trading to take advantage of foreign exchange fluctuations.

The Parent Bank's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Parent Bank believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Parent Bank is involved.

Operational Risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

The Bank's Operational Risk Management (ORM) Framework and Manual are aligned with the overall business strategy of the Bank. Specifically, this aims to ensure that the Bank has a robust operational risk culture by embedding risk awareness and consciousness in each of the business and functional units in line with BSP's Circular No. 900, *Guidelines on ORM*. Further, the framework aims to standardize the risk management, monitoring and reporting of operational risk across the Bank. The ORM Framework forms part of the enterprise-wide risk management system and supports the Bank's overall risk governance structure.

Key to the effective implementation of the ORM Framework is a governance structure that transparently defines the lines of responsibility from the Board down to the business and functional unit as follows:

Operational Risk Management Committee (ORMC)

The ORMC is a Board-level committee whose principal responsibility is to review risk management policies and practices relating to bank-wide operational risk.

Operational Risk Management (ORM)

ORM, as the second line of defense, shall support management in its endeavor to oversee the operational risks of the Bank, including integration of environment and sustainability related operational risk requirements, and ensure that operational risk policies and procedures are designed and executed adequately and consistently across the organization. ORM reports directly to the Chief Risk Officer. In performing its second line role, ORM supports and challenges management, and provides independent monitoring and reporting on adherence to operational risk policies and frameworks.

Senior Management

Senior Management ensures the implementation of Board-approved operational risk policies, maintains the supporting internal control environment, allocates adequate resources, and ensures effective escalation, monitoring, and reporting are in place across the Bank.

Business/Functional Unit

Business and functional units act as the first line of defense where the responsibility to manage risks resides. It sees to it that the controls and practices implemented within the lines of operations conform to the enterprise-wide policies and procedures that address operational risks.

Other Operational Risk-related Functions

Specialist departments e.g., Legal Division, CCGO, Human Resources Group, Enterprise Fraud Management Division, Information Security Office, and Financial Controllershship functions have dual responsibilities to manage both the operational risks within their own functions as well as provide support to other departments for ORM.

The Bank has a mechanism in place for operational risk identification and assessment, risk measurement, risk control/mitigation, and risk monitoring and reporting. There is regular monitoring of its operational risk profiles and material exposures to losses to ensure that it is still within the approved thresholds. In doing so, it utilizes operational risk tools (Risk and Control Self-Assessment, Key Risk Indicator, Incident Report, Issue Management & Remediation, New Product/ Process Risk Assessment) to assess the adequacy of controls and mitigants to address identified risks appropriately. The Bank maintains loss data and classifies operational loss events to support root-cause analysis and continuous improvement of controls.

Legal Risk and Regulatory Risk Management

Legal risk pertains to the Parent Bank's exposure to losses arising from cases decided not in favor of the Parent Bank where significant legal costs have already been incurred, or in some instances, where the Parent Bank may be required to pay damages. The Parent Bank is involved in litigation to enforce its collection rights under loan agreements in case of borrower default. The Parent Bank may incur

significant legal expenses as a result of these events, but the Parent Bank may still end up being unable to collect or enforce its claims, depending on the outcome of litigation.

The Parent Bank has established measures to avoid or mitigate the effects of these adverse decisions and engages several qualified legal advisors who were endorsed to and carefully approved by senior management. At year-end, the Parent Bank also ensures that material adjustments or disclosures are made in the financial statements for any significant commitments or contingencies that may arise from legal proceedings involving the Parent Bank.

Regulatory risk refers to the potential risk for the Parent Bank and its subsidiaries to suffer financial loss due to changes in the laws, monetary, tax, or other governmental regulations of the country. Compliance risk is the Bank's potential exposure to legal penalties, financial forfeiture and material loss resulting from its failure to act in accordance with industry laws and regulations, internal policies or prescribed best practices. While the proper and consistent implementation of these rules and regulations is the primary responsibility of the respective units within the Bank and its subsidiaries, the monitoring of the latter's compliance with these regulations rests on the entity's CCO. The study of the potential impact of new laws and regulations is coordinated by the CCO with the Legal Group. The CCO is responsible for communicating and disseminating new rules and regulations to all units, analyzing and addressing potential compliance issues, performing periodic compliance testing, and regularly reporting to the CGC and the BOD.

C. Properties

The UnionBank Plaza, which is a bank-owned property, is now the Union Bank of the Philippines' Head Office. It is a 50-storey office condominium building with an estimated usable area of 51,032.32 square meters. It is one of the most modern intelligent buildings in the Ortigas Business Center with electronically equipped building utility systems. It is also a PEZA proclaimed "IT Building" under Presidential Proclamation No. 900 dated August 25, 2005 where the Bank occupies around **29,296.29** square meters. The Bank's leased area including those units for lease, cover an estimated total area of **19,925.14** square meters.

The UnionBank Innovation Campus (UBIC) is a one-hectare commercial complex owned by UnionBank of The Philippines. UBIC currently has one fully functional four-storey office building with lower ground, mezzanine, and roof top with a gross floor area of 7,588.65 square meters. The 5G-enabled office is The First Asia-Pacific Smart Campus for a financial institution, having used Huawei's Smart Campus technology for smart building operations, smart security management and digital collaboration tools among others. The property currently houses critical functions of the Bank and an Integrated Operations Center, further enhancing the Bank's Disaster Resiliency practices while providing ample space for collaboration and skills development.

As of December 31, 2025, and 2024, the Bank and its subsidiaries paid Php909.2 million and Php824.4 million in rentals, respectively, mainly for its branches.

The list of properties owned by the Bank and bank-owned branches are as follows:

A. List of Properties owned by the Bank

Union Bank of the Philippines

Name of Property	Location
Cabanatuan	110-A Del Pilar Street, Brgy. Nabao, Cabanatuan City
Cagayan De Oro City - Lapasan	Lapasan National Highway, Brgy. 25, Cagayan De Oro City
Dasmarinas - GACU	G/F UnionBank Centre Manila Bldg., Quintin Paredes corner Dasmarinas St., Binondo, Manila
Davao - Magsaysay	156 Ramon Magsaysay Avenue corner Jacinto St., Brgy. 29C, Davao City
Dumaguete	Building, Real corner San Juan Sts., Brgy 7, Dumaguete City
Emerald	G/F Wynsum Corp. Plaza, 22 Emerald Avenue, Ortigas Center, Pasig City
Iligan City	Manuel L. Quezon Avenue, Poblacion, Iligan City
Iloilo - General Luna	General Luna St., Brgy. Villa Anita, Iloilo City
Olongapo	87 Magsaysay Drive, East Tapinac, Olongapo City, Zambales

Rickville	G/F, Richville Corporate Tower, Madrigal Business Park, Alabang Zapote Rd., Alabang, Muntinlupa City
Peak Tower (Condo Unit)	8th/ 9th Floor, Salcedo Village, Makati City (parking units)
Monterraza Property	#6 Jasmine St. Monterraza Subd., Itogon, Baguio City
Iloilo Business Park	Brgy. Tabucan Airport, District of Mandurriao, Iloilo City
UBP Innovation Campus	Lot 3 Magsaysay Road, Brgy. San Antonio, San Pedro, Laguna

City Savings Bank

Name of Property	Address
Aurora Branch	Santiago-Tuguegarao Road and Pasuquin Street, Brgy. San Jose, Aurora, Isabela
Cabatuan Branch	Santiago -Tuguegarao Road, Brgy. Centro, Cabatuan, Isabela
Cauayan Branch	Alingog Center, Rizal Ave cor. Canciller Ave., Cauayan City Isabela
City Savings Financial Plaza	Barangay Santo Nino, Cebu City
Diffun Branch	Cordon-Diffun-Madella-Aurora Road, Brgy. A. Bonifacio, Diffun, Quirino
Laoag Branch	Barangay Nangalisan, Laoag, Ilocos Norte
Ortigas Branch	One Corporate Center - Units 103, Ground and 2nd Floor (with parking space)
Pasig City, NCR (Condo)	2408 Jollibee Plaza, F. Ortigas Jr. Road, Ortigas Center, Pasig City (with parking space)
Roxas, Isabela Branch	Don Mariano Marcos Avenue, Brgy. Bantug, Roxas, Isabela, Leal Street, Brgy. Bantug, Roxas, Isabela
San Mateo Branch	Alicia-San Mateo Road, J. Cadelifia Street and La Salette Street, Brgy. 1, San Mateo, Isabela
Sta. Ana Branch	Dugo-San Vicente Road and Arellano Street, Brgy. Centro, Sta. Ana, Cagayan
Tagbilaran Branch	Barangay Poblacion II, Tagbilaran City, Bohol

PETNET, Inc.

Name of Property	Address
PETNET Building	J. Catolico Sr. Avenue corner Mateo Road, Brgy. Lagao, Gen. Santos City
Parañaque Warehouse	0029 Spratley Island St., Betterliving Subd, Don Bosco, Paranaque/ Petnet Inc., 003-BL-011C Swaziland St., Betterliving Subd., Brgy. Don Bosco, Paranaque (2 LOTS)

UBP Investments Corp.

Name of Property	Address
UnionBank Centre - Manila	Quintin Paredes St. corner Dasmarinas St., Binondo, Manila

Name of Property	Address
Executive Office and Ibaan Branch	Santiago St. Poblacion Ibaan Batangas
Executive Office and Ibaan Branch Parking	Poblacion, Ibaan, Batangas
Calaca City Branch	Marasigan St., Poblacion 5, Calaca, Batangas
Cuenca Branch	National Road, Poblacion, Cuenca, Batangas
Mabini Branch	Poblacion, Mabini, Batangas
Nasugbu Branch	Mulingbayan St., Brgy. 9, Nasugbu, Batangas
Rosario Branch	Carandang St., Poblacion C., Rosario, Batangas
San Juan Branch	General Luna St., Poblacion, San Juan, Batangas
San Pascual Branch	2680 National Road, Brgy. San Antonio, San Pascual, Batangas
Nagcarlan Branch	Rizal Avenue, Poblacion 2, Nagcarlan, Laguna
Pagsanjan Branch	Gen. Taiño St., Brgy. Poblacion 1, Pagsanjan, Laguna
Balasan Branch	Del Rosario St., Poblacion Sur, Balasan, Iloilo
Kabulig Center	Del Rosario St. Balasan Iloilo

B. List of Bank-owned Branches

Union Bank of the Philippines

Branch Name	Address
Antel Residences	G/F Antel Residences, 7829 Salamanca Street, Brgy. Poblacion, Makati City
Cabanatuan	110-A Del Pilar Street, Brgy. Nabao, Cabanatuan City
Cagayan De Oro City - Lapasan	Lapasan National Highway, Brgy. 25, Cagayan De Oro City
Dasmariñas - GACU	G/F UnionBank Centre Manila Bldg., Quintin Paredes corner Dasmariñas St, Binondo, Manila
Davao - Magsaysay	156 Ramon Magsaysay Avenue corner Jacinto St., Brgy. 29C, Davao City
Dumaguete	Building, Real corner San Juan Sts., Brgy. 7, Dumaguete City
Emerald	G/F Wynsum Corp. Plaza, 22 Emerald Avenue, Ortigas Center, Pasig City
Iligan City	Manuel L. Quezon Avenue, Poblacion, Iligan City
Iloilo - Gen Luna	General Luna St., Brgy. Villa Anita, Iloilo City
Richville	G/F, Richville Corporate Tower, Madrigal Business Park, Alabang Zapote Rd., Alabang, Muntinlupa City
Cebu Exchange Tower	Cebu Exchange Tower, Salinas Drive, Lahug, Cebu City
UnionBank Plaza	G/F UnionBank Plaza Bldg., Meralco Avenue corner Onyx St., Brgy. San Antonio, Pasig City

City Savings Bank, Inc.

Branch Name	Address
City Savings Financial Plaza	Barangay Santo Nino, Cebu City
Tagbilaran Branch	Barangay Poblacion II, Tagbilaran City, Bohol
Aurora Branch	Santiago-Tuguegarao Road and Pasuquin Street, Brgy. San Jose, Aurora, Isabela
Cabatuan Branch	Santiago-Tuguegarao Road, Brgy. Centro, Cabatuan, Isabela
Diffun Branch	Cordon-Diffun-Madella-Aurora Road, Brgy. A. Bonifacio, Diffun, Quirino
Laoag Branch	Barangay Nangalisan, Laoag, Ilocos Norte
Roxas, Isabela Branch	Don Mariano Marcos Avenue, Brgy. Bantug, Roxas, Isabela
San Mateo Branch	Alicia-San Mateo Road, J. Cadelifia Street and La Salette Street, Brgy. 1, San Mateo, Isabela
Sta. Ana Branch	Dugo-San Vicente Road and Arellano Street, Brgy. Centro, Sta. Ana, Cagayan

Bangko Kabayan, Inc. (A Private Development Bank)

Branch Name	Address
Executive Office and Ibaan Branch	Santiago St., Poblacion, Ibaan, Batangas
Calaca Branch	Marasigan St., Poblacion, Calaca, Batangas
Cuenca Branch	National Road, Poblacion, Cuenca, Batangas
Mabini Branch	F. Castillo Blvd., Poblacion, Mabini, Batangas
Nasugbu Branch	P. Rinoza St., Poblacion, Nasugbu, Batangas
Rosario	Carandang St., Poblacion C., Rosario, Batangas
San Juan	General Luna St., Poblacion, San Juan, Batangas
San Pascual	2680 National Road, Brgy. San Antonio, San Pascual, Batangas
Nagcarlan Branch	Rizal Avenue, Poblacion 2, Nagcarlan, Laguna
Pagsanjan	Gen. Taiño St., Brgy. Poblacion 1, Pagsanjan, Laguna
Balasan Branch	Del Rosario St., Poblacion Sur, Balasan, Iloilo
Kabulig (Branch Lite)	Del Rosario St., Poblacion Sur, Balasan, Iloilo

There are also Bank premises which are being leased. The list of leased branches of the Bank is attached hereto as **Annex "D"**.

All the facilities are in good condition. Likewise, there are no properties owned by the Bank that are mortgaged to third parties nor are there adverse claims on such properties. The Bank has plans of purchasing properties for branch locations, if possible. However, there are no concrete steps taken to date regarding actual land purchase for branches in the next 12 months.

D. Legal Proceedings

The Bank is not aware of any of the following events during the past five (5) years where any of its directors, nominees for election as director, executive officers, underwriter or control person were involved:

- any bankruptcy petition filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Bank was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, or subject of a pending criminal proceeding;
- having been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director, person nominated to become a director, executive officer, or control person of the Bank in any type of business or banking activities;
- having been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

The Bank is a defendant/respondent in various legal actions, most of which are claims for damages arising in the ordinary course of business. The results of these actions, however, will not have a material effect on the Bank's financial position.

Item 2. Market for Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

UnionBank's shares were officially listed and first traded at the Philippine Stock Exchange on June 29, 1992.

The price performance of the shares has been as follows:

(Philippine Peso)	HIGH	LOW
Quarter Ended December 2025	30.00	26.10
Quarter Ended September 2025	33.10	29.90
Quarter Ended June 2025	35.00	32.00
Quarter Ended March 2025	37.20	32.75
Quarter Ended December 2024	43.80	34.50
Quarter Ended September 2024	41.00	32.45
Quarter Ended June 2024	44.45	32.90
Quarter Ended March 2024	49.15	39.10
Quarter Ended December 2023	51.70	43.10

The closing price as of March 10, 2026 was at Php26.00.

(2) Holders

The Bank has 4,937 stockholders of record as of February 28, 2026, and the number of common shares outstanding as of said date stood at 3,316,405,584.

The list of top twenty (20) stockholders of the Bank as of February 28, 2026, is as follows:

	STOCKHOLDER NAME	NATIONALITY	SHARES	PERCENTAGE OUT OF THE OUTSTANDING SHARES
1	ABOITIZ EQUITY VENTURES INC.	FILIPINO	1,641,507,714	49.50
2	PCD NOMINEE CORPORATION - FILIPINO*	FILIPINO	866,235,046	26.12
3	THE INSULAR LIFE ASSURANCE COMPANY LTD.	FILIPINO	255,781,203	7.71
4	SOCIAL SECURITY SYSTEM	FILIPINO	243,625,473	7.35
5	SOCIAL SECURITY SYSTEM (1)	FILIPINO	52,262,571	1.58
6	PCD NOMINEE CORPORATION - NON-FILIPINO	FOREIGN	42,324,609	1.28
7	RAMON ABOITIZ FOUNDATION	FILIPINO	12,695,759	0.38
8	BAUHINGIA MANAGEMENT INC.	FILIPINO	9,362,820	0.28
9	ABOITIZ DANIEL	FILIPINO	8,000,000	0.24
10	HAWK VIEW CAPITAL INC.	FILIPINO	6,806,336	0.21
11	PORTOLA INVESTORS INC.	FILIPINO	6,733,272	0.20
12	DOMINUS CAPITAL INC.	FILIPINO	6,105,696	0.18
	FMK CAPITAL PARTNERS INC.	FILIPINO	6,105,696	0.18
13	SANFIL MANAGEMENT CORPORATION	FILIPINO	5,679,601	0.17
14	OIGIMER CORP.	FILIPINO	4,672,704	0.14
15	FORTES MANAGEMENT INC.	FILIPINO	4,463,233	0.13
16	ASPIRA MANAGEMENT INC.	FILIPINO	4,462,636	0.13
	CIA MANAGEMENT CORPORATION	FILIPINO	4,462,636	0.13
17	AZURA MANAGEMENT INC.	FILIPINO	4,462,633	0.13
18	IXIDOR HOLDINGS INC.	FILIPINO	4,264,874	0.13
19	THINEZ CORP.	FILIPINO	3,916,676	0.12
20	WINDEMERE MANAGEMENT CORPORATION	FILIPINO	2,719,379	0.08

*Inclusive of PCD-logged shares of Aboitiz Equity Ventures, Inc., The Insular Life Assurance Co., Ltd., and Social Security System

Level of the Bank's Public Float Pursuant to the Minimum Public Ownership (MPO) Rule of the PSE

As of February 28, 2026, the public ownership percentage representing the total number of shares owned by public in the Bank's stockholdings, computed based on the MPO Rule of the PSE is 17.16%.

The Bank has only common shares with foreign equity ownership of 43,420,661 or 1.31% of the total subscribed capital stock.

(3) Dividends

A. Cash Dividends

In accordance with the Bank's By-Laws, the Board of Directors (BOD) shall determine and declare dividends each year out of prior year's net income after tax, payable out of the Bank's available unrestricted retained earnings, subject to prior approval by the relevant authorities as may be required.

The following is a summary of the cash dividends declared and distributed by the Bank in 2025, 2024 and 2023:

Date of Declaration	Date of Record	Date of BSP Approval	Date of Payment	Dividend per Share	Outstanding Shares	Total Amount
January 31, 2025	February 17, 2025	N/A	February 24, 2025	Php1.00	3,316,405,584	Php3,316,405,584.00
January 26, 2024	February 13, 2024	N/A	February 20, 2024	0.80	2,989,259,518	2,391,407,614.40
February 1, 2023	February 15, 2023	N/A	February 27, 2023	2.00	2,353,774,567	4,707,549,134.00

On February 27, 2026, the Bank's BOD approved the following:

1. Declaration of regular cash dividends at Php1.00 per share for a total of Php3,316,405,584.00, in favor of all stockholders of the Bank and payable from the unrestricted retained earnings of the Bank as of December 31, 2025. The record date for stockholders entitled to the cash dividend is March 16, 2026, and payment is set on March 23, 2026.
2. Adoption of the Bank's Dividend Policy as part of its capital management strategy, with effective payout implementation starting 2027. Under the approved policy, the Bank intends to declare regular cash dividends on common shares in two equal semi-annual installments, scheduled for February and July of each year. In addition to regular dividends, the Board may, at its discretion, authorize special cash dividends when financial results and market conditions permit.

The Bank remains committed in ensuring financial strength in line with its long-term aspirations and disciplined capital management as its underlying guiding policy in the delivery of consistent and sustainable dividends to shareholders.

In compliance with BSP regulations, the Bank ensures that adequate reserves are in place for future bank expansion requirements. The foregoing cash dividend declarations were made within the BSP's allowable limit for dividends.

B. Stock Dividends

On February 24, 2023 and April 28, 2023, the Board of Directors and stockholders of the Bank approved, respectively, the declaration of 27% stock dividends in the amount of Php6,355,191,330.00 equivalent to 635,519,133 common shares with a par value of Php10.00 to comply with the required 25% subscription of the increase in authorized capital stock of the Bank. Fractional shares resulting from the stock dividend declaration were paid in cash based on the closing rate of Php87.50 as of February 27, 2023, the next trading day at the PSE following the date of approval by the Board of Directors of the said declaration and computed up to two (2) decimal places.

On August 1, 2023 and December 5, 2023, the Parent Bank obtained the BSP and the SEC approvals, respectively, for the increase in the authorized capital stock and for the issuance of common shares to stockholders of record as of December 22, 2023 and payment date on January 4, 2024.

On January 4, 2024, the Bank issued 635.5 million common shares at par value of Php10.00 for whole shares and paid Php0.22 million for 2,550.79 fractional shares in relation to the 27% stock dividends.

(4) Recent Sales of Unregistered Securities or Exempt Securities (within the past 3 years)

On June 26, 2025, UnionBank issued and listed on PDEX its Php16.0 billion of Peso denominated fixed rate bonds via a dual tranche offering under its increased Php100.0 billion PHP Bond Program. This marks UnionBank's return to the domestic capital markets since 2023. The offering saw strong interest from institutional and retail investors, with both tranches exceeding their initial targets of Php5.0 billion each. The public offer period for the Bonds started from June 4, 2025 and ended on June 19, 2025.

The 1.5Y Series H Bonds due 2026 raised a total of Php9.2507 billion and carries an interest rate of 5.88% per annum, while the 3Y Series I Bonds due 2028 raised a total of Php6.7493 billion and carries an interest rate of 6.02% per annum (collectively, the "Bonds"). The minimum investment amount was Php100,000.00 with increments of Php50,000.00 thereafter. Proceeds from the issuance shall be used to extend term liabilities, expand funding base, support business expansion plans, and for other general corporate purposes.

On May 26, 2025, the Bank completed the exercise of its Call Option date May 24, 2025 by way of Voluntary Redemption on its Php6.8 billion Unsecured Subordinated Debt Eligible as Tier 2 Capital Due 2030, which was issued on February 24, 2020.

On April 3, 2025, UnionBank completed the update of its USD 2 billion Medium Term Note ("MTN") Programme. The MTN, with an original size of USD 1 billion, was established in November 2017, followed by a maiden Senior Note issuance of USD 500 million. The Programme Limit was increase to USD 2 billion in October 2020, followed by a successful issuance of USD 300 million Senior Notes.

On May 31, 2024, the Bank issued and listed on The Philippine Stock Exchange, Inc. (PSE) a total of 327,118,089 million common shares following the completion of its Php10.0 billion Stock Rights Offering ("SRO"). The offer period was from May 16, 2024 to May 24, 2024. Eligible shareholders of the Bank were

entitled to a ratio of 9.1382 common shares as of record date of May 9, 2024 at a price per share of Php30.57 each. Total gross proceeds from the SRO amounted to Php9,999,999,980.73. CLSA Exchange Capital, Inc. and Unicapital Inc. acted as Joint Underwriters for the offering while Citigroup Markets Limited acted as Capital Markets Adviser.

On December 5, 2023, the Bank issued and listed on the PDEX its Php18.168 billion of Peso denominated fixed rate bonds via a dual tranche offering. This is the largest bond issuance by UnionBank from its Php50.0 billion Bonds Program, which received strong demand from both retail and institutional investors. This enabled the Bank to upsize the issuance to over nine times its initial minimum offer size of Php2.0 billion for the two tranches.

The 1.5Y Series F Bonds due 2025 raised a total of Php10.3385 billion and carries an interest rate of 6.5625% per annum while the 3Y Series G Bonds due 2026 raised a total of Php7.8295 billion and carries an interest rate of 6.6800% per annum (collectively, the "New Bonds").

Concurrent with the issuance of the New Bonds, UnionBank also implemented the country's first public non-sovereign bond exchange which extended to the holders of its Php8.115 billion 2.750% Fixed Rate Series C Bonds due December 9, 2023 (the "Exchangeable Bonds") the option to sell to UnionBank such Exchangeable Bonds in exchange for subscription to any of the New Bonds (the "Bond Exchange"). The Bond Exchange settlement date was on December 4, 2023, with Php236.7 million of Exchangeable Bonds to be exchanged with the New Bonds.

ING Bank N.V., Manila Branch ("ING") and Standard Chartered Bank ("SCB") are the Joint Lead Arrangers and Bookrunners for the New Bonds. They are also the Selling Agents for the offering of the New Bonds together with UnionBank.

On February 6, 2023, the Bank issued and listed on The Philippine Stock Exchange, Inc. a total of 210,970,464 million common shares following the completion of its Php12.0 billion SRO. The offer period was from January 16, 2023 to January 27, 2023. Eligible shareholders of the Bank were entitled to a ratio of 1:10.1536 common shares as of record date of January 12, 2023 at a price per share of Php56.88 each. Total gross proceeds from the SRO amounted to Php11,999,999,992.32. CLSA Exchange Capital, Inc. and Unicapital Inc. acted as Joint Global Coordinators and Joint Domestic Underwriters for the SRO.

On June 2, 2022, the Bank successfully issued the first-ever digital peso bonds in the Philippines, raising an aggregate size of Php11.0 billion under its Php39.0 billion bond program. UnionBank is the pilot user of Philippine Depository & Trust Corp.'s (PDTC) Proof of Concept Digital Registry & Digital Depository that uses Distributed Ledger or Blockchain Technology for registry and depository operations. The bonds, which have a tenor of 1.5 years and a fixed rate of 3.25% per annum, are listed on the Philippine Dealing & Exchange Corp. (PDEX) for trading in the PDEX Fixed Income Market. The Hong Kong and Shanghai Banking Corporation Limited ("HSBC") and Standard Chartered Bank ("SCB") were the Joint Lead Arrangers and Bookrunners on the transaction. They were also the Selling agents for the offering together with the Bank.

On May 16, 2022, the Bank issued and listed on PSE a total of 617,188,705 common shares following the completion of its Php40.0 billion SRO. The offer period was from April 25, 2022 to May 6, 2022. Eligible shareholders of the Bank were entitled to a ratio of 1:2.4707 common shares as of record date of April 11, 2022 at a price per share of Php64.81 each. Total gross proceeds from the SRO amounted to Php39,999,999,971.05. CLSA Exchange Capital, Inc. and ING Bank N.V., Manila Branch acted as Joint Global Coordinators and Joint Domestic Underwriters for the SRO.

All the above issued securities were exempt securities under Section 9.1 (e) (Exempt Securities) of the Securities Regulation Code (SRC), i.e. any security issued by a bank except its own shares of stock, except for the SRO which were exempt under Section 10.1 (e) and (i) of the SRC.

The Bank issued a total of 3,627,044 common shares to eligible employees out of the 5,000,000 common shares pursuant to the Bank's Employee Stock Plan over the 5-year period from 2019 to 2023. The last tranche of the ESP was granted on February 6, 2023. These issuances were exempt from registration under Section 10.2 (Exempt Transactions) of the SRC.

Item 3. Management's Discussion and Analysis or Plan of Operation

Statement of Income for the Years Ended December 31, 2025 vs December 31, 2024

Union Bank of the Philippines recorded a net income of Php10.0 billion for the year ended December 31, 2025, 16.9% lower than last year's Php12.0 billion. This year's performance was largely driven by the Parent Bank, including the acquired Citi consumer business, which continued to build momentum. Record topline revenues at the Parent Bank level helped mitigate the impact of one-time costs and provision for credit losses recognized during the year.

Net revenues, consisting of net interest income and other income, reached Php83.2 billion, up 6.9% from Php77.9 billion last year. Net interest income increased by 10.7% to Php64.2 billion, driven by improved margins supported by lower funding costs. Net interest margin rose by 46 basis points to 6.4%, reflecting an increased share of low-cost funding sources.

Total interest income rose modestly by 0.7% to Php84.4 billion from Php83.7 billion. Interest income on loans and other receivables remained steady at Php62.9 billion. Investment securities at amortized cost and fair value through other comprehensive income increased by 7.0% to Php17.2 billion, while income from interbank loans and SPURRA grew by 2.6% to Php1.5 billion. Interest income on financial assets at fair value through profit or loss rose by 51.3% to Php0.7 billion. These were partially offset by lower income on cash and cash equivalents, which declined by 23.8% to Php2.0 billion.

Total interest expense declined by 21.8% to Php20.1 billion, reflecting lower funding costs. Interest expense on deposit liabilities decreased by 24.5% to Php9.4 billion, while interest expense on bills payable and other liabilities declined by 19.2% to Php10.7 billion.

Provision for credit losses amounted to Php21.2 billion, up 18.1% from last year, primarily reflecting the continued expansion of the consumer loan portfolio and one-time provisions booked at the subsidiary level.

Total other income declined by 4.3% to Php18.9 billion. Service charges, fees and commissions increased by 11.0% to Php15.3 billion, supported by higher transaction volumes. However, gains on financial assets at fair value through profit or loss and fair value through other comprehensive income declined by 25.3% to Php1.1 billion, while miscellaneous income decreased by 44.0% to Php2.5 billion, largely due to non-recurring gains recognized in the prior year.

Total expenses increased by 8.1% to Php47.9 billion. Salaries and employee benefits rose by 10.5% to Php15.6 billion due to annual compensation adjustments. Depreciation and amortization increased by 34.9% to Php3.8 billion, reflecting the Bank's continued investments in premises and technology. Taxes and licenses declined by 2.7% to Php5.9 billion, while occupancy costs increased by 6.7% to Php1.3 billion. Miscellaneous expenses rose by 6.1% to Php21.3 billion.

Profit before tax stood at Php14.2 billion, down 9.5% from Php15.7 billion last year. Income tax expense increased by 14.9% to Php4.2 billion.

Net income attributable to non-controlling interests declined by 38.9% to Php60.9 million, reflecting the performance of the Bank's subsidiaries in 2025.

Statement of Comprehensive Income for the Year Ended December 31, 2025 vs December 31, 2024

The Bank recorded total comprehensive income of Php10.2 billion, lower than the Php12.5 billion reported last year, primarily driven by lower net profit of Php10.0 billion versus Php12.0 billion in 2024.

Other comprehensive income declined to Php0.2 billion from Php0.4 billion last year. While unrealized mark-to-market gains on FVOCI investments improved to Php1.1 billion from Php0.6 billion, this was more than offset by higher realized losses on the sale of FVOCI securities of Php0.6 billion, compared to Php0.2 billion in the prior year. Cumulative translation adjustments posted a modest gain of Php9.2 million, reversing the Php5.8 million loss recorded last year.

Remeasurement losses on retirement plans amounted to Php0.5 billion, compared to a Php6.7 million gain in 2024, partially mitigated by a related income tax benefit of Php0.2 billion. Total comprehensive income attributable to non-controlling interests amounted to Php62.1 million versus Php102.3 million in the prior year.

Statement of Condition as of December 31, 2025 vs December 31, 2024

As of December 31, 2025, the Bank's total resources amounted to Php1.2 trillion, up 1.2% from Php1.1 trillion in the prior year. Balance sheet movements reflected a combination of growth and redeployment

into higher-earning assets. Due from Bangko Sentral ng Pilipinas declined by 50.3% to Php40.8 billion as excess liquidity was redeployed into higher-yielding assets. This was reflected in the significant increase in Interbank Loans Receivable and SPURRA to Php41.2 billion from Php1.9 billion, alongside continued growth in Loans and other receivables, which rose by 2.9% to Php537.7 billion.

Cash and other cash items increased by 12.6% to Php11.4 billion. Due from Bangko Sentral ng Pilipinas declined by 50.3% to Php40.8 billion, while Due from Other Banks rose by 4.2% to Php35.3 billion. Interbank loans receivable and SPURRA significantly increased to Php41.2 billion from Php1.9 billion last year, reflecting higher placements under reverse repurchase agreements.

Holdings of trading and investment securities decreased by 3.3% to Php372.0 billion. Financial assets at fair value through profit or loss grew by 132.1% to Php23.9 billion, while financial assets at amortized cost declined by 4.5% to Php308.8 billion. Financial assets at fair value through other comprehensive income was relatively flat at Php39.3 billion from Php39.5 billion.

Net loans and other receivables increased by 2.9% to Php537.7 billion, reflecting continued loan expansion during the year.

Bank premises, furniture, fixtures and equipment rose by 5.7% to Php11.6 billion, mainly due to continued investments in premises and technology. Investment properties increased by 3.1% to Php10.1 billion.

Investment in associates rose significantly to Php963.3 million from Php35.8 million in the previous year, primarily due to the Bank's acquisition of a 27.5% ownership interest in ATR Asset Management, Inc. in 2025. Other resources declined by 4.9% to Php44.4 billion.

Total liabilities stood at Php956.6 billion, up 0.8% year-on-year. Deposit liabilities increased by 8.5% to Php734.0 billion, driven by growth in demand deposits, which rose by 15.4% to Php267.0 billion, and savings deposits, which increased by 8.1% to Php233.0 billion. Time deposits grew modestly by 2.0% to Php234.0 billion.

Bills payable declined by 18.6% to Php132.0 billion, while notes and bonds payable decreased by 31.1% to Php39.7 billion. The substantial decrease is due to the maturity of the Bank's Senior Medium-Term Notes and Series F Bonds, as well as the early redemption of the Bank's Tier 2 Notes in 2025. Other liabilities were lower by 4.4% at Php50.9 billion.

Total capital funds increased by 3.5% to Php202.9 billion. Total capital attributable to the Parent Bank's stockholders rose by 3.5% to Php202.1 billion, driven by a 7.3% increase in surplus free to Php104.6 billion. This was partially offset by a 14.6% decline in surplus reserves to Php2.8 billion.

Net unrealized fair value losses on financial assets at fair value through other comprehensive income amounted to Php1.2 billion, while accumulated remeasurements of retirement plans reflected a loss of Php1.9 billion. Other reserves improved slightly to Php267.4 million. Non-controlling interests decreased by 7.9% to Php792.1 million.

Key performance indicators of the Group are as follows:

	2025	2024
Return on Average Assets	0.9%	1.1%
Return on Average Equity	5.0%	6.4%
Cost-to-Income Ratio	57.5%	56.9%
Net Non-Performing Loan Ratio	3.0%	4.0%
Common Equity Tier 1 Ratio	15.0%	15.6%
Capital Adequacy Ratio	15.9%	17.3%

The manner by which the Bank calculates the above indicators is as follows:

Return on Average Assets:	Net income divided by average total resources for the period indicated
Return on Average Equity:	Net income divided by average total capital funds for the period indicated
Cost-to-Income Ratio:	Total operating expenses divided by the sum of net interest income and other income
Net Non-Performing Loan Ratio:	(Total non-performing loans less specific loan loss reserves for NPL) divided by (total loans inclusive of interbank loans receivables)

Capital Adequacy Ratio:

Total qualifying capital divided by total risk-weighted assets (inclusive of credit, market and operational risk charge)

Statement of Income for the Years Ended December 31, 2024 vs December 31, 2023

Union Bank of the Philippines recorded a net income of Php12.0 billion for the year ended December 31, 2024. This is 30.7% better than last year's reported net income, driven by higher net revenues and lower operating expenses.

Net revenues, consisting of net interest income and other income, improved to Php79.5 billion, a 12.4% increase from the Php70.8 billion last year. Net interest income grew 11.6% to Php58.0 billion, driven by expanding margins and higher volume. Net interest margins was up 49 basis points to 6.0%, coming from the higher share of consumer loans to total loans and a year-on-year increase in low-cost Current Account/Savings Account (CASA) deposits. Service charges, fees and commissions, and miscellaneous income also went up by 11.7% to Php20.0 billion from increased fees on consumer-related transactions.

Total interest income improved by 6.6% to Php83.7 billion compared to the same period last year. Interest income on loans and other receivables increased by 6.5% to Php63.1 billion due to the higher share of better-yielding consumer loans. Interest income on cash and cash equivalents and investment securities at amortized cost and fair value through other comprehensive income (FVOCI) was up by 5.4% to Php18.7 billion due to improvement in yields and higher average volume. Interest income on Interbank Loans Receivables and Securities Purchased under Repurchase Agreements (SPURRA) was up by 4.5% to Php1.4 billion due to better yields. Interest income on trading securities at fair value through profit or loss (FVTPL) was also up by 153.9% to Php0.5 billion for the period.

Total interest expense for the current period was lower by 3.3% at Php25.7 billion. This is attributed to the decrease in interest expense on deposit liabilities, which reduced by 20.9% to Php12.5 billion due to the lower average daily balance in time deposit as a result of the shift to alternative sources of funding as well as the 75bps reduction in policy rates. This is partially offset by the increase in interest expense on bills payable and other liabilities, which was up by 22.4% to Php13.2 billion from the higher volume of deposit substitutes.

Provision for credit losses for the year amounted to Php19.6 billion, a 39.6% increase compared to the previous year. The increase is primarily attributable to the growing share of consumer loans to total loans.

Total other income for the year improved by 14.5% to Php21.5 billion. The year-on-year increase was primarily due to gains on trading and investment securities at FVTPL and FVOCI which was up 67.2% to Php1.5 billion, and service charges, fees, and commissions which grew by 23.2% to Php13.4 billion driven by higher recurring transaction-related fees. Meanwhile, miscellaneous income was down by 6.1% to Php6.6 billion which partially offset the improvement to total other income.

Total expenses amounted to Php44.3 billion, a 1.4% improvement compared to last year. Salaries and employee benefits increased by 4.1% to Php14.1 billion, reflective of the yearly compensation and benefit-related adjustments. Taxes and licenses was up by 2.6% to Php6.1 billion coming from higher gross receipts taxes due to growth in loans and increase in license fees but was partially offset by lower documentary stamp taxes. Occupancy was relatively flat with an increase of 0.7% to Php1.2 billion. Depreciation and amortization was higher by 6.6% to Php2.8 billion, consistent with the additional investments in the Bank's premises, furniture, fixtures, and equipment. Miscellaneous expenses decreased by 7.1% to Php20.0 billion, mainly on account of the Bank's exit from the Transitional Services Agreement (TSA) in relation to the Citi acquisition, in April 2024.

Tax expense for the period was Php3.7 billion, a 38.2% increase from Php2.6 billion last year due to higher overall taxable income for 2024.

Net income attributable to non-controlling interests decreased by 24.6% to Php99.8 million and is reflective of the performance of the Bank's subsidiaries for 2024.

Statement of Comprehensive Income for the Year Ended December 31, 2024 vs December 31, 2023

The Bank registered a total comprehensive income of Php12.5 billion, down from the Php20.6 billion posted in the same period last year. The decrease was primarily driven by the unrealized mark-to-market gains (losses) on investment securities at FVOCI which registered a gain of Php0.6 billion compared to the gain of Php12.3 billion a year ago. The higher FVOCI gain in 2023 was due to the effects of the change in business model and consequent reclassification of the FCDU FVOCI sub-portfolio (excluding

the FX Liquidity sub-portfolio) to FCDU HTC. Realized gains on sale of investment securities at FVOCI recognized in profit or loss amounted to Php0.2 billion for the period lower by 53.7% from last year. Cumulative translation adjustment amounted to a loss of Php5.8 million, better than the prior period's loss of Php21.0 million.

Remeasurement gains (losses) on retirement plans, net of tax, improved to Php5.0 million versus the loss of Php0.4 billion during the same period last year based on actuarial adjustments. Total comprehensive income attributable to non-controlling interests amounted to Php102.3 million.

Statement of Condition as of December 31, 2024 vs December 31, 2023

As of the end of December 2024, the Bank's total resources amounted to Php1.1 trillion, flat compared to the prior year. The increase in the Bank's Trading and Investment Securities and Other Assets was largely offset by the decrease in its Primary Liquid Assets (Cash and Other Cash Items, Due from Bangko Sentral ng Pilipinas, Due from Other Banks, Interbank loans receivable and SPURRA) and Loans & Other Receivables.

Cash and other cash items totaled Php10.1 billion, a 2.8% decrease versus the same period last year. Due from Bangko Sentral ng Pilipinas was lower by 0.6% to Php82.1 billion. Due from other banks increased by 24.3% to Php33.9 billion from higher working balances with foreign correspondent banks. Interbank loans receivable and SPURRA was lower by 92.6% to Php1.9 billion, driven by the reduction in government securities purchased under reverse repurchase agreement (RRP).

Holdings of trading and investment securities grew by 4.5% to Php373.2 billion due to the build-up of financial assets at FVTPL, which increased by 77.3% to Php10.3 billion from Php5.8 billion. Financial assets at FVOCI and financial assets at amortized cost also grew by 6.9% to Php39.5 billion and by 2.8% to Php323.4 billion, respectively.

Net loans and other receivables was lower by 0.7% to Php522.7 billion from Php526.1 billion at the end of last year. The Bank's loan-to-deposit ratio was up at 77.3% compared to the 73.8% that was recorded last year.

Bank premises, furniture, fixtures, and equipment increased by 7.9% to Php11.0 billion, mainly due to an increase in Building assets.

Investment in subsidiaries and associates went down by 5.1% to Php35.8 million. Meanwhile, other resources grew by 8.2% to Php46.7 billion, driven by higher deferred tax assets and computer software.

Total liabilities was at Php949.4 billion as of December 31, 2024, 2.1% lower year-on-year. Deposit liabilities decreased by 5.1% to Php676.3 billion as time deposit dipped by 19.1% to Php229.4 billion as the Bank diversifies its sources of funding. Meanwhile, CASA deposits was higher by 4.1% to Php446.9 billion, increasing the CASA ratio to 66.1% from last year's 60.2%.

Bills payable increased to Php162.3 billion from Php155.3 billion in the prior year as part of the continued diversification of funding sources and cost optimization. Notes and bonds payable grew by 14.0% to Php57.6 billion from Php50.5 billion. Other liabilities grew by 4.0% to Php53.2 billion primarily due to the increase in financial liabilities held for trading.

The Bank's total capital funds rose by 11.6% to Php196.1 billion as of December 31, 2024, from last year's Php175.6 billion. This is mainly driven by the increase in common stock (up 40.9% to Php33.2 billion) and additional paid-in capital (up 11.4% to Php64.4 billion), on the back of the 27% stock dividends issued in January 2024, in which the Bank listed 635.5 million common shares, and the Php10.0 billion stock rights offering (SRO) in May 2024, in which the Bank listed 327.1 million common shares at a price of Php30.57 per share.

In addition, surplus free increased by 9.9% to Php97.5 billion coming from the Bank's earnings net of Cash Dividend in 2024. Surplus reserves was up by 28.9% to Php3.3 billion. Net unrealized fair value losses on investment securities amounted to: Php1.8 billion coming from mark-to-market valuation of the Bank's investments at FVOCI, while accumulated remeasurements of defined benefit plan also recorded a loss of Php1.6 billion. Other reserves, meanwhile, improved to Php0.3 billion from Php0.1 billion loss last year.

Key performance indicators of the Group are as follows:

	2024	2023
Return on Average Assets	1.1%	0.8%
Return on Average Equity	6.4%	5.6%
Cost-to-Income Ratio	56.9%	63.4%
Net Non-Performing Loan Ratio	4.0%	3.7%
Common Equity Tier 1 Ratio	15.6%	13.9%
Capital Adequacy Ratio	17.3%	15.7%

The manner by which the Bank calculates the above indicators is as follows:

Return on Average Assets:	Net income divided by average total resources for the period indicated
Return on Average Equity:	Net income divided by average total capital funds for the period indicated
Cost-to-Income Ratio:	Total operating expenses divided by the sum of net interest income and other income
Net Non-Performing Loan Ratio:	(Total non-performing loans less specific loan loss reserves for NPL) divided by (total loans inclusive of interbank loans receivables)
Capital Adequacy Ratio:	Total qualifying capital divided by total risk-weighted assets (inclusive of credit, market and operational risk charge)

Item 4. Financial Statements

A copy of the Bank's Audited Financial Statements for the fiscal year-end December 31, 2025 will be submitted to the stockholders. The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement. Said statements were audited by the accounting firm of Sycip Gorres Velayo & Co. (SGV) and signed by Ms. Janeth T. Nuñez-Javier, Engagement Partner.

Item 5. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and disagreements with the Bank's present external auditors, Sycip Gorres Velayo & Co. (SGV), on accounting principles or practices, financial statement disclosures or scope of audit or procedures for the year ended December 31, 2025.

(A) Audit and Audit Related fees

Fees for the regular and statutory audits for the years 2025 and 2024 amounted to Php23.0 million and Php25.2 million, respectively, exclusive of VAT and out-of-pocket expenses.

Fees for other special audit, assurance and related services rendered by SGV in 2025 totalled Php9.9 million for review engagements and issuance of comfort letters related to capital raising activities.

Fees for other special audit, assurance and related services rendered by SGV in 2024 totalled Php3.0 million for review engagements and issuance of comfort letters related to capital raising activities.

(B) All Other Fees

No other fees were paid by the Bank to SGV for 2025 and 2024.

The following practices were agreed to and adopted by and between Management and the external auditor:

1. Before the start of each year's audit, the external auditor presents to the Audit Committee its proposed audit plan, describing the areas of focus for the audit, as well as any new accounting standards, laws and new regulatory rules that need to be taken into account in the course of the audit. The audit schedule is also presented.
2. The audit fees are agreed with the external auditor by Management and reviewed by the Audit Committee.
3. When the audit is substantially completed and before the Bank's Board meeting in January of the following year, the external auditor presents an initial report of its audit to the Audit Committee. The

complete set of audited financial statements and accompanying notes are submitted to the Board for approval of the issuance of the same in its February meeting.

Item 6. Discussion on Compliance with Leading Practice on Corporate Governance

Introduction

In 2025, the Bank redefined its purpose to *"Reimagining Banking to Uplift Lives,"* reflecting its deeper commitment to creating meaningful impact to its customers and community through innovation, inclusion, and strong relationship management. As UnionBank continues its journey towards its purpose and vision to be the most loved and preferred NextGen Bank, its corporate governance practices evolve alongside it.

UnionBank's governance framework is anchored on competent leadership, strong compliance culture, robust internal controls, and effective reporting mechanisms across the organization. The Bank's governance framework underpins the policies, processes, and oversight mechanisms that enable the bank to achieve its purpose and realize its vision. In 2025, we streamlined the governance structure of the Bank's compliance unit, enhanced our board compliance measures and policies, and strengthened the overall compliance culture of the bank.

We achieved the four-golden arrow recognition for the 2024 ASEAN Corporate Governance Scorecard (ACGS) performance, which recognizes our demonstration of high standards in terms of corporate governance policies and practices. The ACGS is an assessment tool supported by a rigorous methodology that measures the governance performance of publicly listed companies in six (6) participating ASEAN member countries - Indonesia, Malaysia, Singapore, Thailand, Vietnam, and the Philippines.

This report describes the highlights of the Bank's corporate governance practices throughout the financial year ending December 31, 2025.

BOARD MATTERS

Board composition

Our 15-member Board is composed of directors who bring a wide range of skills and deep industry experience to our Boardroom. Our directors are elected at the annual meeting of stockholders, each of whom holds office for a term of one year, or until his successor has been chosen and qualified.

In terms of degree of independence, our Board has three classifications of directorship, i.e., executive, non-executive, and independent directors.

In 2025, our executive directors are members of the Board who are actively involved in the day-to-day management and have executive responsibility for the operations of a part or whole of the organization, while the non-executive directors have no executive responsibility and does not perform any work related to the operations of the company. Independent directors (who are also considered as non-executive directors) are members of the Board who are independent of management and the controlling shareholder and are free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Board diversity, skills, and competencies

Over the last few years, the makeup of our Board has changed dramatically to align with the diversity of the customers and markets we serve. We are ramping up our efforts to attract diverse talents and leaders into our organization, which allows us to think differently, solve problems more creatively, raise challenging questions, and make more accurate decisions. We regularly assess and ensure that the Board's competencies align with the skills needed to realize the bank's purpose and strategic vision.

We believe that a diverse board is a key element in good corporate governance. The Bank is committed to promoting board diversity through a policy of non-discrimination based on age, gender, religion, socio-political affiliation, or status.

As a matter of transparency, we have identified the following measurable objectives for implementing our Board Diversity Policy and the progress in achieving these objectives, in compliance with the standards espoused by the ASEAN Corporate Governance Scorecard:

- At least two (2) female directors
- At least five (5) independent directors
- At least two (2) directors with knowledge and expertise on information technology (IT), cybersecurity, and technology governance
- At least fifty percent (50%) of the Board members have background or experience in banking and financial services

At the time of writing, our Board has achieved the above-mentioned diversity targets. Collectively, the competencies, skills, experience, and qualifications of our individual directors span different industries and sectors, including banking and financial services, utilities, marketing management, construction, manufacturing, power, infrastructure, education and advocacy, food and beverage, and real estate.

In terms of gender diversity, we have two (2) female directors in the Board. We have six¹ (6) out of nine (9) Board committees with female representation.

In terms of the type of directorships in 2025, we have one (1) executive director, while the remaining Board members are non-executive and/or independent.

Our Board is also composed of directors with a mix of age and tenure, with new and younger directors bringing fresh ideas and perspectives into the table, while more senior and longer serving directors contributing institutional knowledge and insights about the business, operations, and history of the organization.

Our Board is satisfied that its current demographics, collective expertise, and core competencies are sufficiently diverse to meet the needs of the organization.

Board vacancies

In accordance with Republic Act No. 11232 otherwise known as the Revised Corporation Code of the Philippines, any vacancy occurring in the Board other than by removal or by expiration of term is filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies are filled by the stockholders in a regular or special meeting called for that purpose. A director elected to fill a vacancy is referred to as replacement director and serves only for the unexpired term of the predecessor in office. The Corporate Governance Committee, as the nomination screening body, follows the standards and guidelines set in its Manual, assessing the nominee's profile and experience upon receipt of the nomination.

Board nomination and election

We have established strict and rigorous vetting and selection procedures, as summarized below, to effectively review the qualifications of nominees.

The Compliance and Corporate Governance Office (CCGO) through the Corporate Secretary accepts the nominations from the shareholders. As a matter of practice, all shareholders, including minority shareholders, have the right to nominate candidates for seats on the Board.

CCGO reviews the profile of the nominees against *'fit and proper'* standards to ascertain that they possess all the qualifications and none of the disqualifications stipulated under the Manual of Regulations for Banks (MORB) and other applicable requirements under existing laws and BSP regulations.

We consider the following factors and criteria in the conduct of fit and proper test: integrity/probity; competence; relevant education/financial literacy/training; diligence; sufficiency of time to fully carry out responsibilities; and concurrent positions in the Bank and interlocking positions in other entities that may pose a conflict of interest.

Qualified nominees are requested to complete the nomination questionnaire. Upon review of the candidate's profile and publicly available disclosures, CCGO presents the nominees to the Corporate Governance Committee (CGC).

¹ As of December 31, 2025

CGC then endorses the final list of nominees for Board approval. Once approved by the Board, the election of directors will be held at the annual meeting of the shareholders.

We also consider the use of professional search firms, industry databases, or other external sources to search for qualified candidates to the Board.

Upon election, the CCGO prepares and submits the required certifications and other documentary and reportorial requirements to the BSP, in coordination with the directors concerned, pursuant to the confirmation of their election by the Monetary Board of the Bangko Sentral.

Board culture, meetings, and attendance

A healthy board culture is the linchpin of good governance and effective board performance.

Our board culture fosters an environment where open and constructive dialogue can take place, encourages challenging ideas, and puts a special emphasis on creativity and innovation, which leads to more thoughtful and productive discussions in the boardroom.

Our Board members devote sufficient time and attention to discuss and deliberate on important matters and issues at hand. Regular meetings of the Board are held monthly, the schedule of which is set before the start of the calendar year. Special meetings may be called if needed.

The agenda of the meetings, meeting materials, and supporting documents are uploaded to the Diligent Board, a secure board portal, at least five working days in advance, to give ample time for the directors to study the materials and prepare for the meeting.

Matters requiring decision and approval and matters which are for the Board's information are clearly set out on the agenda of the board meetings. Matters requiring board approval include the annual report and financial statements, policies, budgets, contracts, investments, major IT systems, material transactions, dividends, changes in strategic direction and priorities, changes in corporate governance and risk management framework, sustainability matters, to name a few.

The meetings are convened and presided by the Chairman of the Board. Board members engage in healthy debate, ask questions, and seek clarifications on the proposals presented.

Board members who cannot physically attend or vote at any meeting can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication.

In 2025, the Board held a total of fifteen (15) regular and special meetings. All directors have complied with the fifty percent (50%) minimum attendance requirement to be eligible for re-election, and the seventy-five percent (75%) attendance rate recommended by the parameters of the ASEAN Corporate Governance Scorecard.

Apart from the regular and special meetings of the Board, the non-executive directors also meet twice a year, without any executives present, to have an open discussion and provide an effective check on management on issues that may pertain to audit, risk, compliance, or governance. The topics may include challenges encountered in Management performance vis-a-vis the specific objectives on risk, control, and compliance.

The sessions are attended by the members of the Board who do not occupy executive positions and by the Chief Compliance and Corporate Governance Officer, Head of Internal Audit, Chief Risk Officer, and the External Auditor Partner.

In 2025, the sessions were held on March 9 and November 28, 2025.

Board performance evaluation

We believe in the concept of "Kaizen," a Japanese term used to denote continuous improvement, which has been fundamental to our growth momentum over the years.

Our Board regularly carries out evaluations to appraise its performance as a collective body and individually and assess whether it possesses the right mix of backgrounds and competencies.

Each year, Board members (including the President and CEO) undertake the assessment of the performance and effectiveness of the Board and Board committees of which they are members. The performance of the individual members of the Board is also being assessed through self-assessment and independent assessment carried out by selected members of management. In addition to this, the performance of the respective Chairpersons of the Board-level committees is evaluated by respondents identified in the bank's performance assessment policy. The questionnaire contains varying statements pertaining to the roles, functions, and responsibilities of the Board, its committees, and individual members, based on leading corporate governance practices. Assessment metrics relate to board structure, leadership function, stakeholder relations, governance, controls, and conduct of meetings and facilities.

A five-point Likert scale was used to measure the respondents' agreement or disagreement with the statements provided, and open-ended questions were also incorporated to elicit more detailed responses pertaining to the overall performance of the Board and its committees, and areas to prioritize moving forward.

The evaluation results are aggregated, analyzed, and reported by the Compliance and Corporate Governance Office (CCGO) to the respective Board committees and to the Board. To maintain the anonymity and confidentiality of the responses, results are presented with no attribution to the respondents.

Key findings are considered by the Board, and concrete action plans are being developed and implemented to address the gaps and areas for improvement noted.

In 2025, the results have been favorable and the Board as whole, its committees, the Chairman, and individual members have received affirmative ratings across all evaluation metrics.

MANAGEMENT

Our management team is composed of highly qualified leaders and respected practitioners in the fields of business, banking and finance, technology, marketing, and other relevant disciplines. They provide guidance on strategic decisions consistent with the Bank's purpose, brand, and core values and review policies and procedures that govern the Bank's businesses and operations while giving due consideration to the interests of various stakeholders.

We have also established various management committees to perform specific tasks not covered by the Board and its committees. Unlike Board committees, management committees have a greater role in the day-to-day activities of the organization due to the nature of the functional roles of its members, who are the key officers of the organization.

At the time of writing, we have sixteen (16) management committees¹, all of which are fully functional and operating.

Selection Process for Senior Management

The hiring process for senior officers includes screening by the Management Committee members of the function or position that is being filled. If the nature of the function or position has interaction and/or direct transactions with another Center, the candidate is screened by the concerned Center Heads.

All executive hiring requires approval of the Board and disclosure to the SEC and BSP.

Performance Assessment

UnionBank's Performance Management System (PMS) is a strategic framework that translates organizational aspirations into actionable goals, measurable outcomes, and defined behaviors. At the start of each performance cycle, employees and managers cocreate performance and developmental goals grounded in the bankwide Balanced Scorecard, ensuring alignment with strategic priorities and evolving business needs.

Performance is supported through continuous coaching, regular progress tracking, and scheduled check-ins, complemented by formal review sessions to reassess goals, address gaps, and maintain year-

¹ The Related Party Transactions Review Committee (RPTRC), previously one of the management-level committees of the bank, was dissolved effective November 30, 2025.

round alignment. The year-end performance appraisal provides a structured evaluation of achievement against agreed goals, KPIs, and success measures.

Appraisal outcomes serve as the basis for rewards and recognition, including eligibility for merit increases, incentives, promotions, and participation in the Bank's formal recognition programs. This ensures that performance results are meaningfully linked to both individual growth opportunities and organizational reward mechanisms.

Orientation and Continuing Education

Our supportive infrastructure, processes, and resources future-proof the Bank and provide opportunities for UnionBankers to collaborate and innovate.

We inspire employees to grow beyond their respective departments and adopt a holistic set of skills to gain competence. We operationalize the Bank's NextGen Bank vision through the following programs:

NextGen Internship is a pre-hire initiative to train and mentor top-notch students from universities and other institutions. Participants benefit from a virtual internship to experience UnionBank's agile and collaborative culture.

Leadership Accelerated Development (LEAD) Management Trainee Program launched in 2017, this program for future leaders targets the top 5% of each graduating class. LEAD Management Trainees (LEADS) are assigned to various units to create solutions, build new products, or improve current organizational processes, enabling them to make valuable contributions and attain personal career goals.

Provided with the right tools and training to excel in preparation for leadership roles, employees benefit from these programs that democratize learning and allow multi-specialization and talent mobility within the organization.

UnionBank University continuously grows its library of self-paced or instructor-led learning courses to strengthen employees' core capabilities while giving them opportunities to explore and upskill for a potential career-shift and co-create innovations for immediate communities.

At the University, cross-functional teams create products, services, and solutions that are commercialized or institutionalized. Traditional training programs and immersion labs provide leaders with firsthand experience in growing startups, which gives them a head start as leaders capable of using design thinking and business model canvas to create human-centric solutions for complex problems.

Retirement and Succession Management

We recognize that succession is an integral piece in driving our strategies. We conduct regular talent reviews to identify successors for critical positions and ensure leadership continuity. Potential successors are assessed in terms of expertise and performance, leadership capability, culture alignment, and technology adoption. We also conduct an assessment to validate the readiness of identified successors. We cast a wider net of leadership pool through the management training program, identification of high-potential talents, leadership development, and external talent mapping.

Our deliberate and systematic effort to ensure leadership continuity covers retirement of eligible employees. Under our Retirement Policy, the normal retirement age is sixty (60) years with a provision for late retirement beyond the age of sixty (60) subject to approval of the Board.

Remuneration

Our remuneration policy is anchored on attracting, engaging, and retaining talents. We adhere to the philosophy of meritocracy across all employee ranks. Our remuneration structure is designed to ensure there is an appropriate balance of fixed and variable rewards that consider individual, group, and corporate performance.

Eligible employees receive variable pay based on the performance for the preceding year. Eligible senior officers are participants in a deferred employee stock program. Annual salary increases are based on performance and promotion. All teams and their employee team members have defined and measurable performance indicators and targets following the balanced scorecard framework.

Contributions are rewarded based on an appraisal conducted by senior management. Rewards could be withheld if an employee fails to meet performance requirements or if an administrative or disciplinary action is imposed against the employee.

GOVERNANCE POLICIES AND PRACTICES

Corporate Governance Confirmation Statement

Good governance is woven into our corporate fabric and permeates our culture. As we strive to achieve governance excellence in every aspect of our business and operations, we have complied substantially with prevailing standards and best practices in governance in 2025.

As of December 31, 2025, the Bank has complied with the material provisions of the Bank's Corporate Governance Manual.

The details of our compliance with the Code of Corporate Governance for Publicly Listed Companies can be found in our Integrated Annual Corporate Governance Report, published on our company website.

Corporate Governance Manual

Our actions are guided by the Manual on Corporate Governance, which provides an overview of how we are governed and how we operate.

We regularly review and update the provisions of the Manual to address regulatory developments in the industry. We submit the Manual to the SEC whenever there are significant changes or amendments. Our Manual is also publicly available on the company website for easy reference of our shareholders, regulators, investors, and other stakeholders.

Code of Conduct

Our Code of Conduct supports our unique employee culture. UnionBankers demonstrate the attributes of forward thinking, innovative, open, and agile which are helping UnionBank to be the most loved and preferred NextGen Bank that sets the standard for all generations.

What is unique about UnionBank is how we:

- Live our Purpose to 'Reimagining Banking to Uplift lives';
- Constantly seek opportunities for growth, as an institution and as professionals;
- Treat people with respect;
- Collaborate with great people working in teams; and are
- Committed to a winning culture. UnionBank is a High Reliability Organization — where operational excellence, ethical leadership, and human empathy come together to protect what matters most: our customers, our people, our reputation, and our future.

We enable the success of our stakeholders – our clients, business colleagues, suppliers, shareholders, communities where we serve each other. We always strive to be the best in what we do. Every product, service, or endeavor at the workplace is nurtured by UnionBankers' faithful adherence and dedication to our Values of Integrity, Magis, and Ubuntu, nurtured by our passion to provide competent, effective, and delightful service.

Thus, our Code of Conduct embodies the principles for the personal and professional conduct of all UnionBankers. Other persons performing services for UnionBank, such as, but not limited to, third party suppliers, vendors, partners, service providers, collectively referred to as "Third Parties", are expected to adhere to the standards of the Code of Conduct. The intent of the Code of Conduct is to set clear expectations for ethical business practices aligned with UnionBank's values and standards of professionalism that uphold protection of financial consumers. UnionBank expects Third Parties to fully comply and hold their employees, consultants, agents and subcontractors to equivalent standards that follow both the spirit and the letter of the Code of Conduct as well as address potential instances of non-compliance. The Code of Conduct is founded on the institution's unwavering commitment to the highest standards of responsible and ethical business practice, anchored on our Purpose, Values and our Core Competence - Banking. Its essence and practice founded on public trust and confidence.

Whistleblowing mechanism

Our Whistleblower Policy is intended to assist individuals to whistle blow on malpractices which they have discovered and to provide protection to the whistleblower.

We ensure that such concerns are treated seriously, appropriately, and with utmost confidentiality.

Reportable incidents include unlawful activity, fraud, corruption, violation of policies and agreements including the Bank's Code of Conduct, to name a few.

Reporting channels were set up to warrant the anonymity and confidentiality of the report whose merits will be evaluated by an investigating body, escalated to the Discipline Committee or the Compliance and Corporate Governance Office, as needed, and accorded the fitting course of action.

Related party transactions

We ensure that all our transactions with related parties are undertaken only on an arm's length basis and subjected to appropriate oversight of the Board and relevant committees to protect the Bank from conflicts of interest and abusive related party transactions (RPTs) that may arise.

Our RPT Policy, which is approved by the Board, is strictly implemented across all covered transactions. The guidelines ensure fairness and transparency and the appropriate handling and monitoring of RPTs. The Bank strictly complies with regulations on Directors, Officers, Stockholders, and Related Interests (DOSRI) transactions.

These transactions are made and entered into substantially on the same terms and conditions as transactions with other individuals and businesses of comparable risks. Hence, the transactions likewise go through the same vetting and monitoring process applicable to ordinary or unrelated party transactions as set forth in the Bank's internal guidelines or policies.

Our Board members, stockholders, and executive officers are obliged to disclose any financial interest in any transaction or matter affecting the Bank, especially material facts pertaining to the transaction including the terms and conditions of the proposed transaction and deviations, if any. Likewise officers or employees who are related to the transacting party are required to abstain from the discussion, approval, and management of the transaction.

The Bank established an independent RPT review and advisory function to ensure that all related party transactions (RPTs) are properly reviewed and vetted, thereby ensuring that such transactions are conducted on an arm's length basis. The Bank enhanced its RPT reporting policies and processes, further strengthening oversight and reinforcing sound governance practices.

The RPT Committee is responsible for assisting the Board in fulfilling its governance responsibilities on the review and approval of RPTs, as specified in our Policy. The RPT Committee is composed entirely of independent directors, including the Chairman. Our RPT Policy can be viewed on the Good Governance Standards microsite of our company website.

RIGHTS OF SHAREHOLDERS

Our stockholders are the ultimate owners of our business and serve as the highest authority in our governance structure.

They enjoy the benefits of strong corporate governance, which we believe is critical not only for the success of the organization but also for advancing the interests of our shareholders.

We treat all shareholders fairly and equitably, and we recognize, protect, and facilitate the exercise of their rights. Shareholders' rights and privileges relate to the following, among others: (a) pre-emptive rights; (b) right to receive dividends; (c) right to propose the holding of meetings, ask questions, and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting; (d) right to nominate and elect candidates to the Board; (e) appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines; ; (f) right to information; and (g) power of inspection.

The basic rights of our shareholders are disclosed in the Manual on Corporate Governance which is posted on our company website.

Shareholders' meeting

The meeting of the shareholders serves as a venue for them to express opinions, raise questions, and pass resolutions. We have two (2) types of meeting as stipulated in our By-laws.

The annual meeting of the stockholders is held on the fourth Friday of the month of April of each year, if not a legal holiday, otherwise the next business day following.

The special meeting of the stockholders may be called for any purpose at any time by the Chairman of the Board, by the President, or by the holders of not less than one-third (1/3) of the subscribed capital stock of the corporation.

All meetings of the stockholders shall be held at the principal office of the organization, or at any place designated by the Board in the city or municipality where the principal office of the corporation is located.

DISCLOSURE AND TRANSPARENCY

Transparency is one of the core principles of our governance framework. To ensure better protection of the rights of our shareholders and other stakeholders, full disclosure of our financial performance, results of operations, governance policies, programs and procedures, and other developments in the organization, is imperative.

Company website

Our company website is the primary source of corporate information, financial performance, products and services, contact information, news and advisories, and latest developments pertaining to UnionBank. Our website serves as a venue to disclose in a timely manner a wide range of information including:

- Financial statements/reports (latest quarterly)
- Materials provided in briefings to analysts and media
- Downloadable Annual Report and other disclosures submitted to BSP, PSE, SEC and other pertinent agencies
- Copy of the latest version of the bank's Corporate Governance Manual
- Notice and minutes of the annual stockholders' meeting
- Company's constitution which includes our By-laws and Articles of Incorporation

Annual Report

We issue our Annual Report to promote greater disclosure and transparency to the public. Our Annual Report outlines our key achievements over the past year and contains discussion on corporate objectives, financial and non-financial performance indicators, profile of the Board and key officers, corporate governance framework, sustainability framework and Corporate Social Responsibility (CSR) activities, dividend policy, and statement of management's responsibility for financial statements, to name a few.

Financial statements

We also release our annual and quarterly reports to convey our financial performance in a comprehensive and accurate manner. The reports are also being disclosed in compliance with the reporting requirements of the SEC and PSE.

Investor Relations

UnionBank engages the investing public and potential investors through an effective Investor Relations (IR) Program. The investing community is updated on the Bank's performance, strategies, and management actions towards achieving a true and fair valuation of the Bank.

Our Investor Relations Office (IRO) promotes transparency, guided by the following principles:

- Observance of the highest ethical standards to uphold the best interest of all stakeholders;
- Adherence to principles of good corporate governance to align with best practices;
- Conformance with PSE & SEC disclosure requirements and other relevant regulations; and
- Timely dissemination of material and accurate information to all stakeholders.

Our IRO ensures that relevant information about the Bank's activities and performance are communicated properly through regulatory reports and disclosures, press releases, annual stockholders' meetings, annual reports, website, investor presentations, conference calls, and other modes of communication.

Press releases, media briefings, and presentations to investors are also being utilized to communicate important news and developments or information about our business and to engage our shareholders.

The table below shows the summary of press releases issued in 2025.

Press Releases	Date
UnionBank 2024 Net Income up by 31% year-on-year	February 3, 2025
UnionBank Sustains Revenue Growth Momentum in 1Q25	April 28, 2025
ATRAM and UnionBank Formalize Partnership to Enhance Financial Services	May 8, 2025
UnionBank announces dual-tranche 1.5Y and 3Y Bond Offering	June 4, 2025
UnionBank raises Php16.0 billion dual-tranche 1.5Y and 3Y Bond Offering	July 25, 2025
UnionBank Maintains Revenue Momentum, Lays Foundation For Future Expansion	July 28, 2025
UnionBank Posted Net Income of Php3.2 billion in Third Quarter, Php6.5 billion Year-to-Date	October 27, 2025

Sustainability

UnionBank remains committed to advancing sustainability at both national and global levels. Anchored on our sustainability framework, we actively support the United Nations Sustainable Development Goals (SDGs) and recognize our role in driving meaningful impact. As we continue our transformation journey, we integrate our sustainability commitments across Digital Transformation, Sustainable Finance, and Inclusive Prosperity—aligning with relevant SDGs to create long-term value for our stakeholders and communities. UnionBank is also committed to building a bank for the next generation—one that not only meets evolving financial needs but also makes a lasting positive impact on society and the environment.

UnionBank recognizes that environmental, social, and governance (ESG) considerations present both risks and opportunities to its operations, customers, and stakeholders. The Bank commits to embedding sustainability principles into its governance, strategy, risk management, and business operations, in compliance with current and emerging regulations in the Philippines and aligned with global best practices.

UnionBank actively engages with key stakeholders to address the most material economic, environmental, and social issues, guiding the journey of our sustainability policy, framework, and ESG metrics. Rooted in the UnionBank DNA—Purpose, Values, Vision, and Brand—our sustainability framework aligns initiatives under Purpose, Planet, and People. By leveraging our scale, resources, and the collective passion of our colleagues nationwide, we drive meaningful impact and advance our vision of becoming a Bank of enduring greatness.

UnionBank's Sustainability agenda is championed at the highest level of decision-making body through the Board of Directors led by the Chairman, and at Senior Management level by the CEO. Sustainability oversight is ultimately provided by the Board Committee on Corporate Governance, ensuring alignment with the Bank's strategic sustainability objectives. Furthermore, all sustainability programs will be monitored and measured by the Sustainability Office under the Enterprise Risk Management Group. The Sustainability Office is also the secretariat of the bank-wide ESG technical working group.

UnionBank measures employee engagement annually through a survey deployed toward the end of each year. This is driven by thoughtfully designed engagement programs, strategically implemented through Corporate Social Responsibility, Employee Relations and Engagement, and overall Culture. In building the "Next Generation Bank", UnionBank's commitment to developing a future-ready workforce is strengthened by functional and digital enablement initiatives, complemented by a holistic well-being program. This program supports employees' physical, mental, and financial wellness. Employee health, safety, and well-being are shared responsibilities across all levels and locations of the Bank. Led by the Occupational Safety and Health Division (OSHD) and supported by various units. Financial wellness programs also equip employees with financial literacy, covering retirement and savings planning.

UnionBank's well-being initiatives also extend to employees' families, ensuring engagement and wellness programs align with its family welfare policy. The overarching goal is to foster an enriching organizational culture where employees are highly engaged and thrive in a rewarding workplace.

UnionBank recognizes that in building a bank for the next generation, the business activities it supports must not only meet evolving financial needs but also make a lasting positive impact on society and the environment. As part of its responsibility to society and shareholders, the Bank is committed to designing financial products that drive sustainable development by adopting human-centered principles to address real customer challenges. With a long-term perspective, UnionBank takes a balanced approach to financing, ensuring its support for sustainable development aligns with responsible growth. In line with the Bangko Sentral ng Pilipinas (BSP) mandate to develop a sustainable finance framework among banks, UnionBank has established an environmental and social risk policy. This policy enables the Bank to make informed decisions while guiding borrowers toward sustainable business practices. Its objective is to manage the Bank's lending, investments, and operations—balancing client interests with prudent risk management to safeguard the Bank's financial soundness and long-term sustainability.

To support environmental sustainability, UnionBank operates LEED-certified (Leadership in Energy and Environmental Design) branches, a globally recognized certification from the U.S. Green Building Council. This commitment aligns with the Bank's transition from traditional branches to ARK and ARK Lite centers, which optimize resource efficiency and incorporate paperless digital features. UnionBank's climate strategy is centered on integrating sustainability into both operations and financial services. A key aspect of this is the Bank's focus on digital banking, which extends financial services to underserved and remote communities while reducing the carbon footprint by minimizing paper use in transactions. It has also allowed us to connect with our stakeholders remotely, reducing the need to travel. Other key initiatives include tracking and monitoring carbon footprint to enhance energy and operational efficiency, aligning with the sustainable finance taxonomy for responsible investments, and strengthening climate resilience across operations.

Through these efforts, the Bank remains committed to driving positive environmental impact while delivering long-term value to stakeholders.

Item 7. Undertaking to Provide Copies of the Annual Report on SEC Form 17A

The Bank undertakes to provide without charge to any stockholder who makes a written request for a copy of the Bank's Annual Report on SEC Form 17-A. Requests may be sent to Mr. Edgar Allan G. Oblena, 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City.

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S. S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ROBERTO G. MANABAT**, Filipino, of legal age, married and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **UNION BANK OF THE PHILIPPINES ("UnionBank")**, a universal banking institution duly organized and existing under the Philippine laws with principal office at UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, and have been its Independent Director since May 25, 2018.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
KPMG R.G. Manabat Foundation	Chairman	2017 to present
PA Properties & Development Corporation	Director	2020 to present
City Savings Bank, Inc.	Independent Director	2021 to present
UnionDigital Bank Inc.	Independent Director	2021 to present
Goldilocks Bakeshop, Inc.	Independent Director	2021 to present
National Reinsurance Corporation of the Philippines	Independent Director	2021 to present
UnionBank Financial Services and Insurance Brokerage Philippines, Inc.	Independent Director	2022 to present
Pluxee Philippines, Inc.	Independent Director	2022 to present
Cannelle Food Corporation	Director	2023 to present
EEl Corporation	Independent Director	2025 to present
SM Investments Corporation	Board Adviser	2015 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of UnionBank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of UnionBank and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of UnionBank of any changes in the abovementioned information within five (5) days from its occurrence.

FEB 27 2026

Done this ____ day of February 2026 at Pasig City, Metro Manila.

[Redacted Signature]

ROBERTO G. MANABAT
Affiant

FEB 27 2026

SUBSCRIBED AND SWORN TO before me this ____ day of February 2026 at Pasig City, Metro Manila, affiant Robert G. Manabat personally appeared before me and exhibiting to me his [Redacted] bearing his photograph and genuine signature as competent evidence of his identity in accordance with the 2004 Rules on Notarial practice.

Doc. No. 507 ;
Page No. 103 ;
Book No. ✓ ;
Series of 2026.

Nikki Neil Santos

[Redacted Signature]

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S. S.

CERTIFICATION OF INDEPENDENT DIRECTOR

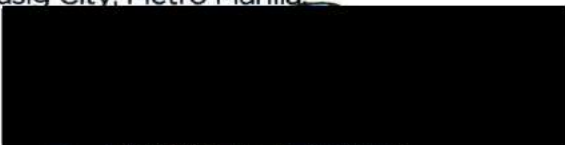
I, **MANUEL D. ESCUETA**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

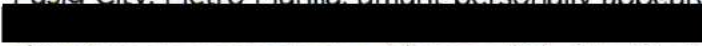
1. I am a nominee for independent director of **UNION BANK OF THE PHILIPPINES** ("UnionBank"), a universal banking institution duly organized and existing under the Philippine laws with principal office at UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, and have been its Independent Director since April 23, 2021.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Pascual Laboratories, Inc.	Independent Director	March 2016 to present
Educhild Foundation, Philippines	Vice Chairman, Board of Trustees	August 2023 to present
	Member, Board of Trustees	November 2004 to present
PAREF Southridge School for Boys, Muntinlupa, Rizal	Vice Chairman, Board of Trustees	1996 to present
City Savings Bank, Inc.	Independent Director	August 2021 to present
UnionBank Financial Services and Insurance Brokerage Philippines, Inc.	Independent Director	September 2022 to present
Mega Prime Foods, Inc.	Independent Director	October 2025 to present

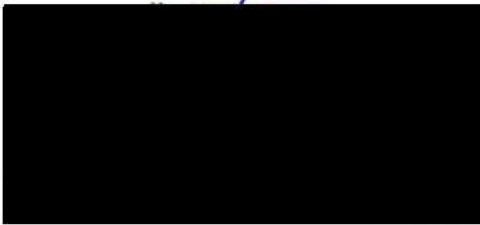
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of UnionBank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of UnionBank and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of UnionBank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this FEB 27 2026 day of February 2026 at Pasig City, Metro Manila.


MANUEL D. ESCUETA
Affiant

FEB 27 2026
SUBSCRIBED AND SWORN TO before me this ____ day of February 2026 at Pasig City, Metro Manila, affiant personally appeared before me and exhibiting to me his  bearing his photograph and genuine signature as competent evidence of his identity in accordance with the 2004 Rules on Notarial practice.

Doc. No. 508;
Page No. 103;
Book No. ✓;
Series of 2026.

Nikki Neil Santos


REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S. S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSIAH L. GO**, Filipino, of legal age and a resident of [REDACTED]
[REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **UNION BANK OF THE PHILIPPINES ("UnionBank")**, a universal banking institution duly organized and existing under the Philippine laws with principal office at UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, and have been its Independent Director since April 23, 2021.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Mansmith and Fielders, Inc.	Chairman and Chief Innovation Strategist	1990 to present
Waters Philippines	Chairman	1995 to present
Josiah and Carolina Go Foundation Inc.	Director	1992 to present
Gosingtian Ventures Inc.	Director	2008 to present
Noah Ventures Inc.	Director	2008 to present
Day 8 Business Academy Foundation	Director	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of UnionBank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of UnionBank and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of UnionBank of any changes in the abovementioned information within five (5) days from its occurrence.



MAR 02 2026

Done, this ____ day of March 2026 at Pasig City, Metro Manila.



GO

MAR 02 2026

SUBSCRIBED AND SWORN TO before me this ____ day of March 2026 at Pasig City, Metro Manila, affiant personally appeared before me and exhibiting to me his [REDACTED] bearing his photograph and genuine signature as competent evidence of his identity in accordance with the 2004 Rules on Notarial practice.

Doc. No. 241;
Page No. 10;
Book No. V;
Series of 2026.

Nick Neil Santos



REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S. S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **HONORIO G. POBLADOR IV.**, Filipino, of legal age and a resident of [REDACTED] after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **UNION BANK OF THE PHILIPPINES ("UnionBank")**, a universal banking institution duly organized and existing under the Philippine laws with principal office at UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, and have been its Independent Director since April 28, 2023.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Bo's Coffee	Director	April 2016 to present
Navegar Philippines Inc.	Partner	February 2017 to present
ABS-CBN Corporation	Independent Director	April 2020 to present
Asia Digital Holdings	Director	April 2022 to present
Ateneo Scholarship Foundation	Member, Board of Trustees	October 2024 to present
UnionDigital Bank, Inc.	Independent Director	June 30, 2025 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of UnionBank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of UnionBank and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of UnionBank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this FEB 27 2026 day of February 2026 at Pasig City, Metro Manila.

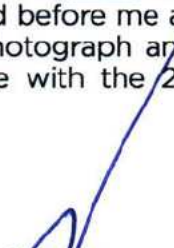


HONORIO G. POBLADOR IV
Affiant

FEB 27 2026

SUBSCRIBED AND SWORN TO before me this ____ day of February 2026 at Pasig City, Metro Manila, affiant personally appeared before me and exhibiting to me his  bearing his photograph and genuine signature as competent evidence of his identity in accordance with the 2004 Rules on Notarial practice.

Doc. No. 509 ;
Page No. 103 ;
Book No. V ;
Series of 2026.


Nikki N. Santos



REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S. S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PETER B. FAVILA**, Filipino, of legal age, married and a resident of [REDACTED]
[REDACTED] after having been duly sworn to in accordance with law,
do hereby declare that:

1. I am a nominee for independent director of **UNION BANK OF THE PHILIPPINES** ("UnionBank"), a universal banking institution duly organized and existing under the Philippine laws with principal office at UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, and have been its Independent Director since July 3, 2025.
2. I am affiliated with the following companies or organizations:

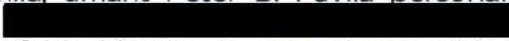
Company/Organization	Position/Relationship	Period of Service
Philippine Stock Exchange, Inc.	Independent Director	2023-present
Sunlife Grepa Financial Inc.	Lead Independent Director	2023-present
Malayan Insurance Company, Inc.	Lead Independent Director	2023-present
Philippine Dealing System Holdings Corp.	Independent Director	2025 to present
GT Capital Holdings Inc.	Lead Independent Director	2025-present
Securities Clearing Corporation of the Philippines	Lead Independent Director	2025-present
Credit Information Bureau Inc.	Lead Independent Director	2025-present
Bright Kindle Resources & Investments, Inc.	Independent Director	2025 to present
PetroEnergy Resources Corp.	Independent Director	2026 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of UnionBank, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of UnionBank and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or an employee of any government agency or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of UnionBank of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this FEB 27 2026 day of February 2026 at Pasig City, Metro Manila.


PETER B. FAVILA
Affiant

SUBSCRIBED AND SWORN TO before me this FEB 27 2026 day of February 2026 at Pasig City, Metro Manila, affiant Peter B. Favila personally appeared before me and exhibiting to me his  bearing his photograph as competent evidence of his identity in accordance with the 2004 Rules on Notarial practice.

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Book No. V ;
Series of 2026.


Nikki Neil Santos

**UNION BANK OF THE PHILIPPINES
("UnionBank")**

**2026 ANNUAL STOCKHOLDERS' MEETING
April 24, 2026 at 1:00 P.M.**

**REQUIREMENTS AND PROCEDURES FOR REGISTRATION
TO PARTICIPATE THROUGH REMOTE COMMUNICATION AND
VOTE ELECTRONICALLY *IN ABSENTIA***

I. Registration

1. Stockholders as of **March 16, 2026** ("Record Date") may attend, participate, and exercise their right to vote in the items for approval at the 2026 Annual Stockholders' Meeting ("ASM") through UnionBank's secure ASM Portal at <https://asm.unionbankph.com>. Registration in the ASM Portal to participate through remote communication and to cast votes electronically *in absentia* to the agenda items for approval is **until 9:00 a.m. (Philippine time) of April 24, 2026**, such registration being subject to verification and validation by the Corporate Secretary.
2. Stockholders who registered and voted before the cut-off time will be counted for purposes of quorum.
3. Upon accessing the ASM Portal, stockholders will be required first to read the Data Privacy Policy of UnionBank and click the "Accept" button to show that they agree to process their personal information before they can proceed to register at the ASM Portal. Stockholders shall provide the following information required for registration:

a. *For Individual Stockholders*

- i. Valid email address, active mobile number and residential address;
- ii. A scanned copy of the front and back portions of any valid identification cards (ID) in **.jpg, .jpeg, .png, and .pdf** formats with a file size not larger than 5MB. Valid types of IDs are the following: Driver's License, Passport, Unified Multi-Purpose ID (UMID), National ID, GSIS ID, company ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, Comelec Voter's ID, Senior Citizen's ID, and Alien Certificate of Registration/ Immigrant Certificate of Registration; and
- iii. Stock certificate number of any stock certificates issued by UnionBank in the name of the individual stockholder.

b. *For Stockholders with Joint Accounts*

- i. Documents required under Items 3.a.(i) and 3.a.(ii) for the authorized stockholder;
- ii. An authorization letter signed by one of the stockholders indicating the name of the person authorized to cast the votes for the account; and
- iii. Stock certificate number of any stock certificates issued by UnionBank in the name of the joint stockholders.

c. *For Stockholder under PCD Participant/ Brokers Account or "Scripless Shares"*

- i. The broker's name and broker's ID (BPID) of their broker registered with the Philippine Depository and Trust Corp. (PDTC). Stockholders may inquire the BPID from their respective brokers;
- ii. A scanned copy of the broker's certification of shareholdings under the name of the stockholder; and
- iii. Documents required under Items 3.a.(i) and 3.a.(ii) above.

d. *For Corporate Stockholders*

- i. Name of the corporate stockholder;
- ii. A scanned copy of the Secretary's Certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholder;

- iii. Stock certificate number of any stock certificates issued by UnionBank in the name of the corporate stockholder; and
 - iv. Documents required under Items 3.a.(i) and 3.a.(ii) above for the authorized representative.
4. Ensure that all required details in the registration form are accurate.
 5. The Office of the Corporate Secretary of UnionBank will verify and validate the online registration form submitted by the stockholder.
 6. Once verified, an e-mail will be sent to the stockholder containing his/her username and default password.
 7. The stockholder will log-in to the ASM Portal using his/her username and default password. The system will prompt the stockholder to change his/her password. A One-Time Password (OTP) will be sent to the stockholder's registered mobile number to confirm the change of password. If the OTP is not received on the registered mobile number, the stockholder may click the "Send One-Time Password via E-mail" button. The OTP will then be sent to the stockholder's registered e-mail address.

It is strongly recommended that stockholders **do not share** their username and password with any other person and take utmost care to keep their username and password confidential.

II. Vote Electronically in Absentia

1. Go to the ASM Portal website at <https://asm.unionbankph.com> and log-in using your username and password.
2. The agenda items for approval indicated in the Notice of Annual Meeting of Stockholders are set out in a digital absentee ballot in the ASM Portal, and the registered stockholders may cast their votes as follows:
 - (a) Stockholders have the option to vote "In Favor", "Against", or "Abstain" on the agenda items for approval.
 - (b) For the election of directors, stockholders have the option to "Vote in Favor" for all nominees, "Do Not Vote" if the nominee will not be voted, or if the votes will be cumulated, enter the number of votes desired to be given to a nominee. The total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Bank multiplied by the whole number of directors to be elected.
 - (c) Once the stockholder completes his/her votes, he/she can proceed to submit the accomplished form by clicking the "Submit" button.
 - (d) After the digital absentee ballot has been submitted, the stockholder will no longer be allowed to modify his/her votes.
 - (e) An e-mail confirmation will be sent to the stockholder upon submission of the votes. The stockholder can view his/her votes by clicking the "View Votes" button on the "Profile" page.
3. The Office of the Corporate Secretary together with the Bank's stock transfer agent, Stock Transfer Service, Inc. will tabulate all valid and confirmed votes cast through the ASM Portal, together with the votes cast through proxies. If a stockholder cast his/her vote electronically *in absentia*, and also executed a proxy form, only the latest vote received by the Office of the Corporate Secretary will be counted. The votes will be validated by Sycip Gorres Velayo & Co., as third-party vote validator.
4. Note that the submission of votes in the ASM Portal is until **10:00 a.m. (Philippine Time) of April 24, 2026**. The voting function of the ASM Portal will be disabled after this time to give the Office of the Corporate Secretary time to collate and validate the votes received through the portal. Stockholders are no longer be allowed to cast votes during the live webcast of the Annual Meeting.

5. Please note that due to the limitations of available technology, voting will not be possible during the live webcast.

III. Attendance in the Annual Meeting by Remote Communication

1. The Annual Meeting will be conducted via live webcast, and stockholders may participate at the meeting by logging-in to the ASM Portal.
2. Stockholders as of record date **March 16, 2026** who registered and cast their votes in the ASM Portal, may attend the Annual Meeting through remote communication by accessing the **"Join Zoom Meeting"** button in the portal.
3. Stockholders who have not registered in the ASM Portal but intend to participate in the Annual Meeting shall notify the Corporate Secretary of their intention on or before **April 23, 2026** by sending an e-mail to corpsec@unionbankph.com together with their (a) full name, (b) stock certificate number of any stock certificates issued by UnionBank, (c) valid e-mail address, (d) mobile number, and (e) a scanned copy of the front and back portions of any valid identification cards (ID) in **.jpg, .jpeg, .png, and .pdf** formats with a file size no larger than 5MB, as proof of identity. Valid types of IDs are the following: Driver's License, Passport, Unified Multi-Purpose ID (UMID), National ID, GSIS ID, company ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, Comelec Voter's ID, Senior Citizen's ID, and Alien Certificate of Registration/ Immigrant Certificate of Registration.

An e-mail will be sent to the stockholders containing the instructions to access the live webcast of the meeting.

4. Questions and/or remarks on the items in the agenda may be sent in advance to the Office of the Corporate Secretary via e-mail at corpsec@unionbankph.com **on or before 5:00 p.m. (Philippine time) of April 23, 2026**, to be read and answered during the meeting. The Bank will respond to any questions and/or remarks that were not answered during the meeting in writing to the stockholder's e-mail address.
5. Stockholders shall be responsible for their stable internet connectivity during the Annual Meeting.
6. The proceedings of the Annual Meeting will be recorded in video and audio format.

For any questions and concerns, stockholders may visit UnionBank's website at <https://www.unionbankph.com/company-disclosure/annual-stockholders-meeting> or contact the Office of the Corporate Secretary via e-mail at corpsec@unionbankph.com or at mobile no. 0917-8301410.

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**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF UNION BANK OF THE PHILIPPINES*
HELD ON APRIL 25, 2025, FRIDAY, 1:00 P.M**

*Conducted virtually by secure videoconference facility at <https://asm.unionbankph.com>
and facilitated at the 47th Floor, UnionBank Plaza,
Meralco Ave. corner Onyx Street, Ortigas Center, Pasig City, Metro Manila*

Stockholders Present:

Total No. of Shares Outstanding	:	3,316,405,584
No. of Shares of Stockholders Represented by Proxy	:	2,844,926,757
No. of Shares of Stockholders Present by Voting <i>in Absentia</i>	:	11,153,876
No. of Shares of Stockholders Present through Remote Communication (Livestream)	:	3,696,891
Total Number of Shares Represented by Proxy and Voting <i>in Absentia</i> , and Present through Remote Communication	:	2,859,777,524
Percentage of Shares Represented by Proxy, Registered in the ASM Portal, and Present through Remote Communication	:	86.23%
Total Number of Shares Not Represented	:	456,628,060
Percentage of Shares Not Represented	:	13.77%

****These minutes will be approved by the stockholders at the next Annual Stockholders' Meeting.***

Directors Present:

Mr. Erramon I. Aboitiz	-	Chairman, Board of Directors Chairman, Executive Committee Vice Chairman, Non-Executive Board Member, Risk Management Committee Member, Market Risk Committee Member, Corporate Governance Committee
Dr. Justo A. Ortiz	-	Vice Chairman, Board of Directors Chairman, Information Technology and Cybersecurity Committee Member, Non-Executive Board Member, Executive Committee Member, Risk Management Committee Member, Market Risk Committee Member, Operational Risk Management Committee Member, Corporate Governance Committee
Ms. Ana Maria A. Delgado	-	President and Chief Executive Officer Member, Executive Committee Member, Information Technology and Cybersecurity Committee Alternate Member, Market Risk Committee
Mr. Sabin M. Aboitiz (<i>Attended Virtually</i>)	-	Member, Non-Executive Board Member, Executive Committee

	Alternate Member, Corporate Governance Committee Alternate Member, Operational Risk Management Committee
Mr. Jose Emmanuel U. Hilado	- Member, Non-Executive Board Member, Executive Committee Member, Information Technology and Cybersecurity Committee Alternate Member, Market Risk Committee Alternate Member, Risk Management Committee
Mr. Samel A. Aboitiz	- Member, Non-Executive Board Member, Audit Committee Member, Operational Risk Management Committee Alternate Member, Executive Committee Alternate Member, Risk Management Committee
Ms. Nina D. Aguas	- Member, Non-Executive Board Member, Executive Committee Member, Audit Committee Member, Market Risk Committee Member, Corporate Governance Committee
Mr. Robert Joseph M. De Claro	- Member, Non-Executive Board Member, Executive Committee Member, Operational Risk Management Committee Member, Corporate Governance Committee Member, Information Technology and Cybersecurity Committee Alternate Member, Market Risk Committee Alternate Member, Risk Management Committee
Mr. Victor Alfonso A. Limlingan	- Member, Non-Executive Board Member, Audit Committee Member, Market Risk Committee Member, Risk Management Committee Alternate Member, Corporate Governance Committee Alternate Member, Executive Committee Alternate Member, Information Technology and Cybersecurity Committee Alternate Member, Operational Risk Management Committee
Mr. Roberto G. Manabat	- Lead Independent Director and Chairman, Non-Executive Board Chairman, Audit Committee Member, Risk Management Committee Member, Market Risk Committee

Member, Operational Risk Management Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee

Mr. Honorio G. Poblador IV

- Independent Director and Chairman, Market Risk Committee
Member, Non-Executive Board
Member, Risk Management Committee
Member, Corporate Governance Committee
Member, Information Technology and Cybersecurity Committee
Member, Related Party Transactions Committee

Mr. Manuel D. Escueta

- Independent Director and Chairman, Risk Management Committee
Member, Non-Executive Board
Member, Audit Committee
Member, Market Risk Committee
Member, Operational Risk Management Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee

Mr. Josiah L. Go

- Independent Director and Chairman, Operational Risk Management Committee
Member, Non-Executive Board
Member, Risk Management Committee
Member, Market Risk Committee
Member, Audit Committee
Member, Corporate Governance Committee
Member, Related Party Transactions Committee

Atty. Francisco Ed. Lim

- Independent Director and Chairman, Corporate Governance Committee
Independent Director and Chairman, Related Party Transactions Committee
Member, Non-Executive Board
Member, Audit Committee
Member, Market Risk Committee
Member, Operational Risk Management Committee

Board Nominee:

Mr. Iker M. Aboitiz

Officers Present*

Mr. Ramon G. Duarte

Executive Vice President/ Transaction Banking Head

Mr. Antonino Agustin S. Fajardo

Executive Vice President/ Corporate Banking Head

Mr. Manuel R. Lozano	Executive Vice President/ Chief Financial Officer
Mr. Dennis D. Omila	Executive Vice President/ Chief Transformation Officer
Ms. Michaela Sophia E. Rubio	Executive Vice President/ Chief Human Resource Officer and Head of Corporate Social Responsibility
Mr. Johnson L. Sia	Executive Vice President/ Treasurer and Global Markets Head
Atty. Joselito V. Banaag	Senior Vice President/ Corporate Secretary and General Counsel
Ms. Raquel N. Sevidal	Senior Vice President/ Commercial Banking Head
Mr. Antonio Sebastian T. Corro (<i>Attended Virtually</i>)	Senior Vice President/ Chief Cross-Sell Officer/ Chief External Relations Officer
Mr. Albert Raymond C. Cuadrante	Senior Vice President/ Chief Marketing and Experience Officer
Mr. Carlo I. Eñanosa	Senior Vice President/ Corporate Planning and Investor Relations Head
Ms. Concepcion Perla P. Lontoc	Senior Vice President/ Retail Banking Head
Mr. Edgar Allan G. Oblena	Senior Vice President/ Financial Controller
Mr. Michael P. Magbanua	Senior Vice President/ Corporate and Digital Operations Head
Atty. Arlene Joan T. Agustin	Senior Vice President/ Private Banking Head
Atty. Leila P. Paz-Aguba	Vice President/ Assistant Corporate Secretary
Mr. William Michael V. Valtos Jr.	Consultant, Office of the Chief Financial Officer
<i>Also Present:</i>	
Mr. John Januszcak	President & CEO, UBX Philippines Corporation
Ms. Bianca Graciela D. Gelido	Assistant Vice President/ Communications and Events Manager
Atty. Patricia Mae G. Peralta	Legal Counsel/ Assistant Corporate Secretary
Atty. Aira Joyce G. Patricio	Legal Counsel/ Assistant Corporate Secretary
Ms. Patricia Theresa D. Magalit	Senior Paralegal
Ms. Karren F. Monico	Corporate Secretariat Officer
Ms. Michelle Ann F. Fabella	Regulatory Affairs Officer
Ms. Irene Janet A. Paraiso	Sycip Gorres Velayo & Co.
Ms. Janeth Nunez-Javier	Sycip Gorres Velayo & Co.
Mr. Elvin N. Mercader	Sycip Gorres Velayo & Co.
Ms. Arianne F. Paule	Sycip Gorres Velayo & Co.
Mr. Geraldo M. Mejillano	Sycip Gorres Velayo & Co.
Mr. Allan N. Ocho	Sycip Gorres Velayo & Co.

**See Annex "A" for list of stockholders present by remote communication, voting in absentia and by proxy.*

PROCEEDINGS OF THE MEETING**I. Call to Order**

Mr. Erramon I. Aboitiz, Chairman of the Board, presided and called the Annual Meeting of the Stockholders of Union Bank of the Philippines (“UnionBank” or “Bank”) to order. Atty. Joselito V. Banaag, Corporate Secretary, recorded the minutes of the proceedings. The Chairman thanked the stockholders who attended the meeting via livestreaming, who had voted *in absentia* through the Bank’s online voting portal, and who submitted their proxy forms appointing the Chairman as proxy.

II. Proof of Notice of Meeting and Determination of Quorum

At the Chairman’s request, the Corporate Secretary certified that notices of the Annual Stockholders’ Meeting and the Definitive Information Statement were duly served by providing the Quick Response (“QR”) Code to all stockholders of the Bank as of record date of March 17, 2025, by e-mail for those stockholders who have given their e-mail addresses. Furthermore, the electronic copies of the Notice and Definitive Information Statement as well as the Requirements and Procedures for Registration to Participate through Remote Communication and Vote electronically *in Absentia* were posted on the Bank’s website, and disclosed to The Philippine Stock Exchange, Inc.’s EDGE Portal and the Philippine Dealing and Exchange Corporation on March 17, 2025.

In addition, pursuant to the SEC Notice posted on March 13, 2025, referring to the alternative distribution of the notice of stockholders meeting, Information Statement, and other documents in connection with the holding of Annual Meetings, the Notice of Meeting was published in the business sections of The Philippine Daily Inquirer and The Philippine Star, in print and online format, on March 24 and 25, 2025. The last publication was made thirty-one (31) days prior to this meeting, in accordance with Article IV Section 1(c) of UnionBank’s Amended By-Laws and Section 49 of the Revised Corporation Code.

The Corporate Secretary certified that as of 1:00 P.M., there was a quorum to conduct business, represented in this meeting by proxy, by voting *in absentia* through the Bank’s online voting portal, and by participation through remote communication or livestream, Two Billion Eight Hundred Fifty Nine Million Seven Hundred Seventy Seven Thousand Five Hundred Twenty Four (2,859,777,524) shares out of the total outstanding shares of the Bank of Three Billion Three Hundred Sixteen Million Four Hundred Five Thousand Five Hundred Eighty Four (3,316,405,584) as of the March 17, 2025 record date, or Eighty Six Percent and Twenty Three (86.23%) of the total subscribed capital stock or more than 2/3 of the total outstanding shares entitled to vote. Stockholders who participated through remote communication or *in absentia* were deemed present for the purposes of quorum.

The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are stated below:

Mode of Attendance	Percentage of Total Shares Outstanding
Appointment of the Chairman as proxy	85.78%
Voting <i>in Absentia</i>	0.34%
Remote Communication (<i>via livestream</i>)	0.11%

Additionally, there were Ninety-Two (92) viewers in the live webcast of the meeting.

At the request of the Chairman, the Corporate Secretary presented the rules of conduct and procedures that govern the Annual Stockholders’ Meeting. The Corporate

Secretary explained that the stockholders have been notified of the rules of conduct and proceedings of the Annual Stockholders' meeting as stated in the Explanation of Agenda items attached to the Notice of Meeting, which forms part of the Definitive Information Statement. In addition, the Bank engaged Sycip Gorres Velayo & Co. ("SGV") to conduct a third-party validation of the votes for the meeting. The rules of conduct and proceedings are as follows:

Rules of Conduct and Procedures of Meeting:

1. For stockholders intending to participate at the Meeting and vote through remote communication or *in absentia* using the ASM Portal, the deadline for registration to the ASM Portal is until 9:00 a.m. (Philippine time) of April 25, 2025. Submission of the votes on the agenda items for approval is until 10:00 a.m. (Philippine time) of April 25, 2025.
2. The conduct of the Meeting will be via live webcast and stockholders may participate through remote communication by logging-in to the ASM Portal.
3. Stockholders may send their questions and/or remarks on the agenda items to the Office of the Corporate Secretary at corpsec@unionbankph.com. Questions and/or remarks shall be limited to relevant items in the agenda under consideration and will be read and answered during the ASM live webcast.
4. Each item on the agenda requiring the vote of the stockholders will be shown on the screen simultaneously as it is being taken up at the meeting.
5. The Office of the Corporate Secretary together with Stock Transfer Service, Inc., the Bank's stock transfer agent, will tabulate all votes received, which will be validated by a third-party vote validation group. The results will be reported to the stockholders during the Meeting.
6. The proceedings of the Meeting will be recorded in video and audio format.

Voting Procedures:

A. Vote Requirement

1. For election of directors, in accordance with Section 23 of the Revised Corporation Code, the fifteen (15) nominees receiving the highest number of votes shall be declared elected.
2. For the approval of the increase of per diem for Non-Executive and Independent Directors and Directors' Fee of Independent Directors, in accordance with Section 29 of the Revised Corporation Code, a majority vote of the stockholders, present either in person, or through remote communication or *in absentia*, or by proxy, is necessary for the approval of such matter.
3. For other matters submitted to a vote, a majority vote of the stockholders present either in person, through remote communication, or *in absentia*, or by proxy is necessary for the approval of such matter.

B. Methods by which Votes will be Counted

Stockholders as of record date of March 17, 2025 are entitled to notice of and to vote at the Annual Stockholders' Meeting. Stockholders who are unable to attend the

meeting may choose to execute a proxy form or vote electronically in absentia using UnionBank's secure Annual Stockholders' Meeting Portal ("ASM Portal") at <https://asm.unionbankph.com>. Stockholders who intend to participate through remote communication and exercise their right to vote in absentia on the agenda items may register in the ASM Portal until 9:00 a.m. (Philippine time) of April 25, 2025, such registration being subject to verification and validation by the Corporate Secretary. The Requirements and Procedures for Registration to Participate through Remote Communication and Vote Electronically *in Absentia* are set forth under Annex "B" of the Information Statement. A stockholder who participates and votes through remote communication or *in absentia* shall be deemed present for purposes of quorum.

Stockholders who choose to vote by proxy must submit and address their Proxy Form to the attention of the Corporate Secretary at 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx Street, Ortigas Center, Pasig City, Metro Manila, Philippines or via e-mail at corpsec@unionbankph.com not later than 5:00 p.m. (Philippine time) of April 15, 2025.

In the election of directors, a stockholder may vote the number of shares held in his name in UnionBank's stock books as of March 17, 2025, and may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned, or he may distribute them on the same principle among as many candidates as may be seen fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Bank multiplied by the total number of directors to be elected. Discretionary authority to cumulate votes is solicited.

The method of counting the votes of the stockholders shall be in accordance with the general provisions of the Revised Corporation Code of the Philippines. Counting will be done by tabulation of the votes by the Corporate Secretary with the assistance of his staff and Stock Transfer Service, Inc., the Bank's stock transfer agent, together with Sycip Gorres Velayo & Co. as third-party vote validator.

III. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on April 26, 2024

The Chairman stated that the next item in the Agenda which is the reading and approval of the minutes of the Annual Stockholders' meeting held on April 26, 2024. The electronic copy of the minutes was made available on the Bank's website. There being no comments and questions thereto, and upon motion duly made by stockholder Ms. Maria Rowena S. Basconcillo and seconded by stockholder Mr. Alan Jay C. Avila, the stockholders approved the minutes of the previous Annual Stockholders' meeting.

Resolution No. 2025 - 1

"RESOLVED, that the stockholders of Union Bank of the Philippines approve, as they hereby approve, the minutes of the Annual Stockholders' Meeting of Union Bank of the Philippines held on April 26, 2024."

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item, and as validated by SGV:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	2,854,746,843	100.00%
No	-	-
Abstain	-	-
Total	2,854,746,843	100.00%

The Chairman then proceeded to the next item on the agenda.

IV. President and CEO's Annual Report on Management Operations for 2024

The Chairman called on UnionBank's President and Chief Executive Officer, Ms. Ana Maria Aboitiz Delgado, to present her pre-recorded report on the financial and operating results, which includes the summary of the Audited Financial Statements of the Bank as of December 31, 2024, and the actions done by the Board, its Committees, and the Management of the Bank for the year 2024.

The copy of the President and CEO's Report is hereto attached as Annex "B".

V. Approval of the Annual Report of Management on Operations for 2024 and the Audited Financial Statements as of December 31, 2024

The Chairman asked the stockholders present whether they have any questions regarding the report. There being no questions and comments thereto and upon motion duly made by stockholder Ms. Abigail Sarena T. Chua, which was seconded by stockholder Mr. Gennady S. Cruz, the stockholders approved the following resolution:

Resolution No. 2025- 2

"RESOLVED, that the stockholders of Union Bank of the Philippines approve, as they hereby approve, the Annual Report on Management Operations for 2024 and the Audited Financial Statements as of December 31, 2024 of Union Bank of the Philippines."

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item, and as validated by SGV:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	2,853,755,459	99.97%
No	-	-
Abstain	991,384	0.03%
Total	2,854,746,843	100.00%

The Chairman then proceeded to the next item on the agenda.

VI. Open Forum

The Chairman proceeded to answer the questions sent by the stockholders. He requested Ms. Bianca D. Gelido, the meeting moderator, to state the procedures for the Open Forum and the questions sent by the stockholders. Ms. Gelido informed the Chairman that there was a question received from a stockholder sent via email through the Office of

the Corporate Secretary. The question was sent by stockholder Elleen Ortega. She asked what is the justification of the increase of Per Diem for Non-Executive and Independent Directors and Directors' fee of independent Directors in relation to the Bank's income performance and the increase in the value of its shares of stocks.

Chief Human Resources Officer, Ms. Michaela Sophia E. Rubio, responded that the last adjustment for Directors' per diem was made five (5) years ago, year 2020, while the adjustment of fees was made eight (8) years ago, year 2017. Benchmarking across industry standards was due. The relationship between the Board of Directors' per diem and the net income and share price is indirect but important. The Bank has an active, engaged, working Board of Directors that lends its valuable expertise to the organization; hence, their compensation must be competitive versus market. Their leadership and oversight are essential to the Next Gen Bank's success.

After the questions have been answered, Ms. Gelido stated that any other questions relative to the agenda items presented at the live webcast may be submitted to the Office of the Corporate Secretary via the email below:

Office of the Corporate Secretary
Atty. Joselito V. Banaag
Corporate Secretary
E-mail: corpsec@unionbankph.com

The Bank's answers will be sent to the stockholders' e-mail addresses.

VII. Ratification of Past Actions of the Board of Directors, Board Committees, and Management

The Chairman advised the stockholders that the next item on the agenda is the ratification of actions of the Board, its Committees, and including the actions of the Management of the Bank for the year-ended 2024 as reported by the President and CEO, as well as those prior to the date of annual meeting.

These pertain to all contracts, investments and resolutions issued, and all other acts and proceedings which were done in the ordinary course of business and, when appropriate, have been subject of disclosures to the Securities and Exchange Commission, The Philippine Stock Exchange, Inc., the Philippine Dealing and Exchange Corporation, and the Bangko Sentral ng Pilipinas, together with the material Related Party Transactions ("RPT") disclosed in Note 32, pages 132-138, of the Audited Financial Statements, which was attached to the Definitive Information Statement in accordance with the Revised Corporation Code and enumerated under Item 5 of the Information Statement.

The summary of the material RPTs in 2024 which were conducted fairly at arm's length basis was also presented for the stockholders' ratification and confirmation.

Upon motion duly made by stockholder Ms. Jennifer V. Dytuco, which was seconded by stockholder Ms. Maria Rowena S. Basconcillo, and with no further comments or questions from the stockholders present, the stockholders approved the following resolution:

Resolution No. 2025 - 3

"RESOLVED, that the stockholders of Union Bank of the Philippines ("UnionBank" or "Bank") approve, ratify, and confirm, as they hereby

approve, ratify, and confirm, all contracts, investments, and resolutions issued, and all other acts and proceedings made by the Board, its Committees, and the Management of the Bank in the general exercise of their duties for the year 2024, together with the material Related Party Transactions disclosed in the Notes to Financial Statements, Note 32, pages 132-138, of the Audited Financial Statements which was attached to the Definitive Information Statement in accordance with the Revised Corporation Code and enumerated under Item 5 of the Information Statement, as well as the summary of RPTs in 2024.

Relationship	Nature	Terms and Conditions	Amount / Contract Price	Outstanding Amount
DOSRI	Asset Swap/ Corporate Credit Card/Credit Facilities/ Lease Agreement/ ROPA Sale/ Others	Standard terms and conditions	15.084 billion	.
Affiliates	Purchase of Products/ Corporate Credit Card/ Data Science & Consultancy Services/ Health Insurance	Annual renewal; standard terms and conditions	.652 billion	-
Subsidiaries	Technology Services/ Capital Infusion/ Credit Facilities/ Lease Agreement/ Insourcing Services/ Cross Selling/ Others	Standard terms and conditions	11.522 billion	-
Other related parties	Asset Swap/ Credit Facilities/ Lease Agreement/ Outsourcing/ ROPA Sale/ Others	Standard terms and conditions	20.825 billion	4.56Billion

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item, and as validated by SGV:

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,845,754,245	99.68%
No	8,000,000	0.28%
Abstain	992,598	0.04%
Total	2,854,746,843	100.00%

The Chairman then proceeded to the next item on the agenda.

VIII. Appointment of External Auditor for the Year 2025

The Chairman announced that the next order of business was the appointment of UnionBank's external auditor for the year 2025. Upon motion duly made by stockholder Mr. Alan Jay C. Avila, which was seconded by stockholder Ms. Jennifer V. Dytuco, and with no comments or questions from the stockholders present, the stockholders approved the following resolution:

Resolution No. 2025 - 4

“RESOLVED, that the stockholders of Union Bank of the Philippines (UnionBank) approve, as they hereby approve, the appointment of Sycip Gorres Velayo & Co. as the external auditor of UnionBank for year 2025.”

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item, and as validated by SGV:

Vote	Number of Votes (One Share - One Vote)	Percentage of Shares Represented
Yes	2,854,746,582	100.00%
No	-	-
Abstain	261	0.00%
Total	2,854,746,843	100.00%

**Rounded-off to the nearest two (2) decimal point*

The Chairman then proceeded to the next item on the agenda.

IX. Increase of Per Diem for Non-Executive and Independent Directors and Director's Fee of Independent Directors

The Chairman informed the stockholders that the next item on the agenda was the increase of per diem for Non-Executive and Independent Directors for attending the regular Board of Directors meetings and Board Committee meetings, and the directors' fee of Independent Directors as endorsed by the Board of Directors for approval. The proposed increase for Regular Board meeting per diem of the Chairman is from PHP240,000 to PHP300,000 while the member's per diem is increased from PHP160,000 to PHP200,000. For Board Committee meeting, the per diem of the Chairman is increased from PHP120,000 to PHP180,000, while the member's per diem is increased from PHP80,000 to PHP120,000. Independent Directors' fees are increased from PHP2,000,000 to PHP2,400,000. The approval of the increase is being requested based on an independent study of the Human Resources Group using market information and a study on the remuneration and benefits survey of publicly listed companies.

Upon motion duly made by stockholder Mr. Gennady S. Cruz, which was seconded by stockholder Ms. Abigail Sarena T. Chua, and with no comments or questions from the stockholders present, the stockholders approved the following resolution:

Resolution No. 2025 - 5

“RESOLVED, that the stockholders of Union Bank of the Philippines (UnionBank) approve, as they hereby approve, the increase of per diem for Non-Executive and Independent Directors for attending the regular Board of Directors meetings and Board Committee meetings, and the directors' fee of Independent Directors as endorsed by the Board of Directors, based on an independent study of the Human Resources Group using market

information and a study on the remuneration and benefits survey of publicly listed companies.”

At the Chairman’s request, the Corporate Secretary recorded the following votes cast for this agenda item, and as validated by SGV:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	2,846,498,121	99.71%
No	8,000,953	0.28%
Abstain	247,769	0.01%
Total	2,854,746,843	100.00%

The Chairman then proceeded to the next item on the agenda.

IX. Election of Directors for 2025 - 2026 Term

The Chairman informed the stockholders that the next item on the agenda was the election of members of UnionBank’s Board of Directors for the year 2025-2026. The election is made in accordance with the Bank’s Amended By-Laws where the directors of the Bank have a term of one (1) year, subject to re-election. Fifteen (15) seats in the Board are available to be filled up.

The Corporate Secretary stated that the following individuals were nominated as members of the Board of Directors to serve for the 2025-2026 term. They were screened and deemed qualified by the Corporate Governance Committee of the Bank during its meeting held on February 7, 2025. Their qualifications as directors of the Bank are in compliance with the provisions of the Revised Corporation Code, existing BSP regulations, and SEC Circulars. The Bank has not received any objection from stockholders when the list of Nominees with their qualifications and relevant experience, length of service, training and their board representations in other corporations, contained in the Bank’s Definitive Information Statement was posted on the Bank’s website and disclosed to The Philippine Stock Exchange, Inc. and Philippine Dealing and Exchange Corporation. Thus, their nomination and election as Directors of the Bank will be for a term of one (1) year, in accordance with the Revised Corporation Code.

REGULAR MEMBERS:

1. Erramon I. Aboitiz
2. Dr. Justo A. Ortiz
3. Ana Maria A. Delgado
4. Sabin M. Aboitiz
5. Samel A. Aboitiz
6. Iker M. Aboitiz
7. Jose Emmanuel U. Hilado
8. Nina D. Aguas
9. Robert Joseph M. De Claro
10. Victor Alfonso A. Limlingan

INDEPENDENT DIRECTORS:

1. Roberto G. Manabat
2. Manuel D. Escueta
3. Josiah L. Go

4. Atty. Francisco Ed. Lim
5. Honorio G. Poblador IV

There being no further nominations made, and upon motion duly made by stockholder Ms. Abigail Sarena T. Chua, which motion was seconded by stockholder Mr. Alan Jay C. Avila and carried on the necessary votes, all the nominees for members of the Board of Directors of the Bank were declared as duly elected Directors of the Bank to serve their one (1) year term. The Chairman directed the Corporate Secretary to apply all the votes received in favor of the fifteen (15) nominees, who are all deemed duly elected members of the UnionBank Board.

The Corporate Secretary confirmed that all votes cast and received by the Office of the Corporate Secretary and confirmed by the Stock Transfer Unit of the Bank have been applied. He presented the results of the votes cast as validated by SGV, the third-party validator, as shown below:

	Vote	No. of Votes Cast	Percentage of the Total Votes Cast*
1. ERRAMON I. ABOITIZ	Yes	2,239,152,816	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,157,064	99.99%
2. DR. JUSTO A. ORTIZ	Yes	2,239,148,555	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,152,803	99.99%
3. ANA MARIA A. DELGADO	Yes	2,299,153,850	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,299,158,098	99.99%
4. SABIN M. ABOITIZ	Yes	2,239,143,294	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,147,542	99.99%
5. SAMEL A. ABOITIZ	Yes	2,299,143,555	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,299,147,803	99.99%
6. IKER M. ABOITIZ	Yes	2,239,141,755	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,239,146,003	99.99%
7. JOSE EMMANUEL U. HILADO	Yes	2,237,306,427	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,310,675	99.99%
8. NINA D. AGUAS	Yes	2,237,305,827	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,310,075	99.99%
9. ROBERT JOSEPH M. DE CLARO	Yes	6,801,641,990	99.99%
	No	4,248	0.00%

	Abstain	-	0.00%
	Total	6,801,646,238	99.99%
10. VICTOR ALFONSO A. LIMLINGAN	Yes	6,803,480,222	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	6,803,484,470	99.99%
11. ROBERTO G. MANABAT	Yes	2,237,304,327	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,308,575	99.99%
12. MANUEL D. ESCUETA	Yes	2,237,304,127	99.99%
	No	4,248	0.00%
	Abstain	-	-
	Total	2,237,308,375	99.99%
13. JOSIAH L. GO	Yes	2,237,303,427	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,307,675	99.99%
14. ATTY. FRANCISCO ED. LIM	Yes	2,237,305,327	99.99%
	No	4,248	0.00%
	Abstain	-	-
	Total	2,237,309,575	99.99%
15. HONORIO G. POBLADOR IV	Yes	2,237,303,427	99.99%
	No	4,248	0.00%
	Abstain	-	0.00%
	Total	2,237,307,675	99.99%

**Rounded-off to the nearest two (2) decimal points.*

II. Adjournment

The Chairman informed the stockholders that the business of the meeting has been concluded, and upon motion duly made by stockholder, Ms. Maria Rowena S. Basconcillo, which was seconded by stockholder, Ms. Jennifer V. Dytuco, the meeting was adjourned.

CERTIFIED CORRECT:

(Sgd.) ATTY. JOSELITO V. BANAAG
Corporate Secretary

ATTESTED BY:

(Sgd.) ERRAMON I. ABOITIZ
Chairman

Annex “A”

Stockholders Present by Remote Communication, by Voting in Absentia, and Represented by Proxy

Alan Jay C. Avila
May S. Buencamino
Abigail Sarena T. Chua
Aimee S. Tumao
Andres B. Alcantara
Anthony Gilbert Antiquiera
Caroline L. Tobias
Christine D. Babas
Edzel S. Babas
Donabel J. Cruzado
Edric B. Fernandez
Eileen P. Ortega
Gladys G. Enriquez
Gennady S. Cruz
Gregorio I. Calixto
Socorro Maria I. Calixto
James Morris P. Ileto
Jose Paulo R. Soliman
Jeannette Yvonne M. Zagala
Jennifer V. Dytuco
Joselynn B. Torres
Raquel P. Palang
Luis Martin S. Clemente
Maria Paz B. Urmata
Manuel G. Santiago, Jr.
Menchie M. Tormon
Antonio Miguel D. Dans II
Montano M. Dimapilis
Myrna E. Amahan
Zenaida G. Caña

CMSPRS HOLDING INC.
ELVARO HOLDINGS INC.
IGROMOR HOLDING CORPORATION
JEROSAMOR HOLDING CORPORATION
JOROSAMOR HOLDING CORPORATION
MBM7 HOLDING CORP.
MERBEMA HOLDINGS INC.
MIROSAMOR HOLDING CORPORATION
NEWMOR77 HOLDINGS INC.
PIROMOR HOLDING CORPORATION
THE INSULAR LIFE ASSURANCE CO., LTD
RAMON ABOITIZ FOUNDATION, INC.
AGIKIK CORPORATION
AYTEK CO. INC.

BATLEK CORPORATION
BEE2BEE CORPORATION
CATHYA CORPORATION
CELENT CORPORATION
CINOM CORPORATION
FELICITOUS CORPORATION
INSAVVY INC.
KANGYAN CORPORATION
MEKANDA CORPORATION
OIGIMER CORPORATION
PAKPAK CORPORATION
PANGANTUAN CORPORATION
PASILONG CORPORATION
PAUSBONG CORPORATION
PEACE8 CORPORATION
RYNTHZ CORPORATION
SUWERTZ COMP`ANY CORPORATION
TAASAKA CORPORATION
THINEZ CORPORATION
ANTONIO MORAZA
MONICA MORAZA
JAIME MORAZA
BAUWINIA MANAGEMENT INC.
ARRAYANES CORPORATION
DOMINUS CAPITAL INC.
FMK CAPITAL PARTNERS, INC.
IXIDOR HOLDINGS, INC.
PORTOLA INVESTORS, INC.
EMETASI HOLDINGS, INC.
AMOR M. DALIGDIG
ANYA JAEI M. DALIGDIG
JANEL ADRIEL M. DALIGDIG
JEROLD ALDEN M. DALIGDIG
IKER ABOITIZ
MONTELENA HOLDINGS, INC.
MH MANAGEMENT & DEVELOPMENT CORPORATION
ALBERT RAYMOND C. CUADRANTE
SOCIAL SECURITY SYSTEM
GORLIZ MANAGEMENT INC.
GUIPOZKOA MANAGEMENT INC.
ISPASTER DEVELOPMENT CORPORATION
NOSSAHEAD MANAGEMENT INC.
ORDARROA MANAGEMENT INC.
REAL SOCIEDAD MANAGEMENT INC.
SOCIOS MANAGEMENT INC.

ZUBEROA MANAGEMENT INC.
ABODAX MANAGEMENT INC.
ANTARTICA MANAGEMENT INC.
BAZTAN DEVELOPMENT CORPORATION
BINGO BANGO MANAGEMENT INC.
CHADBRAD MANAGEMENT INC.
CHAMARTIN MANAGEMENT INC.
DIJIBOUTI MANAGEMENT INC.
EUSKADI MANAGEMENT INC.
RAMJAY DEVELOPMENT CORP.
MURUETA MANAGEMENT INC.
ONDARETA MANAGEMENT INC.
OSASUNA MANAGEMENT INC.
ALGORTA MANAGEMENT INC.
CROKER ISLAND MANAGEMENT INC.
ELGOIBAR DEVELOPMENT CORPORATION
LESOTHEA MANAGEMENT INC.
IBERIAN CHALLENGE MANAGEMENT INC.
KABULAHANAN MANAGEMENT INC.
MARQUEZ ZAFRA MANAGEMENT INC.
ABOITIZ-FANSLER AMAYA CRISTINA
CASSIEL MANAGEMENT INC.
CHAMUEL MANAGEMENT INC.
CHAROUM MANAGEMENT INC.
ABOITIZ CARLOS RAMON
ABOITIZ MARIA CRISTINA
HINDIKURTA MANAGEMENT INC.
SARIHINDI MANAGEMENT INC.
ABOITIZ TRISTAN ROBERTO
CARZEZ MANAGEMENT INC.
MAHARANIANA MANAGEMENT INC.
TUTUBELL MANAGEMENT INC.
IMAPOLA MANAGEMENT INC.
CIACU MANAGEMENT INC.
DAUCI MANAGEMENT INC.
DAVICKA MANAGEMENT INC.
DAZZOLI MANAGEMENT INC.
FORTES MANAGEMENT INC.
ABOCOSA MANAGEMENT INC.
ASPIRA MANAGEMENT INC.
AZURA MANAGEMENT INC.
CARABBEU MANAGEMENT INC.
CAUCI MANAGEMENT INC.
CEAZI MANAGEMENT INC.
CIA MANAGEMENT CORPORATION

NAZZOLI MANAGEMENT INC.
NICABO MANAGEMENT INC.
SACCED MANAGEMENT INC.
SALT GRASS MANAGEMENT INC.
SARABO MANAGEMENT INC.
SEAWWI MANAGEMENT INC.
TAWAKONI MANAGEMENT INC.
ZINDAVE MANAGEMENT INC.
GANANDO MANAGEMENT INC.
KELCO MANAGEMENT & DEVELOPMENT CORP.
MIKABO MANAGEMENT INC.
NAVIFFE MANAGEMENT INC.
ANSO MANAGEMENT CORPORATION
DONYA I CORP. (UBPSI)
DONYA I MANAGEMENT CORP.
MOREFUND CORP. (UBPSI)
MOREFUND CORPORATION
MOREFUND MANAGEMENT CORPORATION
SANFIL CORP. (UBPSI)
SANFIL CORPORATION
SANFIL MANAGEMENT CORPORATION
MIKEL ABOITIZ
WINDEMERE CORP. (UBPSI)
WINDEMERE CORPORATION
WINDEMERE MANAGEMENT CORPORATION
ANDROLEPIS MANAGEMENT INC.
ALDROVANDA MANAGEMENT INC.
ALPHITONIA MANAGEMENT INC.
ANACYCLUS MANAGEMENT INC.
ABOITIZ EQUITY VENTURES INC.
ABOITIZ AND COMPANY INC.
ANTON MARI PERDICES
STANDARD CHARTERED BANK
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
DEUTSCHE BANK AG MANILA (DEUB10000000)
DEUTSCHE BANK AG MANILA (DEUB20000000)
CITIBANK N.A (CITIOMNIFOR)
CITIBANK N.A (CITIOMNILOC)

**ANNUAL STOCKHOLDERS’ MEETING
PRESIDENT & CEO’S REPORT – 25 APRIL 2025**

2024: A Defining Year for UnionBank

As your new President and CEO, it is an honor to address you for the first time at this year’s Annual Stockholders Meeting. I am deeply grateful for the trust and confidence placed in me, and I look forward to building on the strong foundation that has brought UnionBank to where it is today.

The year 2024 marked a defining chapter in UnionBank’s journey—a year characterized by strategic milestones, strong financial performance, and the continued acceleration of our transformation agenda. As we look back, I am proud to share how we navigated the landscape, seized opportunities, and laid a solid foundation for sustainable growth. I am also grateful for the lessons we learned that have made us stronger and more resilient as an organization.

Citi Consumer Integration: A Transformational Leap

One of our most significant accomplishments was the successful integration of Citi’s consumer banking business. This was not merely a technical milestone; it was a strategic achievement that showcased UnionBank’s capability to execute complex, large-scale transformations with both speed and precision.

At the end of March 2024, we welcomed Citi’s customers into our ecosystem, ensuring continuity in the high-quality services they have come to trust—while enhancing their experience through UnionBank’s innovation and agility. As a result, our consumer business flourished. New credit card acquisitions grew by over 100% in 2024, driven by targeted campaigns, a broader product suite, and innovative digital marketing strategies. Today, UnionBank stands as the third-largest credit card issuer in the country.

The growth is also a reflection of the synergies we are realizing from the integration—leveraging best practices and enhanced digital capabilities such as real-time credit card approvals and strategic brand partnerships with Samsung Finance, S&R, Shell, and Mercury Drug. With integration now complete, we are well-positioned to scale and create even more value for our customers and stakeholders.

Reinforcing Digital Leadership

Digital remains at the heart of UnionBank’s growth strategy. In 2024, we reached a customer base of 17.3 million, with an average annual growth of 2.5 million new retail customers since 2019. Of these, 5.1 million are active digital customers—a remarkable 8.6x growth compared to pre-pandemic levels.

This surge in digital adoption affirms our commitment to making banking simpler, more secure, and more accessible. Digitally opened accounts have grown 103 times since 2019, reflecting strong consumer demand for frictionless financial experiences.

Our UnionBank Online app continues to lead in customer satisfaction and usability. It remains the most downloaded and highest-rated banking app on the Google Play Store. In 2024

alone, the app processed approximately 105 million fund transfer transactions, up by 33% year-on-year.

Record-High Revenues and Earnings Recovery

As a result of the success in digital and growth in consumer and transaction banking, UnionBank achieved a record-high net revenue of PHP 79.5 billion in 2024. This is a growth of 12% year-on-year, fueled by strong and recurring net interest income as well as fee-based revenues.

Net interest income grew to PHP 58.0 billion, driven by the expansion of our high-yielding consumer loan portfolio and disciplined funding cost management. Consumer loans now account for 61% of our total loan portfolio, aligned with our strategic shift toward capturing the growth in consumer segment. This has elevated our net interest margin to 6.0%, a 49-basis-point improvement over last year.

Meanwhile, fee-based income grew by 14%, reaching PHP 21.5 billion, driven by a growing customer base and the increased volume of transactions across payments, transfers, and card-related activities. UnionBank now ranks second among publicly listed banks in both Net Interest Margins and Fees-to-Assets.

Alongside this progress, 2024 brought with it an opportunity to learn and refine our efforts to tap mass and underserved retail segments through our subsidiaries particularly in UnionDigital — the learnings and insights required us to make strategic pivots to sharpen our credit and operating models for long-term sustainability and profitability.

All these, coupled with disciplined cost management, led to a net income of PHP 12.0 billion, marking a 31% year-on-year increase.

Advancing Sustainability and Financial Inclusion

In 2024, we also made substantial progress in our ESG journey. We delivered over 1,000 training hours on sustainability, cut power consumption by 30%, and strengthened our climate resilience frameworks.

Through CitySavings' pioneering social bond, backed by the International Finance Corporation, we also broadened access to credit for teachers, MSMEs, and underserved sectors—further affirming our role as a responsible financial institution.

Charting the Path Forward: The Next Generation Bank

Looking ahead, UnionBank is poised to go beyond digitization. We are evolving into a Next Generation Bank — one that blends cutting-edge technology with a deep understanding of customer needs across all generations.

To achieve this, we will Deliver consistent, secure, and seamless experiences across all channels; We will balance digital convenience with human connection through a high-tech, high-touch approach; and we will Harness data and analytics to create more meaningful and personalized experiences.

Our goal is not simply to be the most digital bank, but to become the most relevant and trusted financial partner for the next wave of consumers and businesses — many of whom are entering their most economically active years.

Now is the time to embrace this leap forward. And UnionBank is best positioned to take on leadership in this space.

In Gratitude

As we work to build a bank of enduring greatness, I would like to extend my gratitude to our Board of Directors for their unwavering guidance and support. To our customers, regulators, business partners, and you — our valued shareholders — I thank you also for your trust.

Most importantly, I offer my appreciation to all UnionBankers for your passion, dedication, and relentless pursuit of excellence.

Together, we move forward with confidence—knowing that the future begins with **U**.

Thank you.

**UNION BANK OF THE PHILIPPINES
LIST OF LEASED BRANCHES
As of December 31, 2025**

Union Bank of the Philippines

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
2ND AVENUE - GLOBAL CITY	G/F, Unit 1, Blue Sapphire Bldg., 2nd Avenue, Bonifacio Global City, Taguig City	436,333.29	October 31, 2030	5
32ND AVE. - BGC	G/F, Trade & Financial Tower, 7th Avenue corner 32nd Street, Bonifacio Global City, Taguig City	889,143.00	September 30, 2029	5
5TH AVENUE - GLOBAL CITY	G/F, Unit 103, One Global Place Bldg., 5th Avenue, Bonifacio Global City, Taguig City	411,280.00	April 30, 2030	5
ACROPOLIS	G/F, Bridgeview Bldg., 171 E. Rodriguez Jr. Avenue, Brgy. Bagumbayan, Quezon City	146,689.16	April 30, 2030	5
ADB AVENUE	G/F, AIC Burgundy Empire Tower, ADB Avenue corner Sapphire St., Brgy. San Antonio, Pasig City	374,893.96	October 31, 2028	5
ALABANG COUNTRY CLUB	G/F, Main Lobby, Alabang Country Club, 113 Country Club Drive, Ayala Alabang, Muntinlupa	1,900,092.60	February 28, 2028	5
ALABANG TOWN CENTER	G/F, Makati Supermart Alabang, T. Molina St., Alabang Town Center, Muntinlupa City	180,000.00	December 31, 2028	5
ALI MALL	Araneta Center, Ali Mall Financial Center, P. Tuazon Boulevard, Brgy. Socorro, Quezon City	207,205.00	September 30, 2028	5
ANGELES	G/F, Central Town Mall Bldg., 363 Fil-Am Friendship Highway, Brgy. Cutcut, Angeles City, Pampanga	142,544.90	November 06, 2026	5
ANNAPOLIS	G/F Unit 133, Promenade Bldg., Missouri cor. Annapolis Sts., Brgy. Northeast Greenhills, San Juan	387,093.85	December 31, 2025	2
ANTEL RESIDENCES	G/F Antel Residences, 7829 Salamanca Street., Brgy. Poblacion, Makati City	156,359.29	September 30, 2026	5
AURORA - BALETE DRIVE	G/F, Marsk Realty Bldg., 738 Aurora Blvd., cor. Balete Drive, Quezon City	125,766.96	September 14, 2030	5
AURORA BLVD.	G/F Aurora Blvd., cor. Broadway St., Brgy. Mariana, New Manila, Quezon City	125,766.96	March 14, 2030	5
AYALA ALABANG	G/F, JD Tower, 1308 Commerce Avenue corner Acacia Avenue, Ayala Alabang, Muntinlupa City	770,843.67	June 30, 2029	5
AYALA MADRIGAL	G/F Don Vicente Madrigal Bldg., 6793 Ayala Avenue, Salcedo Village, Makati City	922,958.85	November 15, 2030	5
AYALA RUFINO	G/F, Rufino Bldg., 6784 Ayala Avenue corner V Rufino St., Legazpi Village, Makati City	336,144.06	June 30, 2027	5
AYALA SSS	G/F, SSS Bldg., 6782 Ayala Avenue corner V.A. Rufino St., Legazpi Village, Makati City	1,092,216.20	September 30, 2025	2
6754 AYALA AVENUE	G/F, PNB Makati Center, 6754 Ayala Avenue, Legaspi Village, Makati City	321,042.45	September 15, 2027	5
BACOLOD NORTH MANDALAGAN	G/F, Unit 101, CODECO Bldg., Lacson St. corner Consuela Avenue, Brgy. Bata, Bacolod City	245,911.58	October 31, 2029	5
BACOLOD-LACSON	G/F Philam Bldg., Lacson corner Galo Sts., Brgy. 19, Bacolod City	98,710.50	November 14, 2027	3

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
BACOR	G/F, Addio Bldg., Aguinaldo Highway, Brgy. Talaba, Bacoor, Cavite	130,802.50	March 31, 2026	5
BAESA	G/F, Dra. C. Pascual Bldg., 142 Quirino Highway, Baesa, Quezon City	102,289.00	June 30, 2030	5
BAGUIO CITY	Upper G/F, Cedar Peak Bldg., General Luna corner Mabini Sts., Brgy. Kabayanan, Baguio City	197,339.80	March 31, 2026	5
BALIWAG	G/F, Unit 3 and 4, 3006 Augustine Square, 17 Pinagbarilan St, Dona Remedios Trinidad Highway, Baliuag, Bulacan	74,864.29	April 30, 2026	5
BATANGAS CITY	G/F, University of Batangas Bldg., Pres. Jose P. Laurel Highway, Brgy Hilltop, Highway Hills, Batangas City	98,018.57	September 30, 2029	5
BF HOMES	55 President's Avenue, Brgy., BF Homes, Parañaque City	324,964.47	August 31, 2028	5
BGC 34TH STREET (PANORAMA)	G/F Panorama Bldg., 34th St., Bonifacio Global City, Taguig City	575,855.00	February 28, 2030	5
BGC 38TH STREET	G/F Orion Bldg., 38th St, Bonifacio Global City, Taguig City	761,771.61	March 31, 2030	5
BGC 3RD AVENUE	G/F, The Net Square Bldg., 3rd Avenue corner 28th Street, Bonifacio Global City, Taguig City	424,171.39	May 15, 2026	5
BGC 7TH AVENUE	G/F Twenty-Four-Seven McKinley Bldg., 7th Avenue cor. 24th St., Bonifacio Global City, Taguig City	562,924.11	June 24, 2030	5
BGC MCKINLEY ROAD	G/F, Unit 2, Fairways Tower, 5th Avenue, Bonifacio Global City, Taguig City	330,000.00	January 31, 2030	5
BGC MCKINLEY WEST	Lower G/F, Robinsons Cyber Sigma Bldg., Bonifacio South, Taguig City	125,938.57	July 07, 2027	5
BGC THE LUXE RESIDENCES	G/F, Shop 3, The Luxe Residences, 28th St., cor. 4th Avenue, Bonifacio Global City, Taguig City	825,396.61	January 31, 2030	5
BGC TRIANGLE DRIVE	G/F, Shop 3, Philplans Bldg. Corporate Center, Bonifacio Global City, Taguig City	520,091.82	August 14, 2028	5
BGC UPTOWN PLACE MALL	Lower G/F Uptown Place Mall, 9th Avenue, Bonifacio Global City, Taguig City	560,704.25	October 31, 2027	5
BICUTAN	28 Dona Soledad Avenue, Better Living Subd., Parañaque City	161,832.93	December 31, 2027	6
BIÑAN-CARMONA	Governor's Drive corner Golden Mile Avenue, Golden Mile Business Park, Brgy. Maduya, Carmona, Cavite	225,000.00	June 30, 2030	5
BONI AVENUE	655 Boni Avenue corner Ligaya Street, Brgy. New Zaniga, Mandaluyong City	162,585.15	December 05, 2026	5
BONIFACIO HIGH STREET	G/F W Global Centre, 30th Street, Bonifacio Global City, Taguig City	590,569.14	January 31, 2028	5
BUTUAN	G/F, CAP Bldg., J.C. Aquino Ave, Brgy. Tandang Sora, Butuan City	63,000.00	July 31, 2027	3
C5-QC LIBIS	184 E. Rodriguez Jr. Avenue, Brgy. Bagumbayan, Libis, Quezon City	227,646.17	December 31, 2026	1
CAINTA	G/F, CRV Bldg., Felix Avenue corner Karangalan Drive, Brgy. Karangalan, Cainta, Rizal	316,245.60	March 31, 2026	5
CALAMBA - PARIAN	G/F, Anderson Bldg., 1, Manila South Road, Brgy. Parian, Calamba, Laguna	209,134.37	May 31, 2027	5
CARDINAL SANTOS	G/F Cardinal Santos Medical Center, 10 Wilson St., Greenhills West, San Juan City	209,644.10	December 30, 2025	2

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
CAUAYAN - ISABELA	G/F Isabela Trade Center Bldg., 135 Pan-Philippine Highway, Cauayan, Isabela	122,971.27	November 14, 2028	5
CEBU ACO	LGF, Aboitiz Corporate Center, Gov. M Cuenco St., Kasambagan, Cebu City	131,565.00	April 30, 2030	5
CEBU - ASIATOWN IT PARK	G/F, Unit GF 01, TG Tower, Asiatown I.T. Park, Barangay Apas, Cebu City, Cebu	265,860.00	January 31, 2029	5
CEBU - BANILAD	G/F, Banilad Town Center, Gov M. Cuenco Avenue, Banilad, Cebu City	152,852.60	July 31, 2028	5
CEBU - BORROMEO	8 A. Borromeo St., Plaza Borromeo, Brgy. Sto. Nino, Cebu City, Cebu	86,965.20	June 30, 2027	5
CEBU EXCHANGE TOWER	G/F Unit D & E Cebu Exchange Tower, Salinas Drive, Lahug, Cebu City			-
CEBU - MINGLANILLA	G/F, FCT Commercial Bldg., Poblacion Ward II, Minglanilla, Cebu	65,235.00	May 31, 2027	5
CEBU - PLARIDEL	104 Plaridel St., Brgy. Sto. Niño, Cebu City, Cebu	231,525.00	January 31, 2028	5
CEBU - SUBANGDAKU	G/F A.D. Gothong I.T. Center, Brgy. Subangdaku, Mandaue City, Cebu	154,845.14	June 30, 2027	5
CEBU A.S. FORTUNA	G/F, The Space, AS Fortuna corner P. Remedios St., Brgy. Banilad, Mandaue City, Cebu	126,639.03	February 15, 2027	5
CEBU BUSINESS PARK (INSULAR)	G/F Insular Life Bldg., Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City	599,702.30	February 14, 2026	5
CEBU- BUSINESS SUMILON ROAD	G/F, Buildcomm Center, Sumilon Road, Cebu Business Park, Cebu City, Cebu	190,226.57	August 31, 2027	5
CEBU MAXILOM	G/F Ong Tiak Bldg., General Maxilom Avenue, Brgy. Camputhaw, Cebu City, Cebu	687,960.00	September 14, 2026	5
CEBU LAPU - LAPU NATIONAL HIGHWAY	2484 ML Quezon National Highway, Pusok, LapuLapu City, Cebu	85,323.04	February 28, 2026	5
CEBU LAPU LAPU / MEPZ	Lot 2, Block 1, Phase 1, MEPZ, SEPZ, Lapu Lapu City, Cebu	174,240.00	May 31, 2026	25
CEBU MCIA	G/F, Mactan-Cebu International Airport, Pusok, Lapu Lapu City, Cebu	463,500.00	October 31, 2030	5
CEBU MACTAN NEWTOWN	G/F Plaza Magellan Tower 1, Mactan Newtown, Lapu Lapu City, Cebu	213,049.62	January 31, 2027	5
CEBU MANDAUE	G/F, Kentredder Bldg., AC Cortes Avenue, Mandaue City, Cebu	141,250.00	February 28, 2030	5
CEBU MANDAUE NORTH	G/F, Khuz'ns Bldg., North Hi-way, Estancia, Mandaue City, Cebu	134,499.22	December 31, 2026	5
CEBU NORTH DRIVE	G/F, North Drive Center, Ouano Avenue, North Reclamation Area, Mandaue City, Cebu	167,608.10	September 30, 2028	3
CEBU TIME SQUARE	G/F, Time Square 2 Bldg., Mantawe Avenue, Brgy. Tipolo, North Reclamation Area, Mandaue City, Cebu	168,695.99	October 31, 2026	4
CITYPLACE SQUARE	3rd Floor, Lucky Chinatown-Cityplace Square, Calle Felipe cor. Lachambre Streets, Binondo, Manila	291,437.53	July 31, 2027	3
CLARK	G/F, The Pavillion Mall Bldg., Manuel A. Roxas Highway, Philexcel Business Park, Clark Freeport Zone	111,609.23	April 14, 2028	5
COMMONWEALTH	G/F, Diliman Commercial Center, Commonwealth Avenue, Brgy. Batasan Hills, Quezon City	132,671.48	August 31, 2025	1

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
COMMONWEALTH-LUZON AVE.	UGF, Kayumanggi Bldg., Commonwealth Avenue corner Luzon Avenue, Brgy. Matandang Balara, Quezon City	138,289.88	January 15, 2028	5
CUBAO (P. TUAZON)	7th Avenue Corner P. Tuazon St., Brgy. Socorro, Cubao, Quezon City	260,697.60	January 31, 2030	5
DAGUPAN	G/F, Insular Life Bldg., Arellano Street, Barangay Pantal, Dagupan City	181,912.50	August 31, 2027	5
DASMARIÑAS CAVITE	Aguinaldo Highway corner Congressional Avenue, Brgy. San Agustin II, Dasmariñas, Cavite	162,599.24	July 31, 2029	5
DAVAO - CABAGUIO	G/F, DMIRIE Bldg., 676 JP Cabaguio Avenue, Brgy. Paciano Bangoy, Davao City	160,166.03	March 31, 2027	5
DAVAO - MONTEVERDE	G/F, Mintrade Bldg., 323 Monteverde Avenue corner Sales St., Brgy. 27C, Davao City	233,820.49	June 30, 2026	5
DAVAO - QUIRINO	Quirino Avenue corner San Pedro St., Brgy. 2A, Davao City	190,385.15	September 30, 2029	5
DAVAO - RIZAL	G/F Quibod Commercial Complex, Rizal St., Brgy. 3, Davao City	122,567.19	November 30, 2025	5
DEL MONTE AVENUE	345 Del Monte Avenue corner Banawe St., Brgy. Manresa, Quezon City	316,031.63	March 31, 2026	5
DELA ROSA	G/F, Insular Health Care Bldg., 167 Legaspi St. corner Dela Rosa, Legazpi Village, Makati City	364,967.50	May 31, 2028	3
DOUBLE DRAGON MERIDIAN	G/F, Double Dragon Center, West Tower, Macapagal Avenue corner EDSA Extension, Bay Area, Pasay City	486,314.01	December 16, 2029	5
DR. A. SANTOS	G/F MTF Building, Dr. A. Santos Avenue corner Kabesang Segundo St., Brgy. San Isidro, Parañaque City	159,862.50	April 30, 2027	5
E. RODRIGUEZ	G/F, Katipunan Bldg., 95 E. Rodriguez Avenue, Brgy. Tatalon, Quezon City	77,200.50	May 31, 2029	5
EASTWOOD CITY (LE GRAND)	G/F Le Grand Tower 1, Eastwood Palm Tree Avenue, Eastwood City, Brgy. Bagumbayan, Quezon City	269,265.26	January 31, 2026	1
EDSA - KALOOKAN	512 EDSA cor. Urbano Plata St., Brgy. 94, Caloocan City	391,788.94	March 15, 2030	5
EDSA PIONEER	UG-07 Robinsons Cybergate Plaza, EDSA, Brgy. Barangka Ilaya, Mandaluyong City	206,250.69	April 24, 2030	5
ESCOLTA	G/F Regina Building, 408 Escolta St., Binondo, Manila	315,520.00	May 31, 2030	5
FRONTERA VERDE	G/F, Transcom Bldg., Frontera Verde, E. Rodriguez Jr. Avenue, Brgy. Ugong, Pasig City	324,966.21	December 31, 2025	3
GENERAL SANTOS	G/F, SunCity Suites, Digos Makar National Highway, Brgy. Lagao, General Santos City	111,132.00	July 31, 2030	5
GMA TIMOG	G/F, Cabrera Bldg. I, Timog Avenue, Barangay Sacred Heart, Quezon City	418,689.71	January 23, 2029	5
GREENHILLS	G/F, Harmonia Center, Ortigas Avenue, Greenhills West, San Juan City	514,518.48	April 30, 2029	5
GSIS	G/F, GSIS Main Office Financial Center, JW Diokno Blvd, Pasay City	267,840.00	May 31, 2028	5
H.V. DELA COSTA	G/F Global Enterprise Bldg., 138 HV Dela Costa St., Salcedo Village, Makati City	385,209.97	January 01, 2029	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
ICTSI - PORT AREA	G/F Administration Bldg., MICT Access Road, ICTSI, Brgy. 20, Manila	38,500.00	March 31, 2030	5
ILOILO - IZNART NORTH	Villanueva Bldg., 217 Iznart Street, Brgy. President Roxas, Iloilo City	109,395.56	August 31, 2028	5
IMUS	G/F Melta Bldg., cor. Sampaguita Village, Aguinaldo, Hi-way Brgy. Bayan Luma III, Imus, Cavite	145,200.00	December 31, 2025	3
INTRAMUROS	G/F, BF Condominium Bldg., 409 A. Soriano Avenue, Intramuros, Manila	347,454.33	July 31, 2030	5
J. P. RIZAL	731 Dr. Jose P. Rizal Avenue, Brgy. Poblacion, Makati City	101,311.22	November 30, 2027	5
JULIA VARGAS	G/F, Centerpoint Condominium, Dona Julia Vargas Avenue corner Garnet Road, Brgy. San Antonio, Pasig City	187,459.27	February 28, 2027	5
KALOOKAN	357 Rizal Avenue Extension, Brgy. Grace Park West, Caloocan City	316,597.60	March 31, 2028	5
KAMIAS	G/F, TDS Bldg., 72 Kamias Road, Brgy. East Kamias, Quezon City	95,769.07	November 30, 2026	5
KATIPUNAN	G/F, Agcor Bldg., 335 Katipunan Avenue, Brgy. Loyola Heights, Quezon City	327,743.00	June 14, 2029	5
LAOAG - SAN NICOLAS	G/F, 365 Plaza Bldg., Brgy. San Francisco, San Nicolas, Ilocos Norte	85,606.91	December 31, 2028	6
LAS PIÑAS - PAMPLONA	Alabang-Zapote Road corner Crispina Avenue, Brgy. Pamplona 3, Las Pinas City	355,607.36	May 31, 2026	5
LEGAZPI CITY	G/F, Unit 1, SMC Bldg., Landco Business Park, Brgy. Capatawan, Legaspi City, Albay	117,070.76	November 15, 2026	5
LIBERTAD MANDALUYONG	G/F, Cluster El Dorado, California Garden Square, Domingo M. Guevara St., Brgy. Highway Hills, Libertad, Mandaluyong City	234,935.64	October 31, 2027	3
LIMA	Unit GC-R04-R05, The Outlets, LIMA Technological Center Special Economic Zone, Malvar, Lipa City	159,886.61	June 30, 2028	5
LIPA CITY	17 B. Morada Avenue, Lipa City, Batangas	175,887.56	April 30, 2027	5
LUCENA (ONE PEOPLE SQUARE)	G/F One People Square, ML Tagarao Street corner Granja Street, Brgy. 3, Lucena City, Quezon	314,427.47	March 22, 2027	5
MACAPAGAL AVENUE	G/F, Y Tower, Macapagal Avenue corner Coral Way Drive, Brgy. 76, Pasay City	427,860.63	January 02, 2029	5
MAGALLANES	G/F, Maga Center, Paseo De Magallanes, Brgy. Magallanes, Makati City	77,490.00	December 15, 2029	5
MAKATI AVENUE	Makati Avenue corner Durban St, Brgy. Bel Air, Makati City	643,579.59	December 31, 2030	5
MALABON	Gov Pascual Avenue corner River St., Brgy. Tinajeros, Malabon City	125,074.13	September 05, 2028	5
MALATE	G/F, Marioco Bldg., 1945 M. Adriatico St., Brgy. 700, Malate, Manila	280,433.75	October 15, 2029	5
MALINTA	G/F, Mirjan Bldg., 295 Maysan Road, Paso De Blas, Valenzuela City	169,103.55	July 16, 2028	5
MANDALUYONG	G/F, PICPA Bldg., 700 Shaw Blvd, Brgy. Wack Wack, Mandaluyong City	4,017,384.22	January 31, 2026	5
MARIKINA	G/F, WRC-2 Bldg., 47 Gil Fernando St., Brgy. San Roque, Marikina City	98,515.57	March 18, 2028	5
MASANGKAY	911-913 Masangkay Street, Brgy. 295, Manila	191,442.23	September 15, 2030	5
MAYHALIGUE	G/F One Masangkay Place, 1420 Masangkay St., Sta Cruz, Manila	234,381.48	June 30, 2027	4

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
MAYON	G/F ACI Bldg., 178 Mayon St., Brgy. Maharlika, Sta. Mesa Heights, Quezon City	109,395.56	January 31, 2027	5
MCKINLEY HILL	G/F, Two World Square Bldg., McKinley Hill, Fort Bonifacio, Taguig City	669,881.38	October 31, 2027	5
MEDICAL CITY	G/F The Medical Arts Tower, Medical City Hospital, 1605 Ortigas Avenue, Brgy. Rosario Pasig City	169,487.88	May 31, 2029	5
MEDICAL CENTER PARANAQUE	G/F, Medical Center Paranaque, Dr. A. Santos Avenue, Brgy. San Antonio, Sucat, Parañaque City	193,410.00	February 28, 2028	3
MEYCAUAYAN	G/F Marian Bldg., MacArthur Highway, Calvario, Meycauyan, Bulacan	196,107.52	December 30, 2027	6
MULTINATIONAL BANCORP	G/F Multinational Bancorporation Center, 6805 Ayala Avenue, Salcedo Village, Makati City	106,425.93	December 15, 2029	5
MUNTINLUPA	G/F, Jaysons Bldg., 12 National Road, Putatan, Muntinlupa	132,970.99	September 30, 2026	5
NAGA CITY	G/F, Prime Days Hotel, Panganiban Drive, Barangay Concepcion Pequeña, Naga City	200,024.03	April 30, 2029	5
NAVOTAS	817 M. Naval St., Brgy. Sipac Almasen, Navotas City	171,033.94	May 31, 2026	5
NEWPORT CITY	G/F, Star Cruises Centre, 2012 Andrews Avenue, Newport City, Pasay City	830,094.72	January 31, 2029	5
NOVALICHES	854 Quirino Highway, Brgy. Gulod, Novaliches, Quezon City	285,600.65	July 31, 2029	5
ORTIGAS (SAN MIGUEL)	G/F, The Crescent Condominium, 29 San Miguel Avenue, Ortigas Center, Pasig City	318,831.96	May 31, 2028	5
PAGADIAN CITY	133 Rizal Avenue, Gatas Poblacion, Pagadian City	144,759.05	December 31, 2029	5
PAMPANGA	G/F, Mel-Vi Bldg., Olongapo-Gapan Road, Brgy. Dolores, San Fernando, Pampanga	196,458.72	May 31, 2028	5
OTIS	1763 Paz M. Guazon Street, Brgy. 829, Zone 90, Paco, Manila	257,665.32	May 31, 2026	5
PASAY (TAFT)	2528 Taft Avenue, Brgy. 93, Zone 11, Pasay City	148,494.86	November 30, 2030	5
PASAY ROAD	912 Arnaiz Avenue, San Lorenzo Village, Makati City	280,170.00	April 14, 2028	5
PASCOR DRIVE	G/F, Skyfreight Center, Ninoy Aquino Avenue corner Pascor Drive, Brgy. Sto Nino, Pasay City	134,965.55	December 31, 2026	1
PASEO DE ROXAS	G/F, 111 Paseo de Roxas Bldg., 111 Paseo De Roxas, Legazpi Village, Makati City	253,614.51	May 31, 2028	5
PASONG TAMO - JTKC	G/F, BCS Prime Bldg., 2297 Chino Roces Avenue, Brgy. Magallanes, Makati City	57,620.95	July 31, 2026	6
PASONG TAMO EXTENSION	G/F JTKC Bldg., 2155 Chino Roces Avenue, Legazpi Village, Makati City	576,750.98	October 01, 2028	5
PEREA	G/F Greenbelt Mansion Bldg., 106 Perea St., Legazpi Village, Makati City	269,270.71	October 15, 2026	5
PUERTO PRINCESA CITY	G/F, UnionBank Bldg., 293 J. Rizal Avenue, Brgy. Maningning, Puerto Princesa City, Palawan	167,704.95	May 31, 2028	5
RADA	G/F, Prince Bldg., 117 Rada St., Legazpi Village, Makati City	331,623.60	May 31, 2027	5
RENAISSANCE	G/F, Renaissance Tower, 29 Meralco Avenue, Brgy. Ugong, Pasig City	340,509.12	February 28, 2029	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
ROOSEVELT	G/F, 244 Roosevelt Avenue., San Francisco del Monte, Quezon City	214,814.37	December 31, 2025	5
SALCEDO	G/F, Golden Rock Bldg., 168 Salcedo St., Legazpi Village, Makati City	240,474.74	February 28, 2026	5
SAN AGUSTIN DELA COSTA	G/F, Liberty Plaza Bldg., 102 HV Dela Costa cor. San Agustin Streets, Salcedo Village Makati City	523,432.00	May 31, 2029	5
SAN FERNANDO - PAMPANGA	G/F, 3M Bldg., 69 Manila North Road, Brgy. San Agustin, San Fernando, Pampanga	62,177.60	May 31, 2028	5
SAN FERNANDO LA UNION	G/F Nisce Business Center, Quezon Avenue, San Fernando City, La Union	85,121.90	November 30, 2028	5
SAN PEDRO	Manila South Road corner Cataquiz Avenue, Brgy. Landayan, San Pedro, Laguna	203,718.85	December 31, 2028	5
SANTIAGO	Maharlika National Highway, Brgy. Malvar, Santiago, Isabela	93,712.50	July 31, 2027	5
SHAW BLVD.	131-133 Shaw Boulevard Brgy. Oranbo, Pasig City	248,658.89	January 31, 2026	5
SHAW PASIG	G/F, Chipeco Bldg., Shaw Blvd corner Meralco Avenue, Brgy. San Antonio, Pasig City	206,843.76	December 31, 2028	5
SOUTH TRIANGLE	1604 Quezon Avenue corner Sgt. Albano, Brgy. South Triangle, Quezon City	539,900.00	December 31, 2030	5
SSS EAST AVENUE	G/F SSS Main Bldg., East Avenue, Brgy. Pinyahan, Quezon City	143,551.80	May 31, 2026	2
ST. FRANCIS SHANGRI-LA PLACE	G/F, The St. Francis Shangri-La Place Tower 1, St. Francis St., Brgy. Wack Wack, Mandaluyong City	367,009.54	December 31, 2026	3
STA. ROSA	718 Rizal Blvd corner Zavalla Street, Brgy. Malusak, Sta Rosa, Laguna	130,493.49	October 31, 2025	2
STO. DOMINGO	G/F Elements Bldg., 560 Quezon Avenue, Brgy. Tatalon, Quezon City	220,420.58	September 30, 2028	5
STO. CRISTO	G/F, Burke Plaza Bldg., Sto. Cristo St corner San Fernando St, Binondo, Manila	269,268.24	February 28, 2026	5
SUBIC	Manila Avenue corner Canal Road, Subic Bay Freeport Zone, Zambales	-	July 31, 2054	-
T. ALONZO	625 T. Alonzo St., Binondo, Manila	215,182.82	November 14, 2030	5
TACLOBAN CITY	G/F, Tacloban Plaza Bldg., Justice Romualdez St., Brgy. 14, Tacloban City	181,965.39	September 15, 2028	3
TAFT AVENUE	G/F, Kassel Condominium, 2625 Taft Avenue, Malate, Manila	119,603.54	September 30, 2028	5
TAGAYTAY	G/F Tagaytay Prime Residences, Tagaytay-Calamba Road, Brgy. San Jose, Tagaytay City, Cavite	77,844.70	December 16, 2028	5
TAGBILARAN	JS Torralba St. corner Carlos P. Garcia Avenue, Poblacion 2, Tagbilaran City, Bohol	118,230.19	January 31, 2030	5
TARLAC	G/F, Jaral Bldg., MacArthur Highway corner Juan Luna St., Brgy. St. Cristo, Tarlac City	188,850.54	February 28, 2027	5
TEKTITE	G/F PSE Center, Ortigas Complex, Pasig City	1,197,108.39	September 30, 2025	4
THE ARK - INSULAR AYALA - PASEO	G/F, Insular Life Bldg., Ayala Avenue corner Paseo De Roxas, Salcedo Village, Makati City	1,505,601.28	November 30, 2027	5
TIMOG	G/F, Cabrera II Bldg., 64 Timog Avenue, Brgy. Sacred Heart, Quezon City	487,256.20	February 23, 2028	5
TOMAS MORATO	G/F, Tomas Morato, corner Sgt. Lozano St., Quezon City	249,713.42	November 30, 2029	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
TUGUEGARAO	Andrews St, Bagay Road, Brgy. Caritan Centro, Tuguegarao City	95,721.10	January 31, 2029	5
URDANETA	G/F, Wheels & Wonder Square, MacArthur Highway, Brgy. Nancayasan, Urdaneta City	236,587.50	September 30, 2030	5
UN AVENUE	United Nations Avenue corner Guerrero and MH Del Pilar Sts., Ermita, Manila	319,361.38	December 31, 2028	5
VALENZUELA - FATIMA	G/F, JLB Bldg., KM 12 MacArthur Highway, Brgy. Dalandanan, Marulas, Valenzuela City	222,984.90	May 14, 2027	5
VALERO	G/F Le Grand Condominium, 130 Valero St., Salcedo Village, Makati City	390,542.16	July 31, 2028	5
VERTEX ONE - SAN LAZARO	G/F, Vertex One Bldg., 2113 Felix Huertas St., San Lazaro, Manila	243,872.08	December 31, 2028	5
VIGAN	A.R. Lahoz Bldg., Jose Singson Street, Brgy. VIII, Vigan City	113,177.65	August 29, 2026	5
VISAYAS CONGRESSIONAL EXT.	G/F, WMG Bldg., 47 Visayas Avenue corner Congressional Ext., Brgy. Culiati, Quezon City	231,659.68	December 31, 2029	5
VITO CRUZ	29 Pablo Ocampo Sr. Extension, Brgy. La Paz, Makati City	112,987.24	January 30, 2026	5
WACK - WACK	G/F, PBJ Bldg., 6 Shaw Blvd corner Laurel St., Brgy. Pleasant Hills, Mandaluyong City	263,401.14	December 31, 2029	5
WEST AVENUE - BALER	91-A West Avenue, Barangay Bungad, Project 7, Quezon City	171,344.21	May 31, 2028	5
WEST SERVICE ROAD	G/F, Rodeo Bldg., 802 West Service Road, Brgy. Marcelo Green, Parañaque City	145,916.38	June 30, 2027	5
YUCHENGCO	G/F Units 2 & 3, Escolta Parking Bldg., Escolta corner Yuchengco Sts., Binondo Manila	284,681.67	August 31, 2030	5
ZAMBOANGA CITY	G/F, ZAEC Bldg., Mayor Jaldon corner Governor Alvarez Sts., Zone 1, Zamboanga	117,900.73	September 30, 2029	5
UNIONBANK NORTHEAST (FORMER CITI GREENHILLS)	22 Missouri St., Northeast Greenhills, San Juan City	1,769,510.73	November 30, 2029	5
UNIONBANK CEBU AYALA - FGU (FORMER CITI CEBU)	G/F Ayala Life - FGU Center, Biliran Road, Cebu City	366,240.00	June 30, 2025	5
UNIONBANK ADB (FORMER CITI ADB)	G/F ADB Bldg., 6 ADB Avenue, Mandaluyong City			-

City Savings Bank

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
ABULUG	Java Commercial Center National Road, Libertad, Abulug, Cagayan	41,525.00	January 02, 2028	5
ALAMINOS	21 Quezon Avenue, Poblacion Alaminos City, Pangasinan	115,453.80	July 22, 2030	5
ALICIA	FMNDC Property, Nick Hotel Bldg. Maharlika Highway San Antonio Alicia, Isabela	49,532.71	December 31, 2027	5
ANGELES	Diamond Spring Hotel 192 McArthur Highway Brgy. Balibago, Angeles City Pampanga	130,093.81	April 06, 2030	5
ANONAS	Ground Floor Belmont Place Building, No. 5 Anonas Street, Project 3, Quezon City	82,000.00	July 22, 2030	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
ANTIPOLO	Unit 109 G/F Commercial Bldg., Cordova Tower Marquinton Residences Condominium Sumulong Highway Brgy. Sto. Ninio Marikina City	123,315.59	June 30, 2028	5
ANTIQUE	Rodriguez Building Rental (Formerly C.R. Building), T.A. Fornier St., San Jose, Antique	78,750.00	November 30, 2028	5
APARRI	Jose Ting Building, Maharlika Hi-way Aparri, Cagayan	46,715.09	March 31, 2030	3
BACOLOD	G/F 722 Metropolis Tower, Lacson St., Mandalagan, Bacolod City, Negros Occidental	150,851.93	April 30, 2027	5
BACOR	San Miguel Commercial Building situated at E. Aguinaldo Highway, Panapaan I, Bacor Cavite	106,911.72	May 30, 2029	5
BAGUIO	Ground Floor Insular Life Building, Abanao Extension corner Legarda Street, Baguio City, Benguet	189,435.00	September 30, 2028	5
BALAMBAN	E.S. Bingham St. Sto Niño-Sta Cruz Poblacion, Balamban, Cebu	113,478.75	March 31, 2028	5
BALANGA	Don Manuel Banzon Ave. Dona Francisca 2nd District City of Balanga, Bataan	128,001.47	May 14, 2028	8
BALER	Etcubañez Building Ground Floor Purok 7, Quezot Street, Brgy. Suklayin Baler Aurora	48,196.43	December 03, 2029	5
BALIWAG	Unit 5 and 6 R Building DRT Hi-way, Pinagbarilan, Baliwag, Bulacan	93,806.69	April 09, 2028	5
BANGUED	Snook's Commercial Bldg., Torrijos St., Zone 5, Bangued, Abra	23,129.84	March 01, 2028	5
BANTAY	Zone 2 National Highway Corner Real St., Brgy. 2 Bantay, Ilocos Sur	88,780.62	November 30, 2027	5
BATANGAS	Junction Commercial Complex, Zone 12, Padre Burgos St., Batangas City, Batangas	118,911.24	April 26, 2025	5
BAYAMBANG	EPAY Bldg. Juan Luan St. Poblacion Sur, Bayambang, Pangasinan	86,821.88	October 31, 2027	5
BAYAWAN	MRG Commercial Building, Peping Gamo St., Tinago, Bayawan City, Negros Oriental	31,682.37	February 28, 2028	3
BISLIG	Saint Vincent de Paul Arcade, John Bosco St., Mangagoy, Bislig City, Surigao del Sur	7,260.00	April 19, 2025	3
BOGO	Sim Building, P. Rodriguez St. Brgy. La Purisima Concepcion, Bogo City Cebu	30,000.00	July 31, 2026	5
BONTOC	Challeya Bldg. Lower Caluttit, Bontoc, Mountain Province	16,682.25	July 17, 2028	5
BORONGAN	JRC Bldg., Songco, Borongan, Eastern Samar	57,995.91	October 31, 2025	5
BUTUAN	Ismael Elloso St., Corner JC Aquino Avenye, Imadejas Butuan City	94,304.43	April 30, 2029	5
CABANATUAN	701 Paco Roman Street, Dimasalang Cabanatuan City, Nueva Ecija	96,998.85	December 04, 2027	5
CABARROGUIS	Purok 1, Gundaway, Cabarroguis, Quirino	7,894.74	November 05, 2029	5
CADIZ NEGROS OCCIDENTAL	Laura Hotel, Villena St., Cadiz, Negros, Occidental	15,750.00	September 30, 2028	5
CAGAYAN	TS Fashion Building, Corrales Ave. (between J. Ramonal & R. Chaves Sts.), Cagayan de Oro City	95,696.58	June 30, 2029	3

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
CALAMBA	Unit #1EF G/F Margimel Bldg., National Highway, Brgy. Halang, Calamba City, Laguna	131,969.25	January 31, 2030	5
CALAPAN	Puregold Building, Brgy. Camilmil, Calapan City	96,523.64	October 31, 2029	5
CALBAYOG	Youxiu Bldg., Maharlika Highway, P1 Brgy. Obrero, Calbayog City, Western Samar	75,000.00	June 13, 2028	5
CALOOCAN	Dianne Building No. 746 Rizal Avenue Extension, Grace Park, Caloocan City	300,194.16	October 31, 2027	5
CANDON	2/F Valdez Building National Highway, San Nicolas, Candon City, Ilocos Sur	13,159.46	March 18, 2026	5
CARCAR	Units 1-4, Dr. Paulino H. Lopez Building Poblacion 1, Rotunda, Carcar City, Cebu	80,000.00	November 01, 2028	5
CATAINGAN	Shields Building, Lapu-lapu St. Brgy. Poblacion Cataingan Masbate	20,000.00	August 31, 2030	5
CATARMAN	Camara Building 1305 Bonifacio corner Garcia Sts., Barangay Mabolo, Catarman, Northern Samar	86,470.09	May 31, 2028	5
CATBALOGAN	138 Del Rosario Street, Brgy. 7, Catbalogan City, Samar	21,000.00	January 15, 2028	5
CAUAYAN	National Highway Brgy. Cabaruan, Cauayan City Isabela	58,878.50	April 30, 2029	5
DAET	Central Plaza Mall, Central Plaza Complex, Brgy. Lag-on, Daet, Camarines Norte	108,403.00	May 01, 2030	5
DAGUPAN	Rudel Building, Perez Boulevard corner Guilig Street, Dagupan City, Pangasinan	69,283.86	May 31, 2026	5
DANAO	Ground Floor, GA Complex II, Juan Luna St., Danao City, Cebu	19,192.21	November 15, 2026	2
DASMARINAS	Lot 5 & 6, Block 94, Governor's Drive, Metrogate Subdivision, Dasmaringas City, Cavite	63,888.00	December 31, 2028	5
DAVAO	Doors 1-4 Philippine Red Cross Bldg., M. Roxas Avenue, Davao City	191,562.60	October 31, 2027	5
DIGOS	Units 6, 7 & 8 USPD Bldg., Rizal Avenue, Digos City	101,763.53	April 30, 2028	5
DINAGAT	Toledo Bldg., Zamora St., 50th Ozamis City	18,000.00	February 28, 2029	5
DINALUPIHAN	No. 20 Rizal St., Brgy. Rizal, Dinalupihan, Bataan	17,640.00	June 06, 2028	5
DIPOLOG	Bulosan Bldg., Sergio Osmeña Street, Central Barangay, Dipolog City, Zamboanga del Norte	42,105.26	July 23, 2025	5
DUMAGUETE	G/F EROS Bldg., Dr. V. Locsin St. corner Real St., Dumaguete City	143,990.00	December 31, 2029	5
ECHAGUE	R&J Building, Maharlika Highway, Ipil Junction, Echague, Isabela	42,105.26	October 31, 2028	5
ESPANA	G. Tuazon Corner Algeciras St. Sampaloc Manila City	97,370.33	January 26, 2030	5
ESTANCIA	Melina Complex, National Road, Brgy. Bayuyan, Estancia, Iloilo	13,084.11	April 30, 2027	3
GAPAN	LKY Center, 411 A. Flores St. Ermita Manila	55,618.60	October 31, 2030	5
GENERAL SANTOS	DIMDI Bldg., Santiago Boulevard, Dadiangas South, General Santos City, South Cotabato	116,655.15	December 24, 2027	3
GLAN	Hombrebueno Street, Poblacion Glan, Sarangani Province	9,473.68	September 06, 2029	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
GOA	No. 102 Rizal Dt., Goa Camarines Sur	12,891.92	April 26, 2028	3
GUIMARAS	E. Cantua Bldg., San Miguel, Jordan, Guimaras	6,963.16	September 30, 2027	3
GUMACA	A. Bonifacio St. Brgy. Tabing Dagat Gumaca, Quezon	63,157.89	August 22, 2029	5
HEAD OFFICE	29th, 35th and 36th Floors, UnionBank Plaza, Meralco Avenue corner Onyx and Sapphire Roads, Ortigas Center, Pasig City	276,625.31	June 30, 2028	3
IBA	H&J De Guia Bldg., Rizal Street, Brgy. Palanginan, Iba, Zambales	16,800.00	June 12, 2028	5
ILAGAN	4J Commercial Center, Baligatan, Ilagan City, Isabela	38,684.22	January 31, 2028	5
ILIGAN	Brgy. Mahayahay, Roxas Ave., Iligan City	28,148.57	October 31, 2027	3
ILOILO	Ground Floor 143 Esperanza Building, General Luna Street, Iloilo City	110,959.94	March 31, 2029	5
IMELDA	National Highway, Poblacion, Imelda, Zamboanga Sibugay	12,631.58	February 29, 2028	5
INFANTA	General Luna Street, Poblacion 39, Infanta, Quezon Province	65,000.00	July 31, 2026	1
IPIL ZAMBOANGA SIBUGAY	CL Bldg., Purok Masigla, Poblacion, Ipil, Zamboanga Sibugay	33,000.00	August 15, 2028	5
IRIGA	Ground Floor, Hi-way 1 Zone 5, San Miguel, Iriga City	85,000.00	June 12, 2030	5
IROSIN	JRC Bldg., Fr. Zamora St., Brgy. San Julian, Irosin, Sorsogon	20,535.65	March 31, 2026	1
ISULAN	2nd Floor, RDPI Bldg., National Highway, Brgy. Kalawag 2, Isulan, Sultan Kudarat	19,626.17	August 15, 2025	1
KABANKALAN	L&M Bldg., Corner Guanzon & Azcona Sts., Kabankalan City	27,333.04	March 31, 2028	5
KALIBO	G/F Cruzadel Bldg., Archbishop Reyes St., Poblacion, Kalibo, Aklan	56,425.08	March 31, 2028	5
KIDAPAWAN	G/F Aspillia Bldg., Quirino Drive, North Cotabato, Kidapawan City	130,680.00	June 25, 2026	3
KORONADAL	Villa Amor Hotel, General Santos Drive, cor., Arellano Street, Koronadal City, South Cotabato	100,154.00	July 22, 2027	2
LA UNION	1ST FLOOR Kenny Plaza, Quezon Ave., Catbangan, San Fernando City, La Union	88,421.05	February 28, 2027	5
LAGAWE	No. 07 Magno Building Rizal Avenue, Poblacion East, Lagawe, Ifugao	13,749.38	July 17, 2028	5
LAS PINAS	Alabang - Zapote Road Corner Crispina Avenue, Pamplona, Las Pinas City	151,791.15	May 31, 2026	5
LEGANES	Pestaño Bldg., Gustilo St., Poblacion, Leganes, Iloilo	81,676.23	December 31, 2025	4
LEGAZPI	Tower Mall Building 4, Landco Business Park, Legazpi City	142,720.50	January 31, 2029	5
LEMERY	Brgy. Palanas, Lemery, Batangas	85,085.44	September 27, 2029	5
LIPA	G/F 1NK Centre, General Luna St., Sabang, Lipa City, Batangas	103,821.02	October 02, 2027	5
LUCENA	Ground Floor ML. Tagarao St., Brgy. 5 Lucena City	115,248.22	July 01, 2028	5
LUNA	2nd Floor Awali Square Building San Isidro Luna Apayao	10,579.72	July 17, 2028	5
MAASIN	#267 Aquino Ledesma Suites R. Kangleon St. Brgy. Tagnipa, Maasin City Southern Leyte, 6600	15,000.00	March 31, 2028	3

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
MALITA	Lustre Bldg., Manuel Peralta St., Malita, Davao Occidental	12,185.53	August 14, 2026	5
MALOLOS	Vista Malolos, McArthur Highway Brgy. Longos, Bulacan	97,440.00	June 04, 2030	5
MANDAUE	Doors 3 and 4, Citybridge Plaza, A.C. Cortez cor. P. Burgos St., Mandaue, Cebu	132,232.26	March 31, 2026	5
MARIKINA	No. 3 Gil Fernando Avenue, San Roque, Marikina City	136,914.52	June 04, 2029	5
MARILAO	RICHLANE Building McArthur Highway, Abangan Norte, Marilao, Bulacan	65,420.56	November 16, 2029	5
MARINDUQUE	P. Madrigal St. Brgy. Malusak, Boac, Marinduque	18,500.00	March 02, 2028	3
MASBATE	Upper Ground Floor (UGF 05 & 06), Gaisano Capital Masbate Quezon St., Crossing Masbate City	85,067.53	July 21, 2025	5
MATI	Andrada Building, No. 56 Rizal Street, Mati City, Davao Oriental	66,241.71	February 28, 2028	5
MEYCAUAYAN	Meycauayan College Comm. Ctr., Mc Arthur Highway, Brgy. Calvario, Meycauayan City, Bulacan	14,433.95	April 16, 2026	5
MIDSAYAP	Rizal St., Corner Magallanes St., Poblacion 3, Midsayap, North Cotabato	15,789.47	March 02, 2026	3
NABUNTURAN	Door 3 Tsukiko Bldg., LB Flores Street, Prk. 3 Poblacion, Nabunturan, Compostela Valley	14,736.84	May 04, 2027	2
NAGA	Door No. 44 & 45, CBD Terminal II, Triangulo, Naga City	67,540.80	April 30, 2028	5
NAGUILIAN	Maharlika Highway, Purok 4, Upi, Gamu, Isabela	65,000.00	November 01, 2028	5
NASUGBU	HBT Bldg., JP Laurel St., Brgy. 9, Nasugbu, Batangas	19,496.84	March 01, 2027	5
NAVAL	208 P. Inocentes St., Naval, Biliran	14,239.84	September 01, 2025	5
NAVOTAS	801-817 M. Naval Street, Navotas City	71,424.62	May 31, 2026	5
NORTH CALOOCAN	Door 1-4 R-V Sabangan Building, 500 Susano Road, Hillcrest Village, Camarin, Caloocan City	56,700.00	March 31, 2029	5
OLONGAPO	1st Floor Philippine Red Cross Olongapo Chapter Building	141,514.10	June 30, 2028	5
ORMOC	STP Bldg., Aviles St., Ormoc City	126,588.66	December 31, 2028	5
ORTIGAS OFC (GF)	G/F. UnionBank Plaza, Meralco Avenue cor. Sapphire and Onyx Sts., Ortigas Center, Brgy. San Antonio, Pasig City	276,625.31	June 30, 2028	3
OZAMIZ	Zamora St., Barangay 50th, Ozamis City, Misamis Occidental	20,733.28	March 02, 2027	2
PAGADIAN	F&N Building, San Francisco District, Pagadian City, Zamboanga del Sur	120,000.00	April 30, 2027	2
PALAWAN	Unit 1-A Ground Floor UnionBank Palawan Building	72,092.79	February 04, 2030	5
PAMPANGA	Unit 102 Suburbia Commercial Center, Mc Arthur Highway, Maimpis, San Fernando City, Pampanga	95,120.75	March 31, 2026	5
PANIQUEI	228 MH Del Pilar St., Estacion, Paniqui, Tarlac	54,000.00	August 14, 2030	5
PLARIDEL	R. Building, Daang Maharlika, Sta. Rita Matanda, San Miguel, Bulacan	81,033.75	May 05, 2025	5
RAMON	Purok 1, National High, Bugallon Proper, Ramon, Isabela	48,159.89	August 31, 2027	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
ROMBLON	2/F., Rose Petal Bldg., Brgy. Dapawan, Odiongan, Romblon	11,576.25	December 31, 2026	1
ROXAS	Mckinley Street, Roxas City	40,233.65	May 31, 2029	5
SAN CARLOS	Doors 2-4 Heritage Bldg. 1, F.C. Ledesma Ave., San Carlos City	40,949.54	February 28, 2029	5
TAYUG	Rizal St., Poblacion 2, Tayug Pangasinan	20,000.00	September 05, 2029	5
SAN FRANCISCO	GF-01, Gaisano Capital San Francisco, Brgy. 5, National Highway, San Francisco, Agusan Del Sur.	28,940.63	September 28, 2025	5
SAN JOSE DEL MONTE BULACAN	Brgy. Kaypian, Quirino Highway, San Jose Delmonte, Bulacan	70,780.50	January 12, 2030	5
SAN JOSE, NUEVA ECIJA	Mario Salvador Building, Maharlika Highway, Barangay Malasin, San Jose City, Nueva Ecija	107,000.00	March 31, 2030	5
SAN JOSE, OCC MINDORO	Lebrilla Ang Building - Burgos St., corner Rizal St., Brgy. Poblacion 1, San Jose, Occidental Mindoro	84,300.00	June 30, 2028	3
SANTIAGO	Ground Floor Insular Life Building, Maharlika Highway, Santiago City, Isabela	85,496.02	April 30, 2029	5
SINDANGAN	Mabini St., Corner Fr. Zamora St., Poblacion, Sindangan, Zamboanga del Norte	21,052.63	February 04, 2030	5
SOGOD	Corner Concepcion and Mangkaw Streets, Barangay Zone 1 Sogod, Southern Leyte	44,781.81	July 31, 2025	5
SOLANO	Ground Floor Ongtao Building, J.P. Rizal Avenue corner Burgos Street, Quirino, Solano, Nueva Vizcaya	72,126.17	July 01, 2029	3
SORSOGON	Unit Number 7 and 8, National Highway, Brgy., Cabid-an, Sorsogon City	56,306.88	September 30, 2029	5
STA. CRUZ LAGUNA	P. Guevarra Street, Poblacion, Barangay IV, Sta. Cruz, Laguna	90,000.00	October 14, 2029	5
STA. ROSA	Ground Floor Unitop Building, Zircon Road, Balibago Complex, Balibago, Sta. Rosa, Laguna 4027	78,395.60	October 31, 2029	5
SURIGAO	Ground Floor Parkway Mall Km 3, Barangay Luna, National Highway, Surigao City	140,062.89	June 11, 2026	5
TABUK	Commercial Space 2, Purok 2, Provincial Rd., Bulanao, Tabuk City, Kalinga Apayao	40,384.41	September 30, 2027	2
TACLOBAN	YPL Bldg., Door Nos. 3 & 4 Salazar St., Tacloban City	113,468.88	October 31, 2030	5
TAGAYTAY	Lot 12 (Briones Derm Clinique) E. Aguinaldo Highway Brgy. San Jose Tagaytay City, Cavite	80,405.74	October 13, 2029	5
TAGUIG	Lot 4 Block 10 Lower Bicutan, Taguig City	85,750.00	September 27, 2029	5
TAGUM	Ground Floor PLJ Building, Apokon Road, Tagum City, Davao del Norte	129,454.50	February 28, 2028	5
TANAY	#23 M.H. Del Pilar St., Brgy. Plaza Aldea, Tanay, Rizal	18,000.00	March 02, 2026	1
TANDAG	Purok-Saturn, Capitol Road, Telaje, Tandag City	17,368.42	December 06, 2028	5
TANJAY	Sweet Lady Building, Legaspi St., Barangay Poblacion 8, Tanjay City, 6204 Negros Oriental	42,105.26	December 31, 2027	3
TARLAC	Plaza De Oro Arcade, Mac Arthur Highway corner J. Luna Extension, Sto. Cristo, Tarlac City, Tarlac	176,400.00	December 07, 2027	5

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
TAYTAY	National Road, Ilog Pugad, Barangay San Juan, Taytay, Rizal	133,225.11	August 31, 2026	5
TONDO	Ushio Plaza V. Honorio Lopez Boulevard, Brgy. 148, Balut Tondo, Manila	100,506.16	June 20, 2025	5
TUBOD	A & A Bldg, PRK, 6A-TCES, Poblacion, Tubod, Lanao Del Norte	17,271.02	March 02, 2028	3
TUGUEGARAO	Unit 3 & 4 DR Asuncion Bldg. Mabini St, Ugac Norte, Tuguegarao City 3500	78,785.62	February 27, 2030	5
UBAY	Ground Floor Rogelio Inn Building, Colonel Marciano Garces Street, Poblacion, Ubay, Bohol	46,009.47	July 31, 2028	5
URDANETA	Unit 18 & 19 Honaco Commercial Building, National Highway, Urdaneta City, Pangasinan	92,446.00	March 31, 2028	5
VALENCIA	P-17A Sayre Highway, Hangkol Poblacion, Valencua City, Bukidnon	84,210.53	August 31, 2029	5
VALENZUELA	15 Isidro Francisco St. Maysan Road Malinta Valenzuela City	134,009.57	April 01, 2025	5
VIRAC	Virac Town Center, Gogon Sirangan, Virac, Catanduanes	43,791.03	October 31, 2025	1
ZAMBOANGA	RHW Bldg., Mayor Jaldon St., Brgy. Canelar, Zamboanga City, Zamboanga del Sur	85,199.04	December 20, 2025	5

Bangko Kabayan, Inc.

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
AGONCILLO	J. Mendoza St., Poblacion, Agoncillo, Batangas	19,511.79	August 17, 2029	every 5 years
BALAYAN	Union St. Brgy. 5, Balayan, Batangas	40,303.63	January 30, 2028	every 10 years
BATANGAS CITY	Romero Dy Bldg., P. Burgos St., Poblacion 10, Batangas City	120,040.98	March 31, 2026	every 5 years
CALATAGAN	Ayala St., Poblacion 3, Calatagan, Batangas	9,380.67	March 1, 2025	every 15 years
LEMERY	National Hi-way, Brgy. Palanas, Lemery, Batangas	59,524.45	February 28, 2027	every 10 years
LIPA CITY	Laguerta Bldg., P. Torres St., Brgy. 11, Lipa City	73,113.15	November 30, 2025	every 5 years
TALISAY	Barangay Banga, Talisay, Batangas	22,987.74	March 1, 2026	every 10 years
TANAUAN CITY	ELR Building J.P. Laurel Highway, Brgy.2, Tanauan City, Batangas	84,147.10	March 31, 2028	every 10 years
ATIMONAN	Rizal St., Cor. P. Enriquez St., Brgy. Zone 1, Poblacion, Atimonan, Quezon	19,661.94	March 31, 2026	every 10 years
GUMACA	G/F Landig Bldg., Paz Castillo St., Brgy. Tabin Dagat, Gumaca, Quezon	21,879.11	April 8, 2026	every 10 years
SARIAYA	General Luna St., Poblacion 4, Sariaya, Quezon	28,078.19	July 25, 2027	every 10 years
TIAONG	Don V. Robles St., Poblacion 1, Tiaong, Quezon	12,155.06	August 17, 2027	every 10 years
ILOILO CITY	32 Ledesma St., Corner of Liberation Road, Iloilo City	134,400.00	September 1, 2028	every 5 years
POTOTAN	G/F JOLO Building, Matias Yusay St., P. Ledesma Ward, Poblacion, Pototan, Iloilo	56,000.00	January 31, 2034	every 10 years
SANTA FE	F. Roska St., Talisay, Sta. Fe, Cebu	22,105.26	September 8, 2025	every 2 years
TOLEDO CITY	Corner Magsaysay and Mercado Sts., Poblacion, Toledo City, Cebu	62,400.00	August 31, 2029	every 5 years
SAN CARLOS CITY	Center Mall, City Center of San Carlos City, Negros Occidental	25,664.24	December 15, 2033	every 10 years

Branch Name	Address	Monthly Rental (Php)	Expiration of Lease	Term of Renewal
BACOLOD CITY	Fil-Sino Building, Hilado Ext. Bacolod City, Negros Occidental	65,000.00	April 30, 2034	every 10 years
DUMAGUETE CITY	Unit 102, JAT Building, San Juan St., Dumaguete City	76,160.00	November 15, 2033	every 10 years
TUBIGON	Cabulihan, Tubigon, Bohol	47,368.42	July 16, 2034	every 10 years
BOGO CITY	Dela Viña corner J. Lequin Sts., Gairan, Bogo City, Cebu	94,205.61	October 25, 2027	every 3 years
SAN JOSE	Maicor Bldg., Makalintal Avenue, Taysan, San Jose, Batangas	70,464.72	October 2, 2027	every 3 years
LOBO (BRANCH LITE)	P. Burgos St., Poblacion, Lobo, Batangas	9,878.40	December 31, 2024	every 6 months
MANDAUE	CQR Bldg., 251 SB Cabahug St., Ibabao, Mandaue City, Cebu	27,740.84	March 15, 2025	every 6 months
DANAO CITY (BRANCH LITE)	Taboc, Looc, Danao City, Cebu	33,301.05	May 1, 2025	every 1 year
DAANBANTAYAN	Osmena St., Poblacion 6013, Daanbantayan, Cebu	60,000.00	August 31, 2030	every 5 years

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Union Bank of the Philippines** (the Bank) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Bank in accordance with Philippine Standards on Auditing and, in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


Erram B. Boitiz
Chairman of the Board
Alan G. Oblena
President and Chief Executive Officer
Manuel R. Lozano
Executive Vice President
Chief Financial Officer
Edgar Allan G. Oblena
Senior Vice President
Financial Controller

SUBSCRIBED AND SWORN to before me this FEB 27 of 2026, 2026 at Pasig City, the following affiants personally known to me and exhibiting to me their TIN bearing their photographs and genuine signatures as competent evidence of identity in accordance with 2004 Rules on Notarial Practice.

Name	TIN

Notary Public

Doc No. 145
Page No. 30
Book No. VI
Series of 2026

Nikki Neil Santos

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

U	N	I	O	N		B	A	N	K		O	F		T	H	E		P	H	I	L	I	P	P	I	N	E	S	

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

U	N	I	O	N	B	A	N	K		P	L	A	Z	A		M	E	R	A	L	C	O		A	V	E	N	U	E
C	O	R		O	N	Y	X		A	N	D		S	A	P	P	H	I	R	E		S	T	R	E	E	T	S	
O	R	T	I	G	A	S		C	E	N	T	E	R	,		P	A	S	I	G		C	I	T	Y				

Form Type

A	A	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.unionbankph.com	(632) 8841-8600	
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,942	April 25	December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
EDGAR ALLAN G. OBLENA	eagoblerna@unionbankph.com	n/a	09178278960

CONTACT PERSON'S ADDRESS

UnionBank Plaza Bldg, Meralco Ave. cor. Onyx and Sapphire Streets, Ortigas Center, Pasig City

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Union Bank of the Philippines
Union Bank Plaza, Meralco Avenue corner
Onyx Street and Sapphire Road, Ortigas Center, Pasig City

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of Union Bank of the Philippines and its subsidiaries (the Group) and the parent bank financial statements of Union Bank of the Philippines (the Parent Bank), which comprise the consolidated and parent bank statements of financial position as at December 31, 2025 and 2024, and the consolidated and parent bank statements of income, consolidated and parent bank statements of comprehensive income, consolidated and parent bank statements of changes in capital funds and consolidated and parent bank statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated and parent bank financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and parent bank financial statements present fairly, in all material respects, the financial position of the Group and the Parent Bank as at December 31, 2025 and 2024, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent bank financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent bank financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Parent Bank Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent bank financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent bank financial statements.

Applicable to the Audit of the Consolidated and Parent Bank Financial Statements

Allowance for expected credit loss

The Group's and the Parent Bank's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's and the Parent Bank's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality; determining assumptions used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts, and impact of credit enhancements extended by any party; and incorporating forward-looking information in calculating ECL.

Refer to Notes 3 and 20 of the consolidated and parent bank financial statements for the disclosures on the details of the allowance for credit losses using the ECL model.

Audit Response

We obtained an understanding of the methodologies and models used for the Group's and the Parent Bank's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider time value of money and the best available forward-looking information. We also inspected and considered the results of the model validation on the risk rating performed by management's specialist.

We (a) assessed the Group's and the Parent Bank's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) tested the Group's and the Parent Bank's application of internal credit risk rating system, by reviewing the ratings of sample credit exposures; (d) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of credit enhancements provided by any party; (e) tested exposure at default considering outstanding commitments and repayment scheme; (f) checked the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's and the Parent Bank's lending portfolios and broader industry knowledge; and (g) tested the effective interest rate used in discounting the expected credit loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.



We recalculated impairment provisions on a sample basis. We reviewed the completeness of the disclosures made in the consolidated and parent bank financial statements.

We involved our internal specialists in the performance of the above procedures.

Impairment testing of goodwill

Under PFRS Accounting Standards, the Group and the Parent Bank are required to annually test the amount of goodwill for impairment. The Group's and the Parent Bank's goodwill attributable to the various cash generating units (CGUs) is considered significant to the consolidated and parent bank financial statements. The Group's and the Parent Bank's impairment assessment requires significant judgement and is based on assumptions which are subject to higher level of estimation uncertainty, specifically on discount rate and long-term growth rate.

The disclosures in relation to the CGUs to which the goodwill is allocated and the Group's and the Parent Bank's impairment assessment are included in Notes 3 and 18 to the consolidated and parent bank financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the methodologies and the assumptions used in calculating the value in use (VIU) of the CGUs. We compared the key assumptions used against the historical financial performance and the specific plans for the CGUs and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's and the Parent Bank's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2025, but does not include the consolidated and parent bank financial statements and our auditor's report thereon. The SEC Form 20IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent bank financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated and parent bank financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent bank financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



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

Management is responsible for the preparation and fair presentation of the consolidated and parent bank financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent bank financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and parent bank financial statements, management is responsible for assessing the Group's and Parent Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's and Parent Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Parent Bank Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the consolidated and parent bank financial statements, including the disclosures, and whether the consolidated and parent bank financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent bank financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the MORB in Note 37 to the financial statements and Revenue Regulations 15-2010 in Note 36 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas and the Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Union Bank of the Philippines. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The engagement partner on the audit resulting in this independent auditor's report is Janeth T Nuñez-Javier.

SYCIP GORRES VELAYO & CO.

Janeth T. Nuñez-Javier

Janeth T. Nuñez-Javier

Partner

CPA Certificate No. 111092

Tax Identification No. 900-322-673

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 111092-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

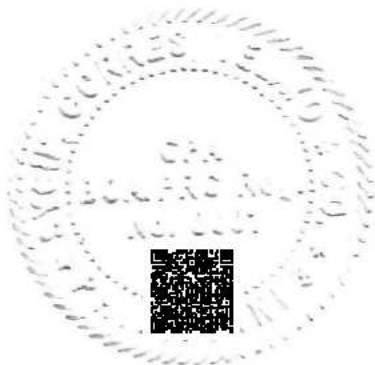
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-069-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765098, January 2, 2026, Makati City

February 27, 2026



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(Amounts are presented in thousands of Philippine Pesos)

	Group		Parent Bank	
	December 31			
	2025	2024	2025	2024
RESOURCES				
Cash and Other Cash Items (Note 8)	₱11,419,221	₱10,143,777	₱10,359,243	₱9,270,243
Due from Bangko Sentral ng Pilipinas (Note 8)	40,810,142	82,146,575	33,273,256	49,212,089
Due from Other Banks (Note 9)	35,315,210	33,890,538	34,165,202	31,139,779
Interbank Loans Receivable and Securities Purchased under Reverse Repurchase Agreements (SPURRA) (Note 10)	41,160,662	1,878,992	10,215,662	178,992
Trading and Investment Securities				
At fair value through profit or loss (FVTPL) (Note 11)	23,897,021	10,295,089	23,839,088	10,028,598
At amortized cost (Note 12)	308,751,875	323,412,938	298,459,094	313,388,774
At fair value through other comprehensive income (FVOCI) (Note 13)	39,336,513	39,512,654	39,074,932	39,251,455
Loans and Other Receivables - net (Note 14)	537,682,367	522,655,816	417,889,678	406,180,888
Investment in Subsidiaries and Associates (Note 15)	963,301	35,755	37,748,014	37,301,269
Bank Premises, Furniture, Fixtures and Equipment - net (Note 16)	11,628,640	11,001,211	9,930,101	9,324,944
Investment Properties - net (Note 17)	10,092,938	9,789,983	9,041,001	8,564,812
Goodwill (Note 18)	53,992,565	53,992,565	43,339,696	43,339,696
Other Resources - net (Note 19)	44,415,010	46,685,142	33,856,481	36,521,955
TOTAL RESOURCES	₱1,159,465,465	₱1,145,441,035	₱1,001,191,448	₱993,703,494
LIABILITIES AND CAPITAL FUNDS				
LIABILITIES				
Deposit Liabilities (Note 21)				
Demand	₱267,019,131	₱231,377,969	₱267,585,484	₱232,683,444
Savings	232,967,967	215,542,898	224,540,186	208,381,675
Time	234,046,690	229,401,929	128,021,271	131,416,771
	734,033,788	676,322,796	620,146,941	572,481,890
Bills Payable (Note 22)	132,009,906	162,256,379	100,424,273	126,169,642
Notes and Bonds Payable (Note 23)	39,662,164	57,565,582	33,375,113	51,724,287
Other Liabilities (Note 24)	50,906,747	53,228,656	45,012,737	48,098,791
	956,612,605	949,373,413	798,959,064	798,474,610
CAPITAL FUNDS				
Capital funds attributable to the Parent Bank's stockholders (Note 25)				
Common stock	33,164,056	33,164,056	33,164,056	33,164,056
Additional paid-in capital	64,367,634	64,367,634	64,367,634	64,367,634
Surplus free	104,626,207	97,521,588	106,124,381	98,787,952
Surplus reserves	2,797,708	3,277,772	1,665,903	2,227,106
Net unrealized fair value losses on investment securities at FVOCI (Note 13)	(1,242,783)	(1,766,482)	(1,243,799)	(1,768,342)
Remeasurements of defined benefit plans (Note 29)	(1,919,467)	(1,615,135)	(1,857,571)	(1,553,703)
Other reserves	267,404	258,204	11,780	4,181
Total capital funds attributable to the Parent Bank's stockholders	202,060,759	195,207,637	202,232,384	195,228,884
Non-controlling interests	792,101	859,985	—	—
	202,852,860	196,067,622	202,232,384	195,228,884
TOTAL LIABILITIES AND CAPITAL FUNDS	₱1,159,465,465	₱1,145,441,035	₱1,001,191,448	₱993,703,494

See accompanying Notes to Financial Statements.



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES

STATEMENTS OF INCOME

(Amounts are presented in thousands of Philippine Pesos, Except Earnings per Share)

	Group			Parent Bank		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
INTEREST INCOME ON						
Loans and other receivables (Note 14)	₱62,917,877	₱63,082,428	₱59,219,084	₱43,812,318	₱43,303,533	₱38,853,221
Investment securities at amortized cost and FVOCI (Notes 12 and 13)	17,204,128	16,078,724	15,620,211	16,691,444	15,627,153	15,172,216
Cash and cash equivalents (Notes 8 and 9)	2,025,107	2,656,793	2,160,236	968,054	1,156,380	947,155
Interbank loans receivable and SPURRA (Note 10)	1,466,511	1,428,743	1,367,804	738,381	554,893	518,152
Trading securities at FVTPL (Note 11)	746,555	493,428	194,354	746,555	487,216	193,268
	84,360,178	83,740,116	78,561,689	62,956,752	61,129,175	55,684,012
INTEREST EXPENSE ON						
Deposit liabilities (Note 21)	9,437,615	12,493,397	15,788,182	3,346,881	5,757,673	9,457,250
Bills payable and other liabilities (Notes 22, 23, 24 and 29)	10,675,337	13,218,409	10,797,983	8,159,015	10,412,382	8,532,872
	20,112,952	25,711,806	26,586,165	11,505,896	16,170,055	17,990,122
NET INTEREST INCOME	64,247,226	58,028,310	51,975,524	51,450,856	44,959,120	37,693,890
PROVISION FOR CREDIT LOSSES (Note 20)						
	21,156,462	17,908,122	12,916,888	14,716,228	11,565,026	9,944,087
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	43,090,764	40,120,188	39,058,636	36,734,628	33,394,094	27,749,803
OTHER INCOME (LOSS)						
Service charges, fees and commissions (Note 27)	15,316,162	13,801,019	11,220,811	13,088,654	11,306,080	9,153,672
Gains on trading and investment securities at FVTPL and FVOCI (Notes 11 and 13)	1,147,521	1,536,349	918,647	1,149,250	1,534,198	917,695
Miscellaneous (Note 28)	2,517,707	4,493,190	5,538,955	(1,622,167)	3,276,765	7,750,391
	18,981,390	19,830,558	17,678,413	12,615,737	16,117,043	17,821,758
TOTAL OPERATING INCOME	62,072,154	59,950,746	56,737,049	49,350,365	49,511,137	45,571,561
OTHER EXPENSES						
Salaries and employee benefits (Notes 29 and 31)	15,598,909	14,120,125	13,558,225	11,169,021	10,396,787	10,232,372
Taxes and licenses (Note 17)	5,932,599	6,095,743	5,941,970	3,814,376	4,136,943	4,045,416
Depreciation and amortization (Note 16)	3,834,052	2,841,728	2,666,493	2,817,924	2,114,836	1,939,485
Occupancy (Note 16)	1,251,735	1,172,877	1,164,202	904,840	893,333	891,506
Miscellaneous (Note 28)	21,256,321	20,037,050	21,557,379	16,943,600	16,048,356	18,108,976
	47,873,616	44,267,523	44,888,269	35,649,761	33,590,255	35,217,755
PROFIT BEFORE TAX	14,198,538	15,683,223	11,848,780	13,700,604	15,920,882	10,353,806
INCOME TAX EXPENSE (Note 30)	4,196,652	3,653,487	2,644,225	3,608,972	3,688,451	1,525,349
NET PROFIT	₱10,001,886	₱12,029,736	₱9,204,555	₱10,091,632	₱12,232,431	₱8,828,457
Attributable to:						
Parent Bank’s stockholders	₱9,940,961	₱11,929,971	₱9,072,217			
Non-controlling interests	60,925	99,765	132,338			
	₱10,001,886	₱12,029,736	₱9,204,555			
Basic/Diluted Earnings per Share (Note 32)						
	₱3.00	₱3.75	₱3.06	₱3.04	₱3.85	₱2.97

See accompanying Notes to Financial Statements.



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025, 2024 and 2023

(Amounts are presented in thousands of Philippine Pesos)

	Group			Parent Bank		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
NET PROFIT	₱10,001,886	₱12,029,736	₱9,204,555	₱10,091,632	₱12,232,431	₱8,828,457
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that may be reclassified to profit or loss in subsequent periods:						
Unrealized mark-to-market gains on investment securities at FVOCI	1,116,324	631,325	12,279,193	1,116,869	620,637	12,278,125
Realized gains on sale of investment securities at FVOCI recognized in profit or loss (Note 13)	(592,699)	(192,694)	(416,510)	(592,699)	(192,694)	(416,510)
Cumulative translation adjustment	9,200	(5,817)	(20,991)	8,012	3,506	(20,991)
Share in unrealized mark-to-market gains (losses) on investment securities at FVOCI of subsidiaries (Note 15)	—	—	—	(38)	(14,854)	907
Items that will not be reclassified to profit or loss in subsequent periods:						
Remeasurement gains (losses) on defined benefit plan, net of tax (Notes 29 and 30)	(303,061)	5,023	(396,859)	(345,385)	227,536	(465,923)
Share in changes in remeasurement gains of subsidiaries (Note 15)	—	—	—	41,517	(214,973)	65,891
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR	229,764	437,837	11,444,833	228,276	429,158	11,441,499
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱10,231,650	₱12,467,573	₱20,649,388	₱10,319,908	₱12,661,589	₱20,269,956
Attributable to:						
Parent Bank’s stockholders	₱10,169,528	₱12,365,322	₱20,513,716	₱10,319,908	₱12,661,589	₱20,269,956
Non-controlling interests	62,122	102,251	135,672	—	—	—
	₱10,231,650	₱12,467,573	₱20,649,388	₱10,319,908	₱12,661,589	₱20,269,956

See accompanying Notes to Financial Statements.



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES

STATEMENTS OF CHANGES IN CAPITAL FUNDS FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(Amounts are presented in thousands of Philippine Pesos)

	Group											Non-controlling Interests	Total Capital Funds
	Equity Attributable to Equity Holders of the Parent Bank												
	Capital Stock	Treasury Stock	Additional Paid-in Capital	Stock Dividend Distributable	Surplus Free	Surplus Reserves	Net Unrealized Fair Value Gains (Losses) on Investment Securities at FVOCI	Remeasurements of Defined Benefit Plan	Other Reserves	Total			
Balances as at January 1, 2025	₱33,164,056	₱–	₱64,367,634	₱–	₱97,521,588	₱3,277,772	(₱1,766,482)	(₱1,615,135)	₱258,204	₱195,207,637	₱859,985	₱196,067,622	
Total comprehensive income (loss) for the year	–	–	–	–	9,940,961	–	523,699	(304,332)	9,200	10,169,528	62,122	10,231,650	
Cash dividends (Note 25)	–	–	–	–	(3,316,406)	–	–	–	–	(3,316,406)	–	(3,316,406)	
Reversal of appropriations during the year - net (Note 25)	–	–	–	–	480,064	(480,064)	–	–	–	–	–	–	
Dividends of subsidiaries to NCI	–	–	–	–	–	–	–	–	–	–	(130,006)	(130,006)	
Balances as at December 31, 2025	₱33,164,056	₱–	₱64,367,634	₱–	₱104,626,207	₱2,797,708	(₱1,242,783)	(₱1,919,467)	₱267,404	₱202,060,759	₱792,101	₱202,852,860	
Balances as at January 1, 2024	₱23,537,746	(₱2,097)	₱57,769,376	₱6,355,129	₱88,719,176	₱2,542,762	(₱2,195,087)	(₱1,627,698)	(₱108,141)	₱174,991,166	₱634,258	₱175,625,424	
Total comprehensive income (loss) for the year	–	–	–	–	11,929,971	–	428,605	12,563	(5,817)	12,365,322	102,251	12,467,573	
Issuance of new shares (Note 25)	3,271,181	–	6,671,910	–	–	–	–	–	–	9,943,091	–	9,943,091	
Cash dividends (Note 25)	–	–	–	–	(2,391,408)	–	–	–	–	(2,391,408)	–	(2,391,408)	
Deemed disposal of interest in a subsidiary (Note 1)	–	–	–	–	–	–	–	–	372,162	372,162	183,106	555,268	
Stock dividends (Note 25)	6,355,129	–	(73,652)	(6,355,129)	–	–	–	–	–	(73,652)	–	(73,652)	
Sale of treasury stock (Note 25)	–	2,097	–	–	(1,141)	–	–	–	–	956	1,068	2,024	
Appropriations during the year - net (Note 25)	–	–	–	–	(735,010)	735,010	–	–	–	–	–	–	
Dividends of subsidiaries to NCI	–	–	–	–	–	–	–	–	–	–	(60,698)	(60,698)	
Balances as at December 31, 2024	₱33,164,056	₱–	₱64,367,634	₱–	₱97,521,588	₱3,277,772	(₱1,766,482)	(₱1,615,135)	₱258,204	₱195,207,637	₱859,985	₱196,067,622	

(Forward)



	Group											
	Equity Attributable to Equity Holders of the Parent Bank											
	Capital Stock	Treasury Stock	Additional Paid-in Capital	Stock Dividend Distributable	Surplus Free	Surplus Reserves	Net Unrealized Fair Value Gains (Losses) on Investment Securities at FVOCI	Remeasurements of Defined Benefit Plan	Other Reserves	Total	Non-controlling Interests	Total Capital Funds
Balances as at January 1, 2023	₱21,421,068	₱—	₱47,949,927	₱—	₱90,799,424	₱2,452,975	(₱14,057,609)	(₱1,227,666)	₱30,989	₱147,369,108	₱844,712	₱148,213,820
Total comprehensive income (loss) for the year	—	—	—	—	9,072,217	—	11,862,522	(400,032)	(20,991)	20,513,716	135,672	20,649,388
Issuance of new shares (Note 25)	2,116,678	—	9,869,950	—	—	—	—	—	—	11,986,628	—	11,986,628
Purchase of treasury stock (Note 25)	—	(2,097)	—	—	—	—	—	—	—	(2,097)	—	(2,097)
Stock dividends (Note 25)	—	—	(50,501)	6,355,129	(6,355,129)	—	—	—	—	(50,501)	—	(50,501)
Cash dividends (Note 25)	—	—	—	—	(4,707,549)	—	—	—	—	(4,707,549)	—	(4,707,549)
Appropriations during the year - net (Note 25)	—	—	—	—	(89,787)	89,787	—	—	—	—	—	—
Acquisition of non-controlling interests (NCI)	—	—	—	—	—	—	—	—	(118,139)	(118,139)	(230,227)	(348,366)
Dividends of subsidiaries to NCI	—	—	—	—	—	—	—	—	—	—	(115,899)	(115,899)
Balances as at December 31, 2023	₱23,537,746	(₱2,097)	₱57,769,376	₱6,355,129	₱88,719,176	₱2,542,762	(₱2,195,087)	(₱1,627,698)	(₱108,141)	₱174,991,166	₱634,258	₱175,625,424



Parent Bank										
	Capital Stock	Treasury Stock	Additional Paid-in Capital	Stock Dividend Distributable	Surplus Free	Surplus Reserves	Net Unrealized Fair Value Gains (Losses) on Investment Securities at FVOCI	Remeasurements of Defined Benefit Plan	Other Reserves	Total Capital Funds
Balances as at January 1, 2025	₱33,164,056	₱–	₱64,367,634	₱–	₱98,787,952	₱2,227,106	(₱1,768,342)	(₱1,553,703)	₱4,181	₱195,228,884
Total comprehensive income (loss) for the year	–	–	–	–	10,091,632	–	524,543	(303,868)	7,599	10,319,906
Cash dividends (Note 25)	–	–	–	–	(3,316,406)	–	–	–	–	(3,316,406)
Reversal of appropriations during the year – net (Note 25)	–	–	–	–	561,203	(561,203)	–	–	–	–
Balances as at December 31, 2025	₱33,164,056	₱–	₱64,367,634	₱–	₱106,124,381	₱ 1,665,903	(₱1,243,799)	(₱1,857,571)	₱11,780	₱202,232,384
Balances as at January 1, 2024	₱23,537,746	(₱2,097)	₱57,769,376	₱6,355,129	₱89,032,606	₱2,142,570	(₱2,196,947)	(₱1,566,266)	₱16,191	₱175,088,308
Total comprehensive income (loss) for the year	–	–	–	–	12,232,431	–	428,605	12,563	(12,010)	12,661,589
Issuance of new shares (Note 25)	3,271,181	–	6,671,910	–	–	–	–	–	–	9,943,091
Cash dividends (Note 25)	–	–	–	–	(2,391,408)	–	–	–	–	(2,391,408)
Stock dividends (Note 25)	6,355,129	–	(73,652)	(6,355,129)	–	–	–	–	–	(73,652)
Sale of treasury stock (Note 25)	–	2,097	–	–	(1,141)	–	–	–	–	956
Appropriations during the year – net (Note 25)	–	–	–	–	(84,536)	84,536	–	–	–	–
Balances as at December 31, 2024	₱33,164,056	₱–	₱64,367,634	₱–	₱98,787,952	₱2,227,106	(₱1,768,342)	(₱1,553,703)	₱4,181	₱195,228,884
Balances as at January 1, 2023	₱21,421,068	₱–	₱47,949,927	₱–	₱91,379,317	₱2,030,080	(₱14,059,469)	(₱1,166,234)	₱37,182	₱147,591,871
Total comprehensive income (loss) for the year	–	–	–	–	8,828,457	–	11,862,522	(400,032)	(20,991)	20,269,956
Issuance of new shares (Note 25)	2,116,678	–	9,869,950	–	–	–	–	–	–	11,986,628
Purchase of treasury stock (Note 25)	–	(2,097)	–	–	–	–	–	–	–	(2,097)
Stock dividends (Note 25)	–	–	(50,501)	6,355,129	(6,355,129)	–	–	–	–	(50,501)
Cash dividends (Note 25)	–	–	–	–	(4,707,549)	–	–	–	–	(4,707,549)
Appropriations during the year – net (Note 25)	–	–	–	–	(112,490)	112,490	–	–	–	–
Balances as at December 31, 2023	₱23,537,746	(₱2,097)	₱57,769,376	₱6,355,129	₱89,032,606	₱2,142,570	(₱2,196,947)	(₱1,566,266)	₱16,191	₱175,088,308

See accompanying Notes to Financial Statements.



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts are presented in thousands of Philippine Pesos)

	Group			Parent Bank		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax	₱14,198,538	₱15,683,223	₱11,848,780	₱13,700,604	₱15,920,882	₱10,353,806
Adjustments for:						
Provision for credit losses (Note 20)	21,156,462	17,908,122	12,916,888	14,716,228	11,565,026	9,944,087
Depreciation and amortization (Note 16)	4,499,319	3,467,331	3,277,968	3,309,098	2,604,566	2,408,164
Gains on foreclosure of investment properties (Notes 17 and 18)	(877,201)	(1,203,292)	(751,936)	(816,349)	(1,170,914)	(679,745)
Amortization of premium and discount of financial assets and liabilities	1,228,425	1,171,399	1,129,034	1,108,549	1,158,877	1,121,507
Unrealized foreign exchange losses (gains) - net	(445,085)	(962,916)	786,431	(671,631)	(976,261)	781,304
Gains on sale of investment properties, property and equipment, and other assets (Notes 16, 17, 19 and 28)	(633,055)	(521,421)	(1,026,933)	(595,111)	(612,000)	(1,110,755)
Gains on sale of investment securities at FVOCI (Note 13)	(592,699)	(192,694)	(416,510)	(592,699)	(192,694)	(416,510)
Provision for (reversal of) impairment on investment properties (Note 17)	98,302	(3,547)	(751)	82,272	(1,909)	(787)
Share in equity loss (income) (Note 15)						
Excess of fair value over cost of acquisition of an associate	(590,918)	—	(22,702)	(590,918)	—	—
Share in net loss (profit) of subsidiaries and associates (Note 28)	(61,661)	1,920	22,355	3,192,621	633,126	(2,837,072)
Gain on deemed disposal of a subsidiary (Note 1)	—	—	—		(373,128)	—
Gain from early termination of lease	(2,062)	—	—	(2,062)	—	—
Changes in operating assets and liabilities:						
Decreases (increases) in:						
Loans and other receivables	(36,043,671)	(15,592,825)	(58,189,280)	(26,363,496)	(7,198,419)	(26,653,542)
Trading securities at FVTPL	(13,801,012)	(4,484,799)	2,847,800	(13,810,490)	(4,347,157)	2,906,311
Other resources	(3,122,083)	(5,612,917)	(6,684,216)	(1,889,170)	(3,245,614)	(4,013,975)
Increases (decreases) in:						
Deposit liabilities	57,710,992	(36,245,612)	4,264,466	47,665,051	(25,073,503)	(23,365,639)
Other liabilities	2,303,262	7,208,355	9,114,503	531,742	6,490,226	6,591,297
Net cash generated from (used in) operations	45,025,853	(19,379,673)	(20,884,103)	38,974,239	(4,818,896)	(24,971,549)
Income taxes paid	(4,860,180)	(4,281,142)	(4,860,628)	(3,935,439)	(3,405,997)	(3,223,021)
Net cash provided by (used in) operating activities	40,165,673	(23,660,815)	(25,744,731)	35,038,800	(8,224,893)	(28,194,570)
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Investment securities at FVOCI	(76,591,079)	(16,964,897)	(25,052,262)	(76,591,080)	(16,950,000)	(25,026,221)
Investment securities at amortized cost	(13,582,792)	(10,828,446)	(13,554,953)	(13,282,792)	(9,805,300)	(13,519,953)
Bank premises, furniture, fixtures and equipment (Note 16)	(1,462,945)	(1,647,001)	(2,283,303)	(1,242,205)	(1,385,122)	(2,000,248)
Other resources (Note 19)	(1,241,759)	(3,177,636)	(5,779,807)	(704,309)	(2,858,608)	(5,458,734)
Investments in subsidiaries and associates (Notes 1 and 15)	(300,000)	—	—	(3,649,995)	(2,751,681)	(1,547,298)
Proceeds from maturities/sale of:						
Investment securities at FVOCI	77,766,979	14,830,492	19,524,353	77,766,979	14,830,492	19,478,530
Investment securities at amortized cost	29,367,693	5,420,334	2,800,379	29,347,693	5,284,883	2,690,328
Investment properties (Note 17)	257,251	534,628	631,815	256,570	534,628	626,621
Bank premises, furniture, fixtures and equipment (Note 16)	91,411	75,585	113,651	60,390	36,119	101,896
Investments in subsidiaries/associates (Note 15)	300,000	—	86,068	300,502	—	—
Dividends received from subsidiaries	—	—	—	342,523	1,075,000	129,000
Acquisition of business, net of cash acquired (Notes 1 and 15)	—	—	(3,259,683)	—	—	(3,252,782)
Net cash provided by (used in) investing activities	14,604,759	(11,756,941)	(26,773,742)	12,604,276	(11,989,589)	(27,778,861)

(Forward)



	Group			Parent Bank		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments of:						
Bills payable	(P644,401,657)	(P975,385,462)	(P1,291,332,050)	(P625,790,990)	(P954,030,713)	(P1,268,901,574)
Notes and bonds payable	(40,037,270)	(5,658,904)	(21,616,552)	(34,744,953)	—	(19,115,000)
Cash dividends (Note 25)	(3,316,406)	(2,391,408)	(4,707,549)	(3,316,406)	(2,391,408)	(4,707,549)
Lease liabilities (Note 24)	(739,622)	(724,806)	(633,871)	(564,150)	(552,358)	(524,291)
Dividends of subsidiaries to NCI	(130,006)	(60,698)	(115,899)	—	—	—
LTNCD	—	—	(3,000,000)	—	—	(3,000,000)
Acquisition of NCI's share in a subsidiary	—	—	(230,227)	—	—	—
Buy-back of treasury shares	—	—	(2,097)	—	—	(2,097)
Proceeds from:						
Bills payable	613,139,628	979,986,263	1,313,421,732	599,129,628	957,473,570	1,289,600,128
Notes and bonds payable (Note 23)	21,350,886	11,482,520	20,500,543	15,848,288	—	18,005,196
Issuance of new shares, net of issuance costs (Note 25)	—	9,869,439	11,936,127	—	9,869,439	11,936,127
Proceeds from subscription of shares of a subsidiary by the non-controlling interest (Note 1)	—	555,268	—	—	—	—
Sale of treasury shares	—	2,024	—	—	956	—
Net cash provided (used in) by financing activities	(54,134,447)	17,674,236	24,220,157	(49,438,583)	10,369,486	23,290,940
EFFECT OF CHANGES IN FOREIGN CURRENCY EXCHANGE RATES						
	9,368	46,161	(240,224)	7,767	39,968	(122,089)
NET DECREASE IN CASH AND CASH EQUIVALENTS						
	645,353	(17,697,359)	(28,538,540)	(1,787,740)	(9,805,030)	(32,804,577)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR						
Cash and other cash items	10,143,777	10,439,112	9,891,536	9,270,243	9,350,898	8,924,249
Due from Bangko Sentral ng Pilipinas (BSP)	82,146,575	82,643,663	94,610,308	49,212,089	63,883,124	66,588,121
Due from other banks	33,890,538	27,263,347	46,239,964	31,139,779	23,188,033	42,263,529
Interbank loans receivable and securities purchased under reverse repurchase agreement (SPURRA)	1,878,992	25,411,119	23,553,973	178,992	3,184,078	14,634,811
	128,059,882	145,757,241	174,295,781	89,801,103	99,606,133	132,410,710
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	11,419,221	10,143,777	10,439,112	10,359,243	9,270,243	9,350,898
Due from BSP	40,810,142	82,146,575	82,643,663	33,273,256	49,212,089	63,883,124
Due from other banks	35,315,210	33,890,538	27,263,347	34,165,202	31,139,779	23,188,033
Interbank loans receivable and SPURRA	41,160,662	1,878,992	25,411,119	10,215,662	178,992	3,184,078
	P128,705,235	P128,059,882	P145,757,241	P88,013,363	P89,801,103	P99,606,133
OPERATIONAL CASH FLOWS FROM INTERESTS AND DIVIDENDS						
Interest received	P88,961,271	P85,600,470	P77,075,696	P63,915,092	P61,232,614	P54,692,669
Interest paid	20,563,041	26,375,644	24,915,594	11,619,949	17,072,662	16,913,293
Dividends received	5,909	9,687	3,617	5,909	8,267	2,768

See accompanying Notes to Financial Statements.



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Incorporation and Operations

Union Bank of the Philippines (the Bank, UnionBank or the Parent Bank) was incorporated in the Philippines on August 16, 1968 and operates as a universal bank through its universal banking license acquired in July 1992.

The Bank provides expanded commercial banking products and services such as loans and deposits, cash management, retail banking, foreign exchange, capital markets, corporate and consumer finance, investment management and trust banking. As of December 31, 2025, the Bank and its subsidiaries (collectively referred to as the “Group”) has 388 branches and 428 on-site and 174 off-site automated teller machines (ATMs), located nationwide.

The Bank’s common shares are listed in the Philippine Stock Exchange (PSE). The Bank is effectively 49.99% owned by Aboitiz Equity Ventures, Inc. (AEVI), a company incorporated and domiciled in the Philippines. AEVI is the holding and management company of the Aboitiz Group of Companies.

The Bank’s subsidiaries are all incorporated in the Philippines, except for UBX SG and UBX Remit, and the Bank’s effective percentage of ownership and the nature of the subsidiaries’ businesses as of December 31, 2025 and 2024 are as follows:

Name of Subsidiary	Percentage of ownership		Nature of Business
	2025	2024	
City Savings Bank, Inc. (CSB)	99.81%	99.79%	Thrift bank
PetNet, Inc. (PETNET) ^(a)	51.00%	51.00%	Foreign currency trader and remittance business
UBP Investments Corporation (UIC)	100.00%	100.00%	Holding company
First Union Plans, Inc. (FUPI) ^(b)	100.00%	100.00%	Pre-need
First Union Direct Corporation (FUDC) ^{(b) (h)}	—	100.00%	Financial products marketing
First Union Insurance and Financial Agencies, Inc. (FUIFAI) ^{(b) (c)}	100.00%	100.00%	Agent for insurance and financial products
UBP Securities, Inc. (UBPSI) ^(b)	100.00%	100.00%	Securities brokerage
Interventure Capital Corporation (IVCC) ^(b)	60.00%	60.00%	Venture capital
UBX Philippines Corporation (UBX)	83.33%	83.33%	Investment holding and innovation company
UBX Private Limited (UBX SG) ^(d)	83.33%	83.33%	Holding company
UBX Remit Pte Ltd. (UBX Remit) ^(e)	83.33%	83.33%	Remittance company
Bangko Kabayan, Inc. (A Private Development Bank) (Bangko Kabayan) ^(f)	97.75%	97.75%	Private development bank
UnionDigital Bank, Inc. (UnionDigital)	100.00%	100.00%	Digital bank
Unionbank Financial Services and Insurance Brokerage Philippines, Inc. (UFSI)	100.00%	100.00%	Insurance and securities brokerage
Unionbank Investment Management and Trust Corporation (UBIMTC) ^(g)	—	100.00%	Trust and other fiduciary business

(a) Subsidiary through CSB and UIC, with 40% and 11% share in ownership, respectively

(b) Non-operating subsidiaries

(c) Wholly-owned subsidiary through UIC

(d) Wholly-owned subsidiary of UBX

(e) Wholly-owned subsidiary of UBX SG

(f) 24.96% owned by the Parent Bank; 49% and 23.79% owned through CSB and UIC, respectively

(g) On May 8, 2025, the Parent Bank sold its 100% ownership in UBIMTC to ATR Asset Management, Inc. (AAMI)

(h) On June 5, 2025, the SEC approved FUDC’s application for dissolution



Other relevant information about the subsidiaries' nature of businesses and their status of operations are discussed in the sections that follow:

- (a) On November 7, 2024, the BOD of the Parent Bank approved the acquisition of ATR Asset Management, Inc. (AAMI) shareholdings and sale of its shareholdings in UBIMTC. On November 8, 2024, the Parent Bank and AAMI entered into an investment agreement for UBP's acquisition of a 27.5% shareholding in AAMI and a share purchase agreement for the sale of 100% of UBP's shareholding in UBIMTC to AAMI. The acquired ownership interest in AAMI is accounted for as an investment in associate in the statement of financial position (see Note 15).

In May 2025, following BSP's approval of the transactions in April 2025, the Parent Bank paid ₱300.0 million to ATR KimEng AMG Holdings, Inc. and AAMI. This was funded by the proceeds from the sale of the Parent Bank's ownership interest in UBIMTC of ₱300.0 million.

- (b) CSB was incorporated and registered with the SEC on December 9, 1965. It is a thrift bank specializing in salary loans, motorcycle loans and pension loans. CSB has 154 branches as of December 31, 2025.

On October 8, 2025, the BOD of the Parent Bank approved the infusion of up to ₱1.5 billion capital to CSB to support its growth and ongoing business operations. Subsequently on November 28, 2025 and December 19, 2025, the Parent Bank infused capital amounting to ₱1.2 billion and ₱300.0 million, respectively.

- (c) PETNET is engaged in the business of remittance and in relation thereto, act as money changer/foreign exchange dealer or engage in the business of buying and/or selling foreign currencies and selling of other services as may be necessary to accomplish the purpose for which PETNET has been established.
- (d) UIC was incorporated and registered with the SEC on December 20, 1993. It is presently engaged in business as a holding company authorized to hold investments of real and personal properties, including shares of stocks, bonds, debentures, notes and other securities and obligations, without engaging in business of an investment company or broker or dealer in securities of stocks.

UIC holds investments of the Group's thrift banks, rural banks and remittance companies.

- (e) UBX operates as a financial technology services firm. It was incorporated to invest in, hold, own, purchase, lease manage, sell or otherwise dispose of real and personal properties of every kind and description. It shall also engage in the development of financial technology innovations and engage in electronic commerce business. UBX SG, a subsidiary of UBX, is incorporated to engage in the development of financial technology innovations and engage in electronic commerce business.

On September 27, 2024, UBX issued 8.0 million shares to a third party for a 16.67% ownership interest at USD10.0 million (or ₱558.00 million). This resulted in a decrease in the Parent Bank's ownership interest in UBX to 83.33%. The reduction in the Parent Bank's ownership interest in UBX resulted in the recognition of other equity reserves of ₱372.16 million in the Group's statement of financial position and Gain on deemed disposal of ₱373.13 million presented as part of Miscellaneous income in the Parent Bank's statement of income, where the amounts represent the difference between the Parent Bank's "deemed



share” in the proceeds from issuance of UBX shares and the carrying amount of the equity interest “deemed disposed” in UBX.

- (f) Bangko Kabayan is authorized to engage in the business of extending financial services to farmers, entrepreneurs, commercial, manufacturing and industrial enterprises and to such other persons or entities that require financial intermediation, and to have and to exercise all authority and powers, and to do and perform all acts, and to transact all business which may legally be done by thrift banks organized under and in accordance with the existing New Thrift Banks Act of 1995 (Republic Act No. 7906).

Bangko Kabayan has 35 branches and three (3) branch lites as of December 31, 2025.

- (g) UnionDigital was organized to engage in, and carry on, the general business of a digital bank, including such other expanded services as may be approved by the Monetary Board (MB) of the BSP such as creating, developing, owning, maintaining, distributing, and marketing a digital platform that allows the bank to offer digital services, and issues mortgage and chattel mortgage certificates, buys and sells them or accept them in to such terms and conditions as may be prescribed by the MB of BSP.

On September 23, 2024 and February 28, 2025, the BOD of the Parent Bank approved the infusion of additional capital of up to ₱1.6 billion and another up to ₱1.2 billion, respectively, in UnionDigital to support its ongoing business operations and enable it to deliver sustainable growth.

Pursuant to the aforementioned approvals, on September 30, 2024 and January 31, 2025, the Parent Bank infused capital totaling ₱1.6 billion and on June 30, 2025, August 29, 2025, September 15, 2025, and October 27, 2025, the Parent Bank infused capital totaling ₱1.2 billion.

As of December 31, 2025 and 2024, the Parent Bank’s total equity investment in UnionDigital amounted to ₱8.5 billion and ₱6.7 billion, respectively.

Non-operating subsidiaries

- (a) The BOD of FUPI and the stockholders, on May 9, 2025 and August 7, 2025, respectively, approved the dissolution of the company by way of an amendment to its Articles of Incorporation (AOI) through shortening its corporate term until December 31, 2025. The Insurance Commission favorably endorsed said dissolution on November 7, 2025. On December 10, 2025, the SEC approved the said dissolution. As of December 31, 2025, the other business closure applications with the other government agencies are ongoing.
- (b) The BOD of FUDC authorized to temporarily suspend its business operations effective June 1, 2022 and until such time that management, with the approval of the BOD of FUDC, deems it appropriate to resume operations. The BOD of FUDC, in its special meeting on July 5, 2024, approved the cessation of business effective December 31, 2024. On November 6, 2024, the BIR issued the tax clearance for the cessation of business of FUDC.

Accordingly, on June 5, 2025, the SEC approved and issued the certificate of its amended articles of incorporation pertaining to Article IV shortening the term of its existence thereby dissolving the corporation.



- (c) On July 15, 2025, the BOD of FUIFAI approved to suspend and cease its business operations effective August 31, 2025. Pursuant to said cessation, the BOD likewise approved on July 15, 2025 the dissolution of FUIFAI which will be done by way of an amendment of its Amended Articles of Incorporation through shortening its corporate term until May 31, 2026.
- (d) UBPSI was incorporated and registered with the SEC on March 2, 1993. It was organized to engage in the business of buying, selling or dealing in stocks and other securities. In January 1995, as approved by UBPSI's stockholders and BOD, UBPSI sold its stock exchange seat in the PSE. Accordingly, UBPSI ceased its stock brokerage activities.
- (e) IVCC was incorporated and registered with the SEC on October 10, 1980. It was organized to develop, promote, aid and assist financially any small or medium scale enterprises and to purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations as the transaction of the lawful business of the corporation may reasonably and necessarily require, subject to the limitations prescribed by law. IVCC has ceased operations since 1992.

The total assets, liabilities and capital funds of these non-operating subsidiaries amounted to ₱5.38 million, ₱3.16 million, and ₱2.21 million, respectively, as of December 31, 2025 and ₱9.12 million, ₱3.18 million, and ₱5.94 million, respectively, as of December 31, 2024.

The Bank's registered address, which is also its principal place of business, is at UnionBank Plaza, Meralco Avenue corner Onyx Street and Sapphire Road, Ortigas Center, Pasig City. AEVI's registered address is located at NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila.

Approval of Financial Statements

The consolidated financial statements of UnionBank and Subsidiaries (the Group) and the financial statements of the Parent Bank as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 were authorized for issue by the Bank's BOD on February 27, 2026.

2. Material Accounting Policy Information

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

Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group and the financial statements of the Bank have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.



The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of resource, liability, income and expense.

The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standards (PAS 1), *Presentation of Financial Statements*. The Group presents statement of comprehensive income separate from the statement of income.

Certain amounts in the 2024 and 2023 statements of cash flows were reclassified from operating cash flows to investing cash flows to conform with the 2025 presentation.

(c) Functional and Presentation Currency

The financial statements of the Group and the Parent Bank include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine Peso (PHP) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in PHP (see accounting policy on Foreign Currency Translation).

The financial statements of these units are combined after eliminating inter-unit accounts. These are presented in Philippine pesos, and all values are presented in thousands of Philippine Pesos except when otherwise indicated.

Items included in the financial statements of the Group are measured using its functional currency, the currency of the primary economic environment in which the Group operates.

Adoption of New and Amended PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except that the Bank has adopted the following new accounting pronouncements starting January 1, 2025. Adoption of these pronouncements did not have any significant impact on the Bank's financial position or performance unless otherwise indicated.

- Amendments to PAS 21, *Lack of Exchangeability*

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated and parent bank financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*



- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards-Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

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

Basis of Consolidated Financial Statements

The Group's financial statements comprise the accounts of the Parent Bank and its subsidiaries, as enumerated in Note 1 and as disclosed under Note 15, after the elimination of material intercompany transactions. All intercompany resources and liabilities, equity, income, and expenses and cash flows relating to transactions with subsidiaries are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in the separate financial statements are also eliminated in full. Intercompany losses that indicate impairment are recognized in the Group's financial statements.

The financial statements of the subsidiaries are prepared in the same reporting period as the Parent Bank using consistent accounting policies.

Non-controlling Interests

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Bank.

The Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transaction with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in capital funds and presented in "Other reserves". Disposals of equity investments to non-controlling interests may result in gains and losses for the Group that are also recognized in capital funds and presented in "Other reserves".

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in the statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related resources or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.



Investment in Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it has the power over the entity, it is exposed, or has rights to, variable returns from its involvement with the entity, and it has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Group obtains control.

The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

In the Parent Bank's separate financial statements, investments in subsidiaries are initially recognized at cost and subsequently accounted for using the equity method (see Note 15).

All subsequent changes to the share in the equity of the subsidiaries are recognized in the carrying amount of the Parent Bank's investment. Changes resulting from the profit or loss generated by the subsidiaries are reported as Share in net profit of subsidiaries under Miscellaneous income account in the Parent Bank's separate statement of income.

Changes resulting from other comprehensive income of the subsidiaries are recognized in other comprehensive income of the Parent Bank. Any distributions received from the subsidiaries (e.g., dividends) are recognized as reduction in the carrying amount of investment in subsidiaries. However, when the Parent Bank's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, including any other unsecured receivables, the Parent Bank does not recognize further losses, unless it has incurred obligations or made payments on behalf of the subsidiary. If the subsidiary subsequently reports profits, the Parent Bank recognizes its share on those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized.

In computing the Parent Bank's share in net profit or loss of subsidiaries, unrealized gains or losses on transactions between the Parent Bank and its subsidiaries are eliminated to the extent of the Parent Bank's interest in the subsidiaries. Where unrealized losses are eliminated, the underlying asset is also tested for impairment from a group perspective.

When there is reduction in the Parent Bank's interest in a subsidiary without loss of control and other than by actual disposal, the "deemed disposal" gives rise to "dilution" gain or loss recognized in the Parent Bank's statement of income, including the amounts reclassified from other comprehensive income.

The Parent Bank holds interests in various subsidiaries as presented in Notes 1 and 15.

Investment in Associates

Associates pertain to all entities over which the Group and the Parent Bank have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in associates is accounted for under the equity method of accounting.

Business Combinations and Goodwill

Business acquisitions are accounted for using the acquisition method of accounting. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests



issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in the statement of income.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed.

Gain on bargain purchase which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost is recognized directly to profit.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the statement of income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in the statement of income or as a charge to other comprehensive income. Contingent consideration that is classified as capital funds is not remeasured, and its subsequent settlement is accounted for within capital funds.

Fair Value Measurement

The Group measures financial instruments such as financial assets at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost and investment properties are disclosed in Note 7.

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

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



The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and ask price, the price within the bid-ask spread is the most representative of fair value in the circumstance shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy. The fair value measurement of a nonfinancial asset takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described in Note 7, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial-assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Group recognises balances due to customers when funds are transferred to the Group.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described below. Financial instruments are initially measured at their fair value; except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value based on other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and the fair value (a 'Day 1' difference) in the statement of income unless it qualifies for recognition as some other type of asset. In cases where transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.



Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured either at amortized cost, at FVOCI or at FVTPL.

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria under PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification, Measurement and Reclassification of Financial Assets

Under PFRS 9, the classification and measurement of financial assets is driven by the entity's contractual cash flow characteristics of the financial assets and business model for managing the financial assets.

As part of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g., if there are repayments of principal or amortization of the premium or discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)



- the expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Group's measurement categories are described below:

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Group's financial assets at amortized cost are presented in the statement of financial position as Due from BSP, Due from other banks, Interbank loans receivable, SPURRA, Financial assets at amortized cost under Trading and investment securities, Loans and other receivables and certain accounts under Other resources.

For purposes of cash flows reporting and presentation, cash and cash equivalents comprise accounts with original maturities of three months or less, including Cash and other cash items, non-restricted balances of Due from BSP, Due from other banks, Interbank loans receivable and SPURRA. These generally include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

Financial Assets at FVTPL

Debt instruments that do not meet the amortized cost criteria, or that meet the criteria but the Group has chosen to designate as at FVTPL at initial recognition, are classified as financial assets at FVTPL. Equity investments are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include government securities, corporate bonds and equity securities which are held for trading purposes.

A financial asset is considered as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;



- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or,
- it is a derivative that is not designated and effective as a hedging instrument or financial guarantee.

Financial assets at FVTPL are measured at fair value. Related transaction costs are recognized directly as expense in the statement of income. Unrealized gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVTPL category and realized gains or losses arising from disposals of these instruments are included in Gains (losses) on trading and investment securities at FVTPL and FVOCI - debt instruments in the statement of income.

Interest earned on these investments is reported in the statement of income under Interest income account while dividend income is reported in the statement of income under Miscellaneous income account when the right of payment has been established.

Financial Assets at FVOCI - Equity Investments

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading. The Group has designated certain equity instruments as at FVOCI on initial application of PFRS 9.

Equity financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in Net unrealized fair value gains (losses) on investment securities in the statement of financial position. When the asset is disposed of, the cumulative gain or loss previously recognized in the Net unrealized fair value gains (losses) on investment securities account is not reclassified to profit or loss, but is reclassified directly to Surplus free account.

Any dividends earned on holding these equity instruments are recognized in the statement of income under Miscellaneous income account.

Financial Assets at FVOCI - Debt Instruments

The Group classifies debt instruments measured at FVOCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value being recognized in OCI. Interest income and foreign exchange gains and losses are recognized in the statement of income in the same manner as for financial assets measured at amortized cost. The Expected Credit Loss (ECL) calculation for financial assets at FVOCI is explained in the 'Impairment of Financial Assets' section.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to the statement of income.



Reclassification of financial assets

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

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

(b) Impairment of Financial Assets

The Group recognizes the allowance for expected credit losses for all loans and other debt financial assets carried at amortized cost, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under PFRS 9.

ECL represent possible credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

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

For non-credit-impaired financial instruments:

- Stage 1 consists of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Group and the Parent Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 consists of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group and the Parent Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for impaired financial instruments. For financial instruments classified as Stage 3, the Group estimates ECL based on the present value of expected future cash flows, including recoveries from collateral and restructuring. Significant judgment is applied in



estimating the timing and amount of recoveries, collateral values, and discount rates. The impairment allowance reflects management's best estimate of credit losses, regularly reviewed and updated to reflect changes in borrower creditworthiness and economic conditions.

The Group uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes more than 90 days past due on its contractual payments. As part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria for a consecutive period of 180 days (i.e., consecutive payments from the borrowers for 180 days).

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors such as downgrade in the credit rating of the borrowers and a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL. All exposures are therefore provided with ECLs, in the context of SICR status.

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

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

EAD is modelled on historic data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts that may be drawn at the time of default. LGD is the amount that may not be recovered in the event of default and is modelled based on historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.



(c) Derecognition of Financial Assets

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

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges.

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI). Distressed restructuring with indications of unlikelihood to pay are categorized as impaired accounts and are moved to Stage 3.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

Derivative Financial Instruments

The Group is a counterparty to derivatives contracts, such as forwards, swaps and warrants. These contracts are entered into as a means of reducing or managing the Group's foreign exchange and interest rate exposures as well as those of its customers.



Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions. All derivatives are carried as resources when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument. When such evidence exists, which indicates a fair value different from the transaction price, the Group recognizes a gain or loss at initial recognition.

Changes in the fair value of derivatives are recognized in the statement of income.

Financial Liabilities

Financial liabilities which include deposit liabilities, bills payable, notes and bonds payable, and other liabilities (except tax-related payables, pre-need reserves and post-employment defined benefit obligation) are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, for those with maturities beyond one year, less settlement payments. All interest-related charges incurred on financial liabilities are recognized as an expense in the statement of income under Interest expense.

Deposit liabilities are stated at amounts in which they are to be paid. Interest is accrued periodically and recognized in a separate liability account before recognizing as part of deposit liabilities.

Bills payable and Notes and bonds payable are recognized initially at fair value, which is the issue proceeds (fair value of consideration received) less any issuance costs. These are subsequently measured at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method.

Derivative liabilities, which are included as part of Other Liabilities, are recognized initially and subsequently measured at fair value with changes in fair value recognized in the statement of income.

Other liabilities, apart from derivative liabilities, are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of the new liability, and the difference in the respective carrying amounts is recognized in the statement of income.



Offsetting Financial Instruments

Financial resources and liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

Bank Premises, Furniture, Fixtures and Equipment

Bank premises, furniture, fixtures and equipment are carried at acquisition cost less accumulated depreciation and amortization, and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized, while expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the depreciable assets as follows:

Buildings	25 - 50 years
Furniture, fixtures and equipment	5 - 10 years

Leasehold rights and improvements are amortized over the term of the lease or the estimated useful lives of the improvements of five to ten years, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values, estimated useful lives and method of depreciation and amortization of bank premises, furniture, fixtures and equipment (except land) are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of bank premises, furniture, fixtures and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of income in the year the item is derecognized.

The Group classifies right-of-use (ROU) assets as part of property and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. ROU assets are subject to impairment.

Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include parcels of land and buildings and related improvements acquired by the Group from defaulting borrowers.

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is initially measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured in which case the investment property acquired is measured at the carrying amount of the asset given up. Foreclosed properties are classified under Investment properties from foreclosure date. Gain or loss from foreclosure is included as part of Gain or loss on foreclosure account under Miscellaneous income section of the statement of income.

Subsequent to initial recognition, depreciable investment properties are carried at cost less accumulated depreciation and amortization and impairment. Depreciation is computed using the straight-line method over the useful life of 50 years and 10 years for building held for lease and other foreclosed properties, respectively. Land is carried at cost less any impairment in value.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal. Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs and real estate taxes, are normally charged against income in the period in which costs are incurred.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

Intangible Assets

Intangible assets include goodwill, acquired and internally developed computer software and customer relationships and core deposits acquired from business combination. Goodwill represents the excess of the acquisition cost over the fair value of the net identifiable assets arising from the acquisition of a business. Goodwill has indefinite useful life and, thus, not subject to amortization but requires an annual test for impairment. Goodwill is subsequently carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Goodwill sometimes cannot be allocated on a non-arbitrary basis to individual cash-generating units, but only to groups of cash-generating units. As a result, the lowest level within the Group at which goodwill is monitored for internal management purposes sometimes comprises a number of cash-generating units. The Group's cash-generating unit represents major business segments of the Parent Bank and the subsidiaries of the Group.



Computer software used in administration is accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition or production. Computer software are capitalized on the basis of the costs incurred to acquire, develop, and install the specific software, and are amortized on a straight-line basis over the expected useful lives ranging from five to ten years, as the lives of these intangible assets are considered finite. Costs associated with maintaining computer software are expensed as incurred.

Customer relationships and core deposits acquired from business combination are recognized at their acquisition date fair values, and are amortized on a straight-line basis over the expected useful lives ranging from 10 to 14 years. These costs are recognized as part of Depreciation and amortization in the statement of income.

Intangible assets are subject to impairment testing.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in the statement of income.

Other Resources

Other resources pertain to resources controlled by the Group as a result of past events. These are recognized in the financial statements only if recognition of that asset and of any resulting income or expenses is a faithful representation of the resources and provides relevant information about the resources.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position under 'Bills payable' and is considered as a loan to the Group, reflecting the economic substance of such transaction. For purposes of business model assessment, the Group considers the economic substance of the transaction when analyzing whether sales within a portfolio provide evidence related to how cash flows are realized.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The corresponding cash paid including accrued interest, is recognized in the statement of financial position as SPURRA, and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events (e.g., legal dispute or onerous contracts).

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that



reflects market assessment and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Capital Funds

Common stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premiums received on the issuance of common stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Surplus free includes all current and prior period results as reported in the statement of income and which are available and not restricted for use by the Group, reduced by the amounts of dividend declared, if any.

Surplus reserves pertains to the difference of the 1% required General Loan Loss Provision on Stage 1 on-balance sheet loans over the computed allowance for credit losses on Stage 1 accounts as required by the BSP Circular No. 1011 - *Guidelines on the Adoption of the Philippine Financial Reporting Standard (PFRS) 9 - Financial Instruments*.

Net unrealized fair value gains (losses) on investment securities pertains to cumulative mark-to-market valuation of financial assets at FVOCI.

Remeasurements of defined benefit plan refer to accumulated actuarial losses, net of gains, as a result of remeasurements of post-employment defined benefit plan and return on plan assets (excluding amount included in net interest).

Other reserves comprise of exchange differences arising from the translation of the Parent Bank's Foreign Currency Deposit Unit (FCDU) operations and UBX SG, which is taken to the statement of comprehensive income, and the impact of equity transactions within the Group (see policy on "Non-controlling Interests").

Non-controlling interests represent the portion of the net resources and profit or loss not attributable to the Group which are presented separately in the Group's statement of income and within the capital funds in the Group's statements of financial position and changes in capital funds.

Revenue Recognition

Revenues within the scope of PFRS 15, Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The following specific recognition criteria of income must also be met before income is recognized:

(a) Service charges, fees and commissions:

Service charges, fees and commissions are generally recognized when the service has been provided.



Loan commitment fees. These are earned as services are provided, recognized as other income on a time proportion basis over the commitment period.

Income under a loyalty points programme. The Group has a loyalty points programme as part of its credit cards business which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the interchange fee is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

Interchange fees. These are recognized as income upon presentation by member establishments of charges arising from credit card availments by the Bank's cardholders. These discounts are computed based on certain agreed rates and are deducted from amounts remitted to the member establishments.

Commissions earned on credit cards. These are recognized as income upon receipt from member establishments of charges arising from credit availments by credit cardholders. These commissions are computed based on certain agreed rates and are deducted from amounts remittable to member establishments.

Commission from bancassurance. Exclusive access fee (EAF) related to the bancassurance partnership is recognized on a straight-line basis as the service is rendered.

(b) *Miscellaneous income* includes the following accounts:

Gain (loss) from assets sold or exchanged. The profit or loss from assets sold or exchanged is recognized when the control of the assets is transferred to the buyer or when the collectibility of the entire sales price is reasonably assured.

Rental. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases.

Income from bancassurance business. Exclusive access fee (EAF) related to the bancassurance partnership is recognized as revenue on a straight-line bases as the service is rendered.

Income from trust operations. Trust fees related to investment funds are recognized in reference to the net asset value of the funds. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

Revenues outside the scope of PFRS 15

(a) *Interest income recognized using the effective interest rate method* - Interest income is recognized in the statement of income for all instruments measured at amortized cost and debt instruments classified as financial assets at FVOCI using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial



liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For credit card receivables, purchases by the credit cardholders, collectible on installment basis, are recorded at the cost of the items purchased. Interest income is recognized on every term of installment billed to the cardholders and computed using the effective interest method.

- (b) *Other interest income* - Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognized using the contractual interest rate and is included under Interest Income on financial assets at fair value through profit or loss.
- (c) *Gain (loss) on trading and investment securities* - Gain (loss) on trading and investment securities is recognized when the contractual rights on the securities is transferred to the buyer (at an amount equal to the difference of the selling price and the carrying amount of securities) and as a result of the mark-to market valuation of outstanding securities classified as FVTPL at year-end.
- (d) *Dividend* - Dividend income, presented under “Miscellaneous income” is recognized when the Group’s right to receive payment is established.

Expense Recognition

Expenses are recognized in the statement of income upon utilization of the resources or services or at the date these are incurred. All finance costs are reported on an accrual basis.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as Lessee accounts for its leases as follows:

Group as Lessor

Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Lease income from operating leases is recognized as income in the statement of income on a straight-line basis over the lease term.

The Group determines whether an arrangement is, or contains a lease based on the substance of the arrangement. It makes an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated



depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

ii. Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest recognized under Interest expense of bills payable and other liabilities and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases for some branches and the related parking spaces, stalls used for specific events and several office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of ATM offsite locations, signages and several items of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term as is recognized as part of 'Occupancy' in the statement of income.

Foreign Currency Transactions and Translations

The accounting records of the Group are maintained in Philippine pesos except for the FCDU of the Parent Bank which are maintained in United States (U.S.) dollars. Foreign currency transactions during the period are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

For financial reporting purposes, the accounts of the FCDU are translated into their equivalents in Philippine pesos based on the Philippine Dealing System closing rates (PDSCR) prevailing at the end of the period (for resources and liabilities) and at the average PDSCR for the period (for income and expenses).

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.



Changes in the fair value of monetary financial assets denominated in foreign currency are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in the statement of income, and other changes in the carrying amount are recognized in other comprehensive income.

Impairment of Non-financial Assets

The Group's intangible assets (consisting of computer software, customer relationship and core deposits recorded as part of Other resources and goodwill), bank premises, furniture, fixtures and equipment, investment properties, investments in subsidiaries (for Parent Bank only) and other non-financial assets are subject to impairment testing. Intangible assets with an indefinite useful life, such as goodwill, are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment loss is recognized in the statement of income for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value, reflecting market conditions, less costs to sell and value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss, except for goodwill.

Employee Benefits

The Group's employment benefits to employees are as follows:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by a trustee.

The liability recognized in the statement of financial position for a defined benefit plan (included as part of Other Liabilities) is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows arising from expected benefit payments using a discount rate derived from the interest rates of a zero-coupon government bond as published by Philippine Dealing & Exchange Corp.,



that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is included as part of Interest expense or Interest income in the statement of income.

Past-service costs are recognized immediately in the statement of income in the period of a plan amendment or curtailment.

(b) Post-employment Defined Contribution Plan

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred.

(c) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Profit-Sharing and Bonus Plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Parent Bank's shareholders, as indicated in the statement of income, after certain regulatory adjustments. The Group recognizes a provision where it is contractually obliged to pay the bonus plans. The Group also recognizes a provision for profit-sharing and bonus plans where there is a past practice that has created a constructive obligation, whether paid in cash or in the form of shares of the Parent Bank to be issued under the Employee Stock Plan.

(e) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting date.

They are included as part of Accrued taxes and other expenses under the Other liabilities account in the statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Income Taxes

Tax expense recognized in the statement of income comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in capital funds, if any.



Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in capital funds. In this case, the tax is also recognized in other comprehensive income or directly in capital funds, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

Related Party Relationships and Transactions

Related party transactions are transactions or dealings with related parties, regardless of whether a price is charged. These covers all types of transactions both on and off-balance sheet and regardless of which side of the transaction/deal of the bank is acting.

Parties are said to be related if one has direct or indirect control as well as significant influence over the other. Related Parties of the Bank include, but is not limited to: (a) DOSRI, subsidiaries, affiliates, and any party that directly or indirectly has control over or is subjected to the control of the Bank as well as those with direct and indirect linkages to it, (b) the Bank's and its affiliated companies' directors, officers, stockholders, and their related interests and close family members, and (c) other persons and juridical entities whose interests may pose potential conflict with the Bank.



In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Earnings Per Share

Basic earnings per share are determined by dividing the net profit for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year, after retroactive effect to any stock dividends declared in the current year.

Diluted earnings per common share are also computed by dividing net profit by the weighted average number of common shares subscribed and outstanding at the end of the reporting period, after making adjustments to reflect the effects of any potentially dilutive preferred shares, stock options and warrants.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and services as disclosed in Note 6, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these services require different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements in arriving at the operating profit of the operating segments.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a particular segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group's operations are organized according to the nature of the products and services provided. Financial information on business segments is presented in Note 6.

Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's position at the statement of financial position date (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.



3. Summary of Accounting Judgments and Estimates

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

Unless otherwise stated, below significant judgments and estimates apply as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025.

Critical Management Judgments in Applying Accounting Policies

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

Evaluation of business model in managing financial instruments

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument). The Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Group.

PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

Testing the cash flow characteristics of financial assets

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the



undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met.

In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group determined that generally, the options to extend or terminate the lease are not included in the determination of the lease term. These optional periods are not enforceable, as the Group cannot enforce the extension of the lease without the agreement from the lessor, and therefore, the Group does not have the right to use the asset beyond the non-cancellable period.

Key Sources of Estimation Uncertainty

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

Estimation of impairment losses on Loans and other receivables, Financial assets at amortized cost and Financial assets at FVOCI

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

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Significant factors affecting the estimates on the ECL model include:

- The Group's internal rating system, which assigns PD to individual grades. Qualitative assessments were also considered during risk rating to account for other relevant potential drivers of credit risk.
- The Group's criteria for assessing if there has been a SICR which is the basis for measuring allowances for financial assets on a Lifetime Expected Credit Loss (LTECL) basis. There are also qualitative assessments to consider significant increase in credit risk based on the identified risk profiles of their accounts and portfolios. The Parent Bank updated the stage assessment to include enhancements on the factors considered in the movements in the borrower's credit rating when determining the significant increase in credit risk, which include rating threshold triggers.
- The Group's definition of default. The Bank considers the regulatory requirement and the Bank's indicators of loss events.



- Development of ECL models, including the various formulas and the choice of inputs. Models have been developed, reviewed and/or revised as appropriate based on latest reviews, economic outlook and studies from external sources. The provisioning methodology for Wholesale Stage 3 accounts are also enhanced to consider specific factors affecting its recoverability which includes the expected life of the financial asset, expected recoveries and impact of credit enhancements extended by any party.
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels, level of government spending, and collateral values, and their effect on ECL calculation. As the economy progresses, analyses and forecasts were continuously reviewed and updated as needed. The quantitative overlays were complemented by experience-based expert judgment inputs through management overlays considered integral to the systematic process.

The carrying amount of loans and other receivables and the related allowance are disclosed in Notes 14 and 20, while the carrying amount of debt financial assets classified under amortized cost and fair value through other comprehensive income and the related allowances are disclosed in Notes 12, 13 and 20.

Fair value of derivatives

Management applies valuation techniques to determine the fair value of derivatives that are not quoted in active markets. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Valuation techniques are used to determine fair values which are validated and periodically reviewed. To the extent practicable, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions could affect reported fair value of financial instruments. The Group uses judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The fair values of derivatives as of December 31, 2025 and 2024 are presented and grouped into the fair value hierarchy in Note 7.

Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

The carrying value of recognized deferred tax assets is disclosed in Note 30.

Change in segment reporting

The Group's Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments. Interest income is reported net as management primarily relies on net interest revenue



as a performance along with the gross income and expense. Transfer prices between operating segments are based on the Bank's internal pricing framework.

As a result of a change in internal reporting, entities may change individual elements of their segment reporting. When an entity changes any of its segment measures, including the definition of segment profit, or changes the allocation of income, expenses, assets or liabilities to segments, without a change to the composition of its reportable segments, the general principles of PAS 1 for changes in presentation or classification of items apply. Therefore, comparative information would be restated, unless this is impracticable.

As discussed in Note 6, the Group changed its segment approach to better reflect the underlying business dynamics and enhance clarity in the Group's segment performance measurement. Retail Banking Center (RBC) deposit products are now allocated across Consumer Banking and Institutional Banking, based on their respective sub-product segments: Retail Personal and SME under Consumer Banking, and Retail Commercial and Retail Corporate under Institutional Banking.

The change in reporting structure altered the composition of CGUs associated with the goodwill, requiring the goodwill to be reallocated in accordance with PAS 36. The reallocation was performed based on the allocation approach that estimates the expected economic benefits from the reconstituted CGUs. Please refer to Note 18 for details.

Impairment of goodwill

The Group conducts an annual review for any impairment in the value of goodwill. Goodwill is written down for impairment where the recoverable amount of the related CGU is insufficient to support its carrying value. The Group determines the recoverable value of the CGU to which goodwill is allocated by discounting the estimated free cash flows using the weighted-average cost of capital (WACC) as the discount rate. The Group estimates the discount rate used for the computation of the net present value by reference to industry cost of capital.

The recoverable amount of the CGU is determined based on a value-in-use calculation using cash flow projections from financial budgets covering a five-year period. Financial budget for the immediately succeeding year is approved by senior management and BOD of the Parent Bank, while the financial budgets for the other years of cash flow projections are determined by corporate planning group and the relevant business units.

The discount rates used for the computation of the value in use for various CGUs (see Note 18) are based on the pre-tax discount rates ranging from 15.2% to 54.3% and from 22.0% to 48.8% as of December 31, 2025 and 2024, respectively. The long-term growth rates used are 4.5% to 5.4% as of December 31, 2025 and 5.8% as of December 31, 2024. The CGUs to which the goodwill is allocated and related carrying values of the goodwill are disclosed in Note 18.

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

The carrying amount of goodwill is disclosed in Note 18.



Valuation of post-employment and other benefits

The determination of the Group's obligation and cost of pension and other post-employment benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rates of salary increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or loss and the carrying amount of the post-employment benefit obligation in the next reporting period.

The Group also estimates other employee benefit obligations and expenses, including the cost of paid leaves based on historical leave availments of employees, subject to the Group and the Parent Bank policies. These estimates may vary depending on future changes in salaries and actual experiences during the year.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit obligation, as well as significant assumptions such as salary rate increase, discount rates, and turnover rates used in estimating such obligation are presented in Note 29.

4. Risk Management Objectives and Policies

Risks are inherent in the business activities of the Group. Among its identified top risks are credit risk, operational risk, regulatory compliance risk, interest rate risk on banking book (IRRBB), liquidity risk and market risk. These are managed through a risk management framework and governance structure that provides comprehensive controls and management of major risks on an ongoing basis.

Risk management comprises the systematic identification, assessment, measurement, and monitoring of risks across the Group. It provides a consistent and transparent framework for evaluating which risks are accepted or mitigated, in alignment with the risk appetite set by the BOD. This framework supports disciplined risk-taking while allowing business units to pursue sustainable value creation and maximize risk-adjusted returns.

Risk Management Structure

The BOD exercises oversight of the Bank's risk management process as a whole and through its various risk committees. For the purpose of day-to-day management of risks, the Bank has established independent risk management units (RMUs) that objectively review and ensure compliance to the risk appetite and parameters set by the BOD. They are responsible for the monitoring and reporting of risks to senior management and the various Board-level committees of the Bank.

The BOD is primarily responsible for setting the risk appetite, approving risk parameters, risk policies, and investment guidelines, as well as establishing the overall risk taking capacity of the Bank. To fulfil its responsibilities in risk management, the BOD has established the following Committees, whose functions are described below.



- (a) The Executive Committee (EXCOM) is composed of seven (7) members of the BOD. The EXCOM exercises certain functions as delegated by the BOD, including among others, the approval of credit and loan transactions, asset recovery, real and other properties acquired (ROPA) sales, and such other transactions as may be initiated by the Bank units within the EXCOM's delegated limits.
- (b) The Risk Management Committee (RMC) is composed of at least seven (7) members of the BOD, majority of whom are independent directors including the Chairman, who cannot be the chairman of the board or any other board committee. The RMC advises the BOD regarding the Bank's overall current and future risk appetite, oversees Senior Management's adherence to the risk appetite statement, and reports on the state of risk culture of the Parent Bank. The RMC oversees the Bank's risk management framework and the risk management function. The RMC also provides oversight, direction, and guidance to the other risk committees, specifically the Market Risk Committee (MRC) and the Operations Risk Management Committee (ORMC).
- (c) The MRC is composed of nine (9) members of the BOD, majority of whom are independent directors, including the Chairman. The MRC is primarily responsible for reviewing the risk management policies and practices relating to market risk including interest rate risk in the banking book and liquidity risk.
- (d) The Operational Risk Management Committee (ORMC), composed of at least seven (7) non-executive Board members (including an independent Chair), oversees the Bank's operational risk management. This oversight includes policy review and approval of the Operational Risk Management Framework (a component of the Enterprise Risk Management System), as well as ensuring its implementation across all business and functional units, including insourced, outsourced, and external services. The ORMC's objective is to minimize financial losses, exceed customer expectations, and maintain operational resilience. Furthermore, it fosters a culture of operational risk accountability through a framework emphasizing proactive prevention, root cause analysis, and lessons learned.
- (e) The Audit Committee is composed of seven (7) members, all non-executive and majority of whom are independent, including the Chairman, most of whom are with accounting, auditing, or related financial management expertise or experience. The skills, qualifications, and experience of the committee members are appropriate for them to perform their duties as laid down by the BOD.

The Audit Committee serves as principal agent of the BOD in ensuring independence of the Parent Bank's external auditors and the internal audit function. It also oversees the Parent Bank's financial reporting process on behalf of the BOD. It assists the BOD in fulfilling its fiduciary responsibilities as to accounting policies, reporting practices and the sufficiency of auditing relative thereto, and regulatory compliance.

To effectively perform these functions, the Audit Committee obtains a good understanding of the Parent Bank's business, including its structure, controls, and the types of transactions or other financial reporting matters applicable to the Parent Bank, as well as to determine whether the controls are adequate, functioning as designed, and operating effectively. It also considers the potential effects of emerging business risks and their impact on the Parent Bank's financial position and results of operations.



Among the responsibilities of the Audit Committee are:

- *Oversight of the financial reporting process.* The Audit Committee ensures that the Parent Bank has a high-quality reporting process that provides transparent, consistent, and comparable financial statements. In this regard, the Audit Committee works closely with management especially the Office of the Financial Controller, the Internal Audit Group (IAG), as well as the external auditors, to effectively monitor the financial reporting process and resolution of any significant financial reporting issues and concerns.
- *Monitoring and evaluation of internal control.* The Audit Committee requires management to maintain a comprehensive Internal Control Framework. The Audit Committee, through the IAG, monitors and evaluates the adequacy and effectiveness of the internal control framework, the integrity of financial reporting, and security of physical assets, and ensures that a proactive and forward-looking approach to evaluation of risks and controls is taken. The Audit Committee ensures that periodic assessment of the internal control system is conducted to identify weaknesses and evaluates its robustness considering the risk profile and strategic direction of the Parent Bank.
- *Oversight over the Internal Audit Function.* The Audit Committee ensures the independence and effectiveness of the internal audit function by establishing its reporting line to the Audit Committee and approving its charter, audit plans, and allocated resources. It ensures unrestricted access for audit activities, oversees the appointment and remuneration of the Chief Audit Executive, and monitors adherence to audit standards. The Committee also mandates periodic external quality reviews, evaluates governance structures across subsidiaries, and approves group-wide audit strategies to strengthen risk oversight.
- *Conduct of Executive Sessions.* The Audit Committee conducts executive sessions with the Board and the Chief Audit Executive, and separately with external auditors, to discuss matters deemed appropriate for private discussion without the Chief Executive Officer (CEO) or other members of management present. These sessions address the effectiveness and efficiency of the Bank's internal control system, significant internal audit reports and recommendations, and matters relating to fraud risk management and the whistleblowing mechanism.
- *Oversight of Implementation of Corrective Actions.* The Audit Committee monitors management's implementation of timely and effective corrective actions on audit recommendations. This oversight ensures that identified weaknesses, policy and regulatory non-compliance, and other issues raised by auditors and control functions are addressed promptly and adequately to maintain sound governance and risk management.
- *Oversight over External Audit.* The Audit Committee exercises oversight over the external audit process by reviewing the appointment, scope, approach, and fees the external auditor. The Audit Committee evaluates auditor independence, performance, and compliance with auditing standards, including restrictions on non-audit services. The Committee also monitors internal control issues raised by the external auditors and ensures timely, complete communication between management and the external auditors.



- *Oversight of the outsourced internal audit activities.* The Audit Committee oversees the performance of internal audit service providers and ensures that they comply with sound internal auditing standards and other supplemental standards issued by regulatory authorities as well as with relevant codes of ethics.
- *Oversees the implementation of Group Internal Audit Policy.* The Audit Committee oversees the implementation of the policy through the periodic reports on oversight of the Group Internal Audit and takes appropriate action on any group internal oversight issues identified. The Audit Committee reviews and evaluates the group internal audit policy, and any amendments thereto, and endorses the same to the BOD for approval.
- *Oversight of the Establishment of a Whistleblowing Mechanism.* The Audit Committee oversees the establishment of a whistleblowing mechanism in the Bank by which officers and staff shall in confidence raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing, or other issues, to persons or entities that have the power to take corrective action. It also ensures that arrangements are in place for the independent investigation, appropriate follow-up, action, and subsequent resolution of complaints.

The Audit Committee regularly reports to the BOD about committee activities in relation to its responsibilities and how they were discharged, issues, and related recommendations. The Audit Committee also assesses the continuing adequacy of the Audit Committee Charter and confirms annually that all responsibilities outlined therein have been carried out.

In the performance of these functions, the Audit Committee is supported by the IAG. The Chief Audit Executive derives authority from and is directly accountable to the Audit Committee. However, administratively, the Chief Audit Executive reports to the President of the Parent Bank.

The internal audit function is entirely independent from all the other organizational units of the Parent Bank, as well as from the personnel and work that are to be audited. It operates under the direct control of the Audit Committee and is given an appropriate standing within the Parent Bank to be free from bias and interference. IAG is free to report its findings and appraisals internally at its own initiative to the Audit Committee.

The IAG is authorized by the Audit Committee to have unrestricted access to all functions, records, property, and personnel of the Bank subject to existing mandates and applicable laws. This includes the authority to allocate resources, set audit frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish the audit engagement objectives.

The IAG is also authorized to obtain the necessary assistance from personnel within the Parent Bank units where they perform audits, as well as other specialized services within or outside the Parent Bank.

The IAG presents its risk-based and forward-looking audit plan consistent with the Parent Bank's strategic plans and priorities every quarter for approval by the Audit Committee.



At least once a month, the Audit Committee meets to discuss the results of the assurance and advisory engagements, and case investigations by IAG. Financial Reporting and Controllershship related topics are also included as needed. The results of these meetings are regularly reported by the Audit Committee Chairman to the BOD in its monthly meetings.

- (f) The Corporate Governance Committee (CGC) is primarily responsible for helping the BOD fulfill its corporate governance and compliance responsibilities. It is responsible for ensuring the BOD's effectiveness and due observance of corporate governance principles and of oversight over the compliance risk management. It assists in the establishment of a compliance program that facilitates the escalation and resolution of compliance issues expeditiously. The CGC also acts as the Bank's Nomination Committee and reviews the qualifications of and screens candidates for the board including nominees for independent directors and key officers of the Parent Bank. The CGC likewise reviews the qualifications of and screens candidates of its nominees to its subsidiaries. It also oversees the succession plan for board members and senior officers, and directs the alignment of the latter's remuneration with corporate and individual performance.

The CGC is composed of nine (9) members of the BOD, all non-executive, majority of whom, including its Chairman, are independent directors. Its specific duties include, among others, making recommendations to the BOD regarding continuing education of directors, providing a communication channel for its subsidiaries and affiliates to ensure that the bank, as the Parent company, is kept well abreast of material issues, and overseeing the periodic performance evaluation of the 1) Board; 2) Board Committees; 3) Individual Directors; 4) Management-level Committees (through the respective committee secretariats; and 5) Chief Compliance and Corporate Governance Officer (CCO).

The CGC also performs oversight functions over the Compliance and Corporate Governance Office (CCGO) and the following management-level committees: 1) Anti-Money Laundering Committee and 2) Discipline Committee. Furthermore, the Sustainability Team of the Enterprise Risk and Management (ERM) unit regularly reports the status of the Bank's sustainability compliance to the CGC, pursuant to the Committee's mandate to ensure that ESG principles and sustainability objectives remain relevant to the business.

Senior management, through CCGO, periodically reports to the CGC the status of regulatory audit and compliance testing findings until their closure. Any material breaches of the compliance program are reported to and promptly addressed by the CCO within the mechanisms defined by the Compliance Manual.

The Parent Bank's CCO defines the Group's governance and compliance requirements and works closely with the subsidiaries' Chief Compliance Officers in the execution of these standards.

The Parent Bank's CCO assists the CGC in fulfilling its functions by apprising the same of (1) pertinent regulations and other issuances relating to compliance and corporate governance, (2) related regulatory issues and compliance initiatives affecting the various units and the status of the corrective action plans, and (3) continuously giving updates thereon. In addition, the CCO keeps the CGC abreast of best governance practices and discusses issues brought up among private organizations and individuals advocating good governance philosophy.



- (g) The Related Party Transaction Committee is a board-level committee composed of five (5) members, all of whom are independent directors, including its Chairman. The Committee assists the BOD in the fulfillment of its corporate governance responsibilities on related party transactions by ensuring among others, that:
- RPTs are transacted at arm's length, in the ordinary course of business, and in accordance with existing policies and regulations.
 - RPTs are reviewed and endorsed to the Board for approval or confirmation, as applicable
 - RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships are reflected in the relevant reports to the board and regulators.

The major risk types identified by the Group are discussed in the following sections:

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligation to the Group. The risk may arise from lending, trade finance, treasury, investments, derivatives and other activities undertaken by the Group. Credit risk is managed through strategies, policies and limits that are approved by the respective BOD and/or Credit Committee of the various companies within the Group. With respect to the Parent Bank, it has a well-structured and standardized credit approval process and credit scoring system for each of its business and/or product segments.

The ERM undertakes several functions with respect to credit risk management. The ERM independently performs credit risk assessment, evaluation and review for its consumer, commercial and corporate financial products to ensure consistency in the Parent Bank's risk assessment process. It also ensures that the Parent Bank's credit policies and procedures are adequate and are constantly updated to meet the changing demands or risk profiles of the business units. The ERM also reports to the Board's RMC.

The ERM's portfolio management function involves the review of the Parent Bank's loan portfolio, including the portfolio risks associated with particular customer segment, industry sectors, regions, loan size and maturity, and the development of a strategy for the Parent Bank to achieve its desired portfolio mix and risk profile. The ERM reviews the Parent Bank's loan portfolio quality in line with the Parent Bank's policy of avoiding significant concentrations of exposure to specific industries or groups of borrowers. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features. Concentrations indicate the relative sensitivity of the Parent Bank's performance to developments affecting a particular industry or geographical location.

The Group and the Parent Bank consider concentration risk to be present when the total exposure to a particular industry exceeds 30.0% of the total exposure, which is similar to the BSP requirement. As of December 31, 2025 and 2024, the Group and the Parent Bank did not exceed the limit in any of its industry concentration.

In order to avoid excessive concentrations of risk, the Parent Bank's policies and procedures include guidelines for maintaining a diversified portfolio mix (e.g., concentration limits). Identified concentrations of credit risks are controlled and managed accordingly. The ERM also monitors compliance to the BSP's limit on exposures.



An analysis of concentrations of credit risk for loans and other receivables and investment securities (grossed up for any allowance for credit losses and unearned discounts) of the Group and the Parent Bank by industry and by geographic location as of December 31, 2025 and 2024 is shown below (amounts in thousands):

	Group			
	2025			
	Loans and Other Receivables		Trading and Investment Securities	Total
	Amount	%		
<i>Concentration by industry</i>				
Financial and insurance activities	P29,155,067	5.18	P425,581,109	P454,736,176
Other consumption	280,412,166	49.78	–	280,412,166
Real estate activities	86,904,570	15.43	11,039,587	97,944,157
Electricity, gas steam and air conditioning supply	21,994,580	3.90	22,359,209	44,353,789
Wholesale and retail trade, repair of motor vehicles	28,557,653	5.07	–	28,557,653
Arts, entertainment and recreation	28,165,503	5.00	–	28,165,503
Information and communication	26,371,573	4.68	–	26,371,573
Transportation and storage	15,009,447	2.66	2,505,376	17,514,823
Manufacturing	16,065,060	2.85	–	16,065,060
Construction	9,254,151	1.64	–	9,254,151
Agriculture, forestry and fishing	3,598,678	0.64	–	3,598,678
Activities of households as employers and undifferentiated goods and services	1,934,450	0.34	–	1,934,450
Other service activities	1,767,495	0.31	–	1,767,495
Accommodation and food service activities	1,510,390	0.27	–	1,510,390
Professional, scientific and technical activities	509,058	0.09	–	509,058
Others	12,039,390	2.14	8,655,036	20,694,426
	P563,249,231	100.0	P470,140,317	P1,033,389,548
<i>Concentration by location</i>				
Philippines	P563,249,231	100.0	P380,003,524	P943,252,755
United States	–	–	45,376,466	45,376,466
Others - Asia	–	–	30,137,955	30,137,955
North America	–	–	7,693,163	7,693,163
South America	–	–	6,091,134	6,091,134
Europe	–	–	838,075	838,075
	P563,249,231	100.0	P470,140,317	P1,033,389,548

	Group			
	2024			
	Loans and Other Receivables		Trading and Investment Securities	Total
	Amount	%		
<i>Concentration by industry</i>				
Financial and insurance activities	P36,287,795	6.66	P437,848,516	P474,136,311
Other consumption	236,274,329	43.38	–	236,274,329
Real estate activities	93,720,155	17.21	13,981,886	107,702,041
Electricity, gas steam and air conditioning supply	14,364,514	2.64	25,476,487	39,841,001
Wholesale and retail trade, repair of motor vehicles	31,653,180	5.81	–	31,653,180
Arts, entertainment and recreation	22,784,818	4.18	–	22,784,818
Information and communication	28,378,273	5.21	–	28,378,273
Transportation and storage	15,367,065	2.82	2,486,098	17,853,163
Manufacturing	17,353,646	3.19	–	17,353,646
Construction	7,766,191	1.43	–	7,766,191
Agriculture, forestry and fishing	2,629,485	0.48	–	2,629,485
Activities of households as employers and undifferentiated goods and services	2,461,152	0.45	–	2,461,152
Other service activities	8,711,874	1.60	–	8,711,874
Accommodation and food service activities	1,391,169	0.26	–	1,391,169
Professional, scientific and technical activities	470,575	0.09	–	470,575
Others	24,993,053	4.59	8,537,880	33,530,933
	P544,607,274	100.0	P488,330,867	P1,032,938,141
<i>Concentration by location</i>				
Philippines	P544,607,274	100.0	P427,730,677	P972,337,951
Others – Asia	–	–	28,363,556	28,363,556
United States	–	–	15,717,181	15,717,181
North America	–	–	7,661,426	7,661,426
South America	–	–	6,095,184	6,095,184
	P544,607,274	100.0	P485,568,024	P1,030,175,298



	Parent Bank			
	2025			
	Loans and Other Receivables		Trading and Investment Securities	Total
	Amount	%		
<i>Concentration by industry</i>				
Financial and insurance activities	₱28,842,966	6.67	₱365,486,700	₱394,329,666
Other consumption	154,527,291	35.73	–	154,527,291
Real estate activities	85,882,244	19.86	11,039,587	96,921,831
Electricity, gas steam and air conditioning supply	21,993,971	5.09	22,359,209	44,353,180
Arts, entertainment and recreation	28,145,229	6.51	–	28,145,229
Wholesale and retail trade, repair of motor vehicles	27,598,935	6.38	–	27,598,935
Information and communication	26,360,112	6.09	–	26,360,112
Transportation and storage	14,863,690	3.44	2,505,376	17,369,066
Manufacturing	15,756,095	3.64	–	15,756,095
Construction	9,032,424	2.09	–	9,032,424
Agriculture, forestry and fishing	2,556,893	0.59	–	2,556,893
Activities of households as employers and undifferentiated goods and services	1,933,678	0.45	–	1,933,678
Other service activities	1,476,162	0.34	–	1,476,162
Accommodation and food service activities	1,229,950	0.28	–	1,229,950
Professional, scientific and technical activities	499,619	0.12	–	499,619
Others	11,804,945	2.73	8,655,036	20,459,981
	₱432,504,204	100.0	₱410,045,908	₱842,550,112
<i>Concentration by location</i>				
Philippines	₱432,504,204	100.0	₱319,909,115	₱752,413,319
United States	–	–	45,376,466	45,376,466
Others - Asia	–	–	30,137,955	30,137,955
North America	–	–	7,693,163	7,693,163
South America	–	–	6,091,134	6,091,134
Europe	–	–	838,075	838,075
	₱432,504,204	100.0	₱410,045,908	₱842,550,112
<i>Concentration by industry</i>				
Financial and insurance activities	₱28,842,966	6.67	₱365,486,700	₱394,329,666
Other consumption	154,527,291	35.73	–	154,527,291
Real estate activities	85,882,244	19.86	11,039,587	96,921,831
Electricity, gas steam and air conditioning supply	21,993,971	5.09	22,359,209	44,353,180
Arts, entertainment and recreation	28,145,229	6.51	–	28,145,229
Wholesale and retail trade, repair of motor vehicles	27,598,935	6.38	–	27,598,935
Information and communication	26,360,112	6.09	–	26,360,112
Transportation and storage	14,863,690	3.44	2,505,376	17,369,066
Manufacturing	15,756,095	3.64	–	15,756,095
Construction	9,032,424	2.09	–	9,032,424
Agriculture, forestry and fishing	2,556,893	0.59	–	2,556,893
Activities of households as employers and undifferentiated goods and services	1,933,678	0.45	–	1,933,678
Other service activities	1,476,162	0.34	–	1,476,162
Accommodation and food service activities	1,229,950	0.28	–	1,229,950
Professional, scientific and technical activities	499,619	0.12	–	499,619
Others	11,804,945	2.73	8,655,036	20,459,981
	₱432,504,204	100.0	₱410,045,908	₱842,550,112
<i>Concentration by location</i>				
Philippines	₱432,504,204	100.0	₱319,909,115	₱752,413,319
United States	–	–	45,376,466	45,376,466
Others - Asia	–	–	30,137,955	30,137,955
North America	–	–	7,693,163	7,693,163
South America	–	–	6,091,134	6,091,134
Europe	–	–	838,075	838,075
	₱432,504,204	100.0	₱410,045,908	₱842,550,112

The table below shows the breakdown of the Group's and the Parent Bank's exposure (outstanding balance and accrued interest receivable) on receivable from customers and investments and placements as of December 31, 2025 and 2024:

	Group	
	2025	2024
Consumer products*	₱159,080,387	₱137,551,702
Corporate loans	135,580,887	129,847,959
CSB salary loans	93,379,457	88,803,586
Home loans	54,342,905	68,852,185
Commercial loans	66,386,553	65,129,415
Other receivables from customers**	44,197,921	43,440,299
Total receivables from customers	552,968,110	533,625,146
Investments and placements	470,140,317	488,330,867
	₱1,023,108,427	₱1,021,956,013

*Comprised of the Parent Bank's Small and Medium Enterprise (SME) Financial Products, Auto Loans, Credit Cards and Personal Loans

**Comprised primarily of High-net-worth-individuals loans, Corporate retail loans, HR loans, Personal loans of Union Digital, and motorcycle loans of CSB



	Parent Bank	
	2025	2024
Consumer products*	₱159,080,387	₱137,551,702
Corporate loans	135,580,887	129,847,959
Home loans	54,342,905	68,852,185
Commercial loans	66,386,553	65,129,415
Other receivables from customers**	10,866,150	11,061,503
Total receivables from customers	426,256,882	412,442,764
Investments and placements	420,045,908	437,973,957
	₱846,302,790	₱850,416,721

*Comprised of the Parent Bank's Small and Medium Enterprise (SME) Financial Products, Auto Loans, Credit Cards and Personal Loans

**Comprised primarily of High-net-worth-individuals loans, Corporate retail loans, HR loans, Personal loans of Union Digital, and motorcycle loans of CSB

Investments and placements include financial assets at amortized cost, debt securities classified as financial assets at FVOCI, due from other banks, due from BSP and interbank loans receivable and the related accrued interest receivable amounting to ₱4.73 billion and ₱4.70 billion for the Group as of December 31, 2025 and 2024, respectively, and ₱4.58 billion and ₱4.53 billion for the Parent Bank as of December 31, 2025 and 2024, respectively,

The following summarizes the Group's credit risk management practices and the relevant quantitative and qualitative financial information regarding the credit exposure according to portfolios:

Credit risk management practices and credit quality disclosures

Corporate Loans

Corporate lending activities are undertaken by the Parent Bank's Corporate Banking Center. The customer accounts under this group belong to the top tier corporations, conglomerates and large multinational companies.

The Parent Bank undertakes a comprehensive procedure for the credit evaluation and risk assessment of large corporate borrowers based on its obligor risk rating master scale.

The Parent Bank currently utilizes the same single rating system for both Corporate and Commercial accounts. In addition, the result on the latter is further refined through a second model to take more careful account of the nuances between the commercial bank portfolio with that of the corporate loan book.

The rating system assesses default risk based on financial profile, management capacity, industry performance, and other factors deemed relevant. Significant changes in the credit risk considering movements in credit rating, among other account-level profile and performance factors, define whether the accounts are classified in either Stage 1, Stage 2, or Stage 3 per PFRS 9 impairment standards. In 2023, the Parent Bank updated the stage assessment to enhance the considerations related to movements in the borrower's credit rating when determining significant increase in credit risk, which include rating threshold triggers.

Based on foregoing factors, each borrower is assigned a Borrower Risk Rating (BRR), from AAA to D. In addition to the BRR, the Parent Bank assigns a loan exposure rating (LER), a 100-point system which consists of a Facility Tenor Rating (FTR) and a Security Risk Rating (SRR). The FTR measures the maturity risk based on the length of loan exposure, while the SRR measures the quality of the collateral and risk of its potential deterioration over the term of the loan. The FTR and the SRR, each a 100-point scoring system, are given equal weight in determining the LER.



Once the BRR and the LER have been determined, the credit limit to a borrower is determined under the Risk Asset Acceptance Criteria (RAAC) which is a range of acceptable combinations of the BRR and the LER. Under the RAAC system, a borrower with a high BRR will have a broader range of acceptable LERs.

The credit rating for each borrower is reviewed annually or earlier when there are extraordinary or adverse developments affecting the borrower, the industry and/or the Philippine economy such as the COVID-19 pandemic. Any major change in the credit scoring system, the RAAC range and/or the risk-adjusted pricing system is presented to and approved by the RMC.

The description of each credit quality grouping for the credit scores is explained further as follows:

High Quality Grade - These accounts are of the highest quality and are likely to meet financial obligations.

Standard Grade - These accounts may be vulnerable to adverse business, financial and economic conditions but are expected to meet financial obligations.

Substandard Grade - These accounts are vulnerable to non-payment but for which default has not yet occurred.

Non-Performing - These refer to accounts which are in default or those that demonstrate objective evidence of impairment.

Below is the breakdown of the Group and Parent Bank's corporate loans exposure (outstanding balance and accrued interest receivable) by masterscale rating as of December 31, 2025 and 2024:

Credit Score	Masterscale	December 31, 2025			
		Amounts			Total
		Stage 1	Stage 2	Stage 3	
<i>High Quality Grade</i>					
AAA to A-	1	₱-	₱-	₱-	₱-
BBB+	2	1,379,506	-	-	1,379,506
BBB	3	-	-	-	-
BBB- to BB+	4	17,291,791	-	-	17,291,791
<i>Standard Grade</i>					
BB to BB-	5	56,807,875	-	-	56,807,875
B+	6	16,338,301	-	-	16,338,301
B to B-	7	18,750,718	-	-	18,750,718
CCC+ to CCC	8	-	23,877,046	-	23,877,046
<i>Substandard Grade</i>					
Lower than CCC	9	754,253	124,719	-	878,972
<i>Non-Performing</i>					
Default	10	-	-	256,678	256,678
		₱111,322,444	₱24,001,765	₱256,678	₱135,580,887



Credit Score	Masterscale	December 31, 2024			
		Amounts			Total
		Stage 1	Stage 2	Stage 3	
<i>High Quality Grade</i>					
AAA to A-	1	P–	P–	P–	P–
BBB+	2	3,065,224	–	–	3,065,224
BBB	3	3,586,437	–	–	3,586,437
BBB- to BB+	4	11,144,592	–	–	11,144,592
<i>Standard Grade</i>					
BB to BB-	5	55,043,038	–	–	55,043,038
B+	6	20,977,372	–	–	20,977,372
B to B-	7	20,499,788	–	–	20,499,788
CCC+ to CCC	8	57,690	12,613,869	–	12,671,559
<i>Substandard Grade</i>					
Lower than CCC	9	2,438,518	194,029	–	2,632,547
<i>Non-Performing</i>					
Default	10	–	–	227,402	227,402
		₱116,812,659	₱12,807,898	₱227,402	₱129,847,959

Commercial Loans

The Group and Parent Bank's commercial banking activities are undertaken by its Commercial Banking Center (ComBank). These consist of banking products and services rendered to customers which are entities that are predominantly middle market companies. These products and services are similar to those provided to large corporate customers, with the predominance of trade finance-related products and services.

The non-financial ComBank accounts use an adjusted obligor rating scale derived from the one applied for corporate loans, and follows the same RAAC framework, while ComBank accounts classified as banks and non-bank financial institutions are still rated using the 2018 rating scale.

Below is the breakdown of the Group and Parent Bank's commercial loans exposure (outstanding balance and accrued interest receivable) by masterscale rating as of December 31, 2025 and 2024 for financial and non-financial institutions:

Financial Institutions

Credit Score	Masterscale	December 31, 2025			
		Amounts			Total
		Stage 1	Stage 2	Stage 3	
<i>High Quality Grade</i>					
AAA to A-	1	P–	P–	P–	P–
BBB+	2	–	–	–	–
BBB-	3	–	–	–	–
BBB- to BB+	4	1,045,943	–	–	1,045,943
<i>Standard Grade</i>					
BB to BB-	5	2,687,582	–	–	2,687,582
B+	6	1,376,512	–	–	1,376,512
B to B-	7	3,998,711	–	–	3,998,711
CCC+ to CCC	8	–	106,348	–	106,348
<i>Substandard Grade</i>					
Lower than CCC	9	–	30,158	–	30,158
<i>Non-Performing</i>					
Default	10	–	–	28,172	28,172
		₱9,108,748	₱136,506	₱28,172	₱9,273,426



Credit Score	Masterscale	December 31, 2024			
		Amounts			
		Stage 1	Stage 2	Stage 3	Total
<i>High Quality Grade</i>					
AAA to A-	1	P–	P–	P–	P–
BBB+	2	–	–	–	–
BBB-	3	–	–	–	–
BBB- to BB+	4	–	–	–	–
<i>Standard Grade</i>					
BB to BB-	5	2,830,955	–	–	2,830,955
B+	6	1,312,994	–	–	1,312,994
B to B-	7	6,073,537	–	–	6,073,537
CCC+ to CCC	8	–	120,703	–	120,703
<i>Substandard Grade</i>					
Lower than CCC	9	–	75,439	–	75,439
<i>Non-Performing</i>					
Default	10	–	–	28,172	28,172
		P10,217,486	P196,142	P28,172	P10,441,800

Non-financial Institutions

Masterscale	December 31, 2025			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	P–	P–	P–	P–
2	–	–	–	–
3	69,834	–	–	69,834
4	6,134,779	–	–	6,134,779
5	18,218,252	–	–	18,218,252
6	11,514,826	–	–	11,514,826
7	10,923,520	–	–	10,923,520
8	40,236	492,624	–	532,860
9	20,406	522,794	–	543,200
10	–	–	9,175,856	9,175,856
	P46,921,853	P1,015,418	P9,175,856	P57,113,127

Masterscale	December 31, 2024			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	P–	P–	P–	P–
2	–	–	–	–
3	80,266	–	–	80,266
4	6,597,738	–	–	6,597,738
5	12,584,148	–	–	12,584,148
6	10,164,025	–	–	10,164,025
7	11,621,597	–	–	11,621,597
8	53,159	1,182,133	–	1,235,292
9	1,165,352	1,585,868	–	2,751,220
10	–	–	9,653,329	9,653,329
	P42,266,285	P2,768,001	P9,653,329	P54,687,615

Consumer Financial Products

The Consumer loan portfolio of the Parent Bank is composed of five main product lines, namely: Home Loans, Credit Card, Personal Loans, Small and Medium Enterprise (SME) financial products and Auto Loans.

In particular, SME portfolio is composed of business lines and a small portion from emerging products.

Each of these products has established credit risk guidelines and systems for managing credit risk across all products. Credit models are constantly reviewed and updated as necessary supported by enhanced data analytics to improve portfolio quality and product offers.



For the subsidiary, CSB, an accredited lending institution of the Department of Education (DepEd), provides salary loans to teachers under an agreement with DepEd for payroll deductions. CSB also provides motorcycle loans as a result of its acquisition and subsequent merger with PR Savings Bank.

Exposure to credit risk is managed through diligent assessment upon onboarding and regular portfolio and segment analysis of the ability of borrowers to meet interest and principal repayment obligations and by changing these lending limits when appropriate.

The Consumer products' respective masterscale is defined by the credit scoring models, which consider demographic variables and behavioral performance, to segment the portfolio according to risk masterscale per product. The stages are defined by the approved SICR for Consumer which takes into account the following: NPL status, days past due, and credit score rating for Application Score (point of application) and Behavior Score (monthly credit performance).

Home Loans (excluding Contract to Sell - CTS accounts) use a rating scale of 1 to 6, while CTS accounts follow the Corporate rating framework, which uses scores from 1 to 9. For Credit Cards, both Blue and Legacy portfolios apply the NR1 to NR7 scale for non-restructured accounts and the R1 to R6 scale for restructured accounts. Personal Loans utilize a broader rating scale ranging from 1 to 17. Auto Loans use a rating scale of 1 to 5. Meanwhile, the SME portfolio no longer uses a masterscale rating and instead applies a simplified PD assignment approach, where the probability of default is directly determined based on the account's stage classification.

Below is the breakdown of the Group's and the Parent Bank's major consumer portfolio loans exposure (outstanding balance and accrued interest receivable) by masterscale rating as of December 31, 2025 and 2024:

Group and Parent Bank - Consumer Products: Home Loans

December 31, 2025				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	₱12,252,421	₱50,407	₱—	₱12,302,828
2	14,900,600	102,566	—	15,003,166
3	9,340,625	324,543	—	9,665,168
4	3,590,252	324,027	—	3,914,279
5	1,374,189	194,410	—	1,568,599
6	1,958,120	1,733,480	—	3,691,600
7	1,937,868	—	—	1,937,868
Default	—	—	6,259,397	6,259,397
	₱45,354,075	₱2,729,433	₱6,259,397	₱54,342,905

December 31, 2024				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	₱11,938,908	₱61,947	₱—	₱12,000,855
2	13,735,257	144,897	—	13,880,154
3	10,503,829	354,231	—	10,858,060
4	4,064,334	378,748	—	4,443,082
5	5,305,110	257,021	—	5,562,131
6	1,420,068	1,907,567	—	3,327,635
7	11,366,889	—	—	11,366,889
Default	—	—	7,413,379	7,413,379
	₱58,334,395	₱3,104,411	₱7,413,379	₱68,852,185



Group and Parent Bank - Consumer Products: Credit Cards

December 31, 2025				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total
NR1	₱6,394,732	₱—	₱—	₱6,394,732
NR2	24,718,149	—	—	24,718,149
NR3	23,889,759	2,166	—	23,891,925
NR4	28,107,643	4,455	—	28,112,098
NR5	22,857,598	30,960	—	22,888,558
NR6	12,319,799	—	—	12,319,799
NR7	—	4,387,851	—	4,387,851
R1	75,431	838	—	76,269
R2	620,299	48,990	—	669,289
R3	588,550	702,474	—	1,291,024
R4	138,229	802,407	—	940,636
R5	—	475,840	—	475,840
R6	—	362,040	—	362,040
Default	—	—	4,711,238	4,711,238
	₱119,710,189	₱6,818,022	₱4,711,238	₱131,239,448

December 31, 2024				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	₱3,942,413	₱33	₱—	₱3,942,446
2	12,212,607	446	—	12,213,053
3	19,909,886	11,529	—	19,921,415
4	23,115,365	28,462	—	23,143,827
5	22,918,054	201,881	—	23,119,935
6	16,483,925	1,342,352	—	17,826,277
7	317,719	1,145	—	318,864
8	627,510	28,177	—	655,687
9	1,009,803	204,908	—	1,214,711
10	—	146,960	—	146,960
11	—	287,948	—	287,948
12	—	745,480	—	745,480
13	—	1,110,527	—	1,110,527
Default	—	—	4,101,014	4,101,014
	₱100,537,282	₱4,109,848	₱4,101,014	₱108,748,144

Group and Parent Bank - Consumer Products: Personal loans

December 31, 2025				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	₱1,006,370	₱11,006	₱—	₱1,017,376
2	2,631,130	21,846	—	2,652,976
3	2,675,525	29,613	—	2,705,138
4	4,632,334	17,727	—	4,650,061
5	1,284,917	8,146	—	1,293,063
6	2,536,131	390,752	—	2,926,883
7	28,621	—	—	28,621
8	81,126	67	—	81,193
9	142,900	1,929	—	144,829
10	68,040	2,621	—	70,661
11	113,933	32,439	—	146,372
12	89,966	61,392	—	151,358
13	—	49,392	—	49,392
14	—	103,432	—	103,432
15	—	276,941	—	276,941
16	—	84,551	—	84,551
17	—	141,180	—	141,180
Default	—	—	1,410,938	1,410,938
	₱15,290,993	₱1,233,034	₱1,410,938	₱17,934,965



December 31, 2024				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	₱806,024	₱9,607	₱—	₱815,631
2	2,592,640	23,538	—	2,616,178
3	3,897,428	56,869	—	3,954,297
4	3,994,483	55,180	—	4,049,663
5	950,259	12,084	—	962,343
6	2,658,822	191,310	—	2,850,132
7	63,897	2,981	—	66,878
8	119,649	8,172	—	127,821
9	196,539	12,701	—	209,240
10	87,913	2,680	—	90,593
11	146,028	23,493	—	169,521
12	254,644	100,645	—	355,289
13	—	87,785	—	87,785
14	—	131,831	—	131,831
15	—	225,541	—	225,541
16	—	61,774	—	61,774
17	—	139,248	—	139,248
Default	—	—	777,871	777,871
	₱15,768,326	₱1,145,439	₱777,871	₱17,691,636

Group and Parent Bank - Consumer Products: SME Financial Products and Auto Loans

Auto Loans

December 31, 2025				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total*
1	₱97,821	₱—	₱—	₱97,821
2	248,317	—	—	248,317
3	425,099	810	—	425,909
4	280,457	—	—	280,457
5	90,806	20,137	—	110,943
Default	—	—	50,071	50,071
	₱1,142,500	₱20,947	₱50,071	₱1,213,518

SME Financial Products

December 31, 2025				
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
Group	₱6,375,994	₱431,507	₱1,884,955	₱8,692,456

SME Financial Products and Auto Loans

December 31, 2024				
Masterscale	Amounts			
	Stage 1	Stage 2	Stage 3	Total*
1	₱1,701,874	₱5,805	₱—	₱1,707,679
2	3,792,883	7,185	—	3,800,068
3	1,612,031	10,049	—	1,622,080
4	1,513,347	124,030	—	1,637,377
5	451,658	141,361	—	593,019
Default	—	—	1,751,699	1,751,699
	₱9,071,793	₱288,430	₱1,751,699	₱11,111,922

As of December 31, 2024, this consists of SME loans and auto loans amounting to ₱9.72 billion and ₱1.39 billion, respectively. The Bank uses rating scale of 1 to 5 for both products.



CSB Salary Loans

For CSB salary loans, which relates to the DepEd loans of CSB, each borrower is assigned a credit score with E as minimal risk, D as low risk, C as moderate risk, B as average risk and A as high risk.

The description of each credit quality grouping for the credit scores is explained further as follows:

High grade (minimal to low risk) - These are receivables which have a high probability of collection. The counterparty has the apparent ability to satisfy its obligation and the security on the receivables is readily enforceable.

Standard grade (moderate to average risk) - These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but with experience of default.

Substandard (high risk) - Accounts classified as “Substandard” are individual credits or portions thereof which appear to involve a substantial and unreasonable degree of risk to CSB because of unfavorable record or unsatisfactory characteristics. There exists in such accounts the possibility of future loss to CSB unless given closer supervision. Those classified as “Substandard” must have a well-defined weakness or weaknesses that jeopardize their liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.

Below is the breakdown of CSB’s salary loans exposure (outstanding balance and accrued interest receivable) by credit score as of December 31, 2025 and 2024:

Credit Score	December 31, 2025			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
D to E	₱40,961,502	₱75,255	₱—	₱41,036,757
B to C	33,969,924	—	—	33,969,924
A	9,764,286	643,517	—	10,407,803
Default	—	—	7,964,973	7,964,973
	₱84,695,712	₱718,772	₱7,964,973	₱93,379,457

Credit Score	December 31, 2024			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
D to E	₱9,896,039	₱—	₱—	₱9,896,039
B to C	68,614,420	973,348	—	69,587,768
A	956,557	1,002,979	—	1,959,536
Default	—	—	7,360,243	7,360,243
	₱79,467,016	₱1,976,327	₱7,360,243	₱88,803,586

Other receivables from customers

Other receivables from customers of the Group and the Parent Bank include small portfolios such as, with respect to the Parent Bank (i) HR loans, (ii) bills purchased and (iii) customer liabilities under acceptances, (iv) home credit receivables, (v) teacher’s loans acquired from CSB, (vi) high-net-worth individual loans, (vii) corporate retail loans and, with respect to the subsidiaries, (i) personal loans, and (ii) motorcycle loans. Each of these products has established credit risk guidelines and systems for managing credit risk across all businesses.



Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate.

Each product was risk rated using techniques appropriate to the Group's and Parent Bank's credit experience. Such methods consider the payment history that are reflected in aging, delinquency, and/or change in rating. These provide the bases for the ECL stage determination.

The description of each groupings according to stage is explained further as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, does not demonstrate significant increase in credit risk.

Stage 2 - those that are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date, and, based on change in rating, delinquencies and payment history, demonstrates significant increase in credit risk.

Stage 3 - Those that are considered default of more than 90 days past due or demonstrates objective evidence of impairment as of reporting date.

Below is a summary as of December 31, 2025 and 2024 of the Group's and Parent Bank's other receivables from customers.

December 31, 2025				
Amounts				
	Stage 1	Stage 2	Stage 3	Total
Group	₱34,940,143	₱1,109,158	₱8,148,620	₱44,197,921
Parent Bank	10,116,362	172,667	577,121	10,866,150

December 31, 2024				
Amounts				
	Stage 1	Stage 2	Stage 3	Total
Group	₱34,439,079	₱1,119,125	₱7,882,095	₱43,440,299
Parent Bank	10,181,231	207,032	673,240	11,061,503

Investments and Placements

Investments and placements include financial assets at amortized cost, debt financial assets through other comprehensive income, due from BSP, interbank loans receivable, and due from other banks. Each has established credit risk guidelines and systems for managing credit risk across all businesses.

Below is the breakdown of the Group's and the Parent Bank's investments and placements (outstanding balance and accrued interest receivable) by masterscale rating as of December 31, 2025 and 2024:

Sovereign – Group

December 31, 2025				
Amounts				
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
2	15,952,715	–	–	15,952,715
3	–	–	–	–
4	294,744	–	–	294,744
5	3,638,608	–	–	3,638,608
6	–	–	–	–
7	–	–	–	–
8	–	–	–	–

(Forward)



December 31, 2025				
Amounts				
Masterscale	Stage 1	Stage 2	Stage 3	Total
9	P284,347,099	P—	P—	P284,347,099
10	—	—	—	—
11	4,792,627	—	—	4,792,627
12	—	2,369,855	—	2,369,855
13	—	—	—	—
14	—	—	—	—
15	—	—	—	—
16	—	—	—	—
Default	—	—	—	—
	P309,025,793	P2,369,855	—	P311,395,648

December 31, 2024				
Amounts				
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	P—	P—	P—	P—
2	15,717,182	—	—	15,717,182
3	—	—	—	—
4	290,074	—	—	290,074
5	1,816,857	—	—	1,816,857
6	—	—	—	—
7	—	—	—	—
8	—	—	—	—
9	297,874,377	—	—	297,874,377
10	—	—	—	—
11	3,393,505	1,356,514	—	4,750,019
12	—	—	—	—
13	—	—	—	—
14	—	2,331,786	—	2,331,786
15	—	—	—	—
16	—	—	—	—
Default	—	—	—	—
	P319,091,995	P3,688,300	P—	P322,780,295

Corporate – Group

December 31, 2025				
Amounts				
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	P24,255,033	P—	P—	P24,255,033
2	1,710,275	—	—	1,710,275
3	722,733	—	—	722,733
4	97,111,491	—	—	97,111,491
5	12,066,624	—	—	12,066,624
6	6,341,048	—	—	6,341,048
7	1,399,828	—	—	1,399,828
8	—	7,642,897	—	7,642,897
9	—	—	—	—
10	7,494,740	—	—	7,494,740
11	—	—	—	—
12	—	—	—	—
13	—	—	—	—
Default	—	—	—	—
	P151,101,772	P7,642,897	P—	P158,744,669

December 31, 2024				
Amounts				
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	P21,881,403	P—	P—	P21,881,403
2	2,117,338	—	—	2,117,338
3	901,530	—	—	901,530
4	90,603,106	—	—	90,603,106
5	2,916,278	—	—	2,916,278
6	12,976,914	—	—	12,976,914
7	7,488,260	—	—	7,488,260
8	2,475,448	—	—	2,475,448
9	5,798,372	—	—	5,798,372
10	10,866,262	—	—	10,866,262
11	7,525,661	—	—	7,525,661
12	—	—	—	—
13	—	—	—	—
Default	—	—	—	—
	P165,550,572	P—	P—	P165,550,572



Sovereign – Parent Bank

Masterscale	December 31, 2025			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	P–	P–	P–	P–
2	15,952,715	–	–	15,952,715
3	–	–	–	–
4	294,744	–	–	294,744
5	3,638,608	–	–	3,638,608
6	–	–	–	–
7	–	–	–	–
8	–	–	–	–
9	274,134,404	–	–	274,134,404
10	–	–	–	–
11	4,792,627	–	–	4,792,627
12	–	2,369,855	–	2,369,855
13	–	–	–	–
14	–	–	–	–
15	–	–	–	–
16	–	–	–	–
Default	–	–	–	–
	P298,813,098	P2,369,855	P–	P301,182,953

Masterscale	December 31, 2024			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	P–	P–	P–	P–
2	15,717,182	–	–	15,717,182
3	–	–	–	–
4	290,074	–	–	290,074
5	1,816,857	–	–	1,816,857
6	–	–	–	–
7	–	–	–	–
8	–	–	–	–
9	287,940,213	–	–	287,940,213
10	–	–	–	–
11	3,393,505	1,356,514	–	4,750,019
12	–	–	–	–
13	–	–	–	–
14	–	2,331,786	–	2,331,786
15	–	–	–	–
16	–	–	–	–
Default	–	–	–	–
	P309,157,831	P3,688,300	P–	P312,846,131

Corporate – Parent Bank

Masterscale	December 31, 2025			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	P24,255,033	P–	P–	P24,255,033
2	1,710,275	–	–	1,710,275
3	722,733	–	–	722,733
4	58,629,605	–	–	58,629,605
5	12,066,624	–	–	12,066,624
6	6,341,048	–	–	6,341,048
7	–	–	–	–
8	–	7,642,897	–	7,642,897
9	–	–	–	–
10	7,494,740	–	–	7,494,740
11	–	–	–	–
12	–	–	–	–
13	–	–	–	–
Default	–	–	–	–
	P111,220,058	P7,642,897	P–	P118,862,955



Masterscale	December 31, 2024			
	Amounts			
	Stage 1	Stage 2	Stage 3	Total
1	P21,881,403	P—	P—	P21,881,403
2	2,117,338	—	—	2,117,338
3	901,530	—	—	901,530
4	57,668,620	—	—	57,668,620
5	2,916,278	—	—	2,916,278
6	12,976,914	—	—	12,976,914
7	—	—	—	—
8	2,475,448	—	—	2,475,448
9	5,798,372	—	—	5,798,372
10	10,866,262	—	—	10,866,262
11	7,525,661	—	—	7,525,661
12	—	—	—	—
13	—	—	—	—
Default	—	—	—	—
	P125,127,826	P—	P—	P125,127,826

Analysis of Movements of Gross Carrying Amounts

The movements in receivables from customers on a total and per segment basis in 2025 and 2024 follow. The balances presented consist of the outstanding principal balance and the related accrued interest receivables:

Group – Total receivables from customers

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	P466,914,321	P27,515,621	P39,195,204	P533,625,146
Newly originated assets that remained in Stage 1 as at December 31, 2025*	204,454,738	—	—	204,454,738
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025*	—	17,062,016	7,355,034	24,417,050
Movements in receivable balance (excluding write-offs)**	(180,992,207)	(6,271,427)	(8,212,232)	(195,475,866)
Transfers to Stage 1	5,654,762	(3,730,073)	(1,924,689)	—
Transfers to Stage 2	(8,988,013)	9,479,611	(491,598)	—
Transfers to Stage 3	(12,180,951)	(5,841,186)	18,022,137	—
Amounts written-off	—	—	(14,052,958)	(14,052,958)
Balances at end of year	P474,862,650	P38,214,562	P39,890,898	P552,968,110

*Includes availment of new customers of credit cards

**Includes availment of existing customers of credit cards.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	P467,904,474	P27,293,424	P34,077,834	P529,275,732
Newly originated assets that remained in Stage 1 as at December 31, 2024*	198,532,316	—	—	198,532,316
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024*	—	5,490,851	4,469,435	9,960,286
Movements in receivable balance (excluding write-offs)**	(177,230,865)	(10,101,286)	(1,406,384)	(188,738,535)
Transfers to Stage 1	2,727,618	(1,473,954)	(1,253,664)	—
Transfers to Stage 2	(11,046,744)	11,649,442	(602,698)	—
Transfers to Stage 3	(13,972,478)	(5,342,856)	19,315,334	—
Amounts written-off	—	—	(15,404,653)	(15,404,653)
Balances at end of year	P466,914,321	P27,515,621	P39,195,204	P533,625,146

*Includes availment of new customers of credit cards

**Includes availment of existing customers of credit cards.



Parent Bank – Total receivables from customers

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱363,189,457	₱24,627,201	₱24,626,106	₱412,442,764
Newly originated assets that remained in Stage 1 as at December 31, 2025*	119,921,717	–	–	119,921,717
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025*	–	15,912,005	4,965,302	20,877,307
Movements in receivable balance (excluding write-offs)**	(104,740,400)	(4,474,362)	(5,497,242)	(114,712,004)
Transfers to Stage 1	5,329,632	(3,459,039)	(1,870,593)	–
Transfers to Stage 2	(8,550,632)	9,038,751	(488,119)	–
Transfers to Stage 3	(9,806,617)	(5,085,257)	14,891,874	–
Amounts written-off	–	–	(12,272,902)	(12,272,902)
Balances at end of year	₱365,343,157	₱36,559,299	₱24,354,426	₱426,256,882

*Includes availment of new customers of credit cards

**Includes availment of existing customers of credit cards.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱367,190,291	₱23,549,742	₱19,521,664	₱410,261,697
Newly originated assets that remained in Stage 1 as at December 31, 2024*	116,895,142	–	–	116,895,142
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024*	–	4,058,443	2,524,629	6,583,072
Movements in receivable balance (excluding write-offs)**	(104,577,760)	(8,260,857)	506,169	(112,332,448)
Transfers to Stage 1	2,532,808	(1,346,838)	(1,185,970)	–
Transfers to Stage 2	(9,759,206)	10,352,114	(592,908)	–
Transfers to Stage 3	(9,091,818)	(3,725,403)	12,817,221	–
Amounts written-off	–	–	(8,964,699)	(8,964,699)
Balances at end of year	₱363,189,457	₱24,627,201	₱24,626,106	₱412,442,764

*Includes availment of new customers of credit cards

**Includes availment of existing customers of credit cards.

Group and Parent Bank – Corporate loans

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱116,812,659	₱12,807,898	₱227,402	₱129,847,959
Newly originated assets that remained in Stage 1 as at December 31, 2025	45,014,151	–	–	45,014,151
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	–	13,898,518	27,555	13,926,073
Movements in receivable balance (excluding write-offs)	(49,372,262)	(3,834,779)	(255)	(53,207,296)
Transfers to Stage 2	(1,132,104)	1,132,104	–	–
Transfers to Stage 3	–	(1,976)	1,976	–
Balances at end of year	₱111,322,444	₱24,001,765	₱256,678	₱135,580,887



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱117,375,504	₱15,200,343	₱100,978	₱132,676,825
Newly originated assets that remained in Stage 1 as at December 31, 2024	36,658,581	—	—	36,658,581
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	258,397	214,532	472,929
Movements in receivable balance (excluding write-offs)	(33,796,746)	(6,062,813)	(100,817)	(39,960,376)
Transfers to Stage 2	(3,411,971)	3,411,971	—	—
Transfers to Stage 3	(12,709)	—	12,709	—
Balances at end of year	₱116,812,659	₱12,807,898	₱227,402	₱129,847,959

Group and Parent Bank – Commercial loans

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱52,483,771	₱2,964,143	₱9,681,501	₱65,129,415
Newly originated assets that remained in Stage 1 as at December 31, 2025	46,614,198	—	—	46,614,198
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	861,630	3,667,648	4,529,278
Movements in receivable balance (excluding write-offs)	(43,026,243)	(2,647,790)	(4,212,305)	(49,886,338)
Transfers to Stage 1	147,134	(147,134)	—	—
Transfers to Stage 2	(114,920)	133,254	(18,334)	—
Transfers to Stage 3	(73,339)	(12,179)	85,518	—
Balances at end of year	₱56,030,601	₱1,151,924	₱9,204,028	₱66,386,553

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱63,952,981	₱1,623,842	₱9,469,107	₱75,045,930
Newly originated assets that remained in Stage 1 as at December 31, 2024	43,183,757	—	—	43,183,757
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	2,218,925	206,404	2,425,329
Movements in receivable balance (excluding write-offs)	(53,590,583)	(1,633,111)	(301,907)	(55,525,601)
Transfers to Stage 1	—	—	—	—
Transfers to Stage 2	(970,706)	970,706	—	—
Transfers to Stage 3	(91,678)	(216,219)	307,897	—
Balances at end of year	₱52,483,771	₱2,964,143	₱9,681,501	₱65,129,415



Group and Parent Bank – Home Loans

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱58,334,395	₱3,104,411	₱7,413,379	₱68,852,185
Newly originated assets that remained in Stage 1 as at December 31, 2025	5,485,352	–	–	5,485,352
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	–	127,922	190,980	318,902
Movements in receivable balance (excluding write-offs)	(18,031,952)	(270,076)	(1,963,296)	(20,265,324)
Transfers to Stage 1	2,673,483	(1,287,156)	(1,386,327)	–
Transfers to Stage 2	(1,627,119)	1,852,525	(225,406)	–
Transfers to Stage 3	(1,480,084)	(798,193)	2,278,277	–
Amounts written off	–	–	(48,210)	(48,210)
Balances at end of year	₱45,354,075	₱2,729,433	₱6,259,397	₱54,342,905

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱60,498,639	₱3,038,966	₱7,010,190	₱70,547,795
Newly originated assets that remained in Stage 1 as at December 31, 2024	6,271,780	–	–	6,271,780
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	165,605	235,233	400,838
Movements in receivable balance (excluding write-offs)	(6,544,386)	(296,686)	(1,527,156)	(8,368,228)
Transfers to Stage 1	2,020,285	(997,600)	(1,022,685)	–
Transfers to Stage 2	(1,814,754)	2,339,664	(524,910)	–
Transfers to Stage 3	(2,097,169)	(1,145,538)	3,242,707	–
Amounts written off	–	–	–	–
Balances at end of year	₱58,334,395	₱3,104,411	₱7,413,379	₱68,852,185

Group and Parent Bank - Consumer Products

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱125,377,401	₱5,543,717	₱6,630,584	₱137,551,702
Newly originated assets that remained in Stage 1 as at December 31, 2025*	17,739,829	–	–	17,739,829
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31 2025*	–	908,191	1,056,086	1,964,277
Movements in receivable balance (excluding write-offs)**	10,755,187	2,440,096	780,742	13,976,025
Transfers to Stage 1	2,491,626	(2,014,353)	(477,273)	–
Transfers to Stage 2	(5,657,349)	5,888,726	(231,377)	–
Transfers to Stage 3	(8,187,020)	(4,262,866)	12,449,886	–
Amounts written-off	–	–	(12,151,446)	(12,151,446)
Balances at end of year	₱142,519,674	₱8,503,511	₱8,057,202	₱159,080,387

*Includes availment of new customers of credit cards

**Includes availment of existing customers of credit cards.



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱114,515,757	₱3,447,140	₱2,167,351	₱120,130,248
Newly originated assets that remained in Stage 1 as at December 31, 2024*	25,168,515	—	—	25,168,515
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024*	—	1,387,872	1,763,625	3,151,497
Movements in receivable balance (excluding write-offs)**	(4,412,804)	(236,297)	2,677,434	(1,971,667)
Transfers to Stage 1	453,698	(327,119)	(126,579)	—
Transfers to Stage 2	(3,531,994)	3,580,844	(48,850)	—
Transfers to Stage 3	(6,815,771)	(2,308,723)	9,124,494	—
Amounts written-off	—	—	(8,926,891)	(8,926,891)
Balances at end of year	₱125,377,401	₱5,543,717	₱6,630,584	₱137,551,702

*Includes availment of new customers of credit cards

**Includes availment of existing customers of credit cards.

Group - CSB Salary Loans

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱79,467,016	₱1,976,327	₱7,360,243	₱88,803,586
Newly originated assets that remained in Stage 1 as at December 31, 2025	66,311,458	—	—	66,311,458
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	—	643,517	1,594,662	2,238,179
Movements in receivable balance (excluding write-offs)	(59,896,195)	(1,446,623)	(2,497,055)	(63,839,873)
Transfers to Stage 1	238,869	(196,402)	(42,467)	—
Transfers to Stage 2	(65,798)	65,798	—	—
Transfers to Stage 3	(1,359,638)	(323,845)	1,683,483	—
Amounts written-off	—	—	(133,893)	(133,893)
Balances at end of year	₱84,695,712	₱718,772	₱7,964,973	₱93,379,457

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱76,692,939	₱1,741,966	₱6,021,285	₱84,456,190
Newly originated assets that remained in Stage 1 as at December 31, 2024	63,697,277	—	—	63,697,277
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	970,196	822,341	1,792,537
Movements in receivable balance (excluding write-offs)	(57,513,323)	(1,250,579)	(1,710,460)	(60,474,362)
Transfers to Stage 1	93,901	(55,372)	(38,529)	—
Transfers to Stage 2	(949,224)	949,281	(57)	—
Transfers to Stage 3	(2,554,554)	(379,165)	2,933,719	—
Amounts written-off	—	—	(668,056)	(668,056)
Balances at end of year	₱79,467,016	₱1,976,327	₱7,360,243	₱88,803,586



Group – Other receivables

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱34,439,079	₱1,119,125	₱7,882,095	₱43,440,299
Newly originated assets that remained in Stage 1 as at December 31, 2025	23,289,750	–	–	23,289,750
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2025	–	622,238	818,103	1,440,341
Movements in receivable balance (excluding write-offs)	(21,420,743)	(512,254)	(320,062)	(22,253,059)
Transfers to Stage 1	103,651	(85,028)	(18,622)	–
Transfers to Stage 2	(390,723)	407,204	(16,481)	–
Transfers to Stage 3	(1,080,870)	(442,127)	1,522,997	–
Amounts written-off	–	–	(1,719,409)	(1,719,409)
Balances at end of year	₱34,940,143	₱1,109,158	₱8,148,620	₱44,197,921

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱34,868,654	₱2,241,167	₱9,308,923	₱46,418,744
Newly originated assets that remained in Stage 1 as at December 31, 2024	23,552,406	–	–	23,552,406
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	489,856	1,227,300	1,717,156
Movements in receivable balance (excluding write-offs)	(21,373,023)	(621,800)	(659,257)	(22,654,080)
Transfers to Stage 1	159,734	(93,863)	(65,871)	–
Transfers to Stage 2	(368,095)	396,976	(28,881)	–
Transfers to Stage 3	(2,400,597)	(1,293,211)	3,693,808	–
Amounts written-off	–	–	(5,593,927)	(5,593,927)
Balances at end of year	₱34,439,079	₱1,119,125	₱7,882,095	₱43,440,299

Parent Bank – Other receivables

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱10,181,231	₱207,032	₱673,240	₱11,061,503
Newly originated assets that remained in Stage 1 as at December 31, 2024	5,068,188	–	–	5,068,188
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	115,744	23,033	138,777
Movements in receivable balance (excluding write-offs)	(5,065,132)	(161,812)	(102,128)	(5,329,071)
Transfers to Stage 1	17,389	(10,396)	(6,992)	–
Transfers to Stage 2	(19,141)	32,143	(13,002)	–
Transfers to Stage 3	(66,173)	(10,044)	76,217	–
Amounts written-off	–	–	(73,246)	(73,246)
Balances at end of year	₱10,116,362	₱172,667	₱577,121	₱10,866,150



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱10,847,410	₱239,451	₱774,038	₱11,860,899
Newly originated assets that remained in Stage 1 as at December 31, 2024	5,612,509	—	—	5,612,509
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	—	27,644	104,835	132,479
Movements in receivable balance (excluding write-offs)	(6,233,241)	(31,950)	(241,385)	(6,506,576)
Transfers to Stage 1	58,825	(22,119)	(36,706)	—
Transfers to Stage 2	(29,781)	48,929	(19,148)	—
Transfers to Stage 3	(74,491)	(54,923)	129,414	—
Amounts written-off	—	—	(37,808)	(37,808)
Balances at end of year	₱10,181,231	₱207,032	₱673,240	₱11,061,503

Investments and Placements

Movements in 2025 and 2024 for investments and placements follow. The balances presented include accrued interest receivables:

Group

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱484,642,567	₱3,688,300	₱—	₱488,330,867
Newly originated assets that remained in Stage 1 as at December 31, 2024	38,880,761	—	—	38,880,761
Newly originated assets that moved to Stage 2 as at December 31, 2024	—	—	—	—
Transfers to Stage 1	1,356,514	(1,356,514)	—	—
Transfers to Stage 2	(7,525,661)	7,525,661	—	—
Movements in the balance (excluding write-offs)	(57,226,616)	155,305	—	(57,071,311)
Balances at end of year	₱460,127,565	₱10,012,752	₱—	₱470,140,317

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱487,576,085	₱3,531,944	₱—	₱491,108,029
Newly originated assets that remained in Stage 1 as at December 31, 2024	98,403,316	—	—	98,403,316
Newly originated assets that moved to Stage 2 as at December 31, 2024	—	—	—	—
Movements in the balance (excluding write-offs)	(101,336,834)	156,356	—	(101,180,478)
Balances at end of year	₱484,642,567	₱3,688,300	₱—	₱488,330,867

Parent

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱434,285,657	₱3,688,300	—	₱437,973,957
Newly originated assets that remained in Stage 1 as at December 31, 2024	38,580,761	—	—	38,580,761
Newly originated assets that moved to Stage 2 as at December 31, 2024	—	—	—	—
Transfers to Stage 1	1,356,514	(1,356,514)	—	—
Transfers to Stage 2	(7,525,661)	7,525,661	—	—
Movements in the balance (excluding write-offs)	(56,664,115)	155,305	—	(56,508,810)
Balances at end of year	₱410,033,156	₱10,012,752	—	₱420,045,908



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of year	₱433,166,930	₱3,531,944	₱–	₱436,698,874
Newly originated assets that remained in Stage 1 as at December 31, 2024	56,958,003	–	–	56,958,003
Newly originated assets that moved to Stage 2 as at December 31, 2024	–	–	–	–
Movements in the balance (excluding write-offs)	(55,839,276)	156,356	–	(55,682,920)
Balance at end of year	₱434,285,657	₱3,688,300	₱–	₱437,973,957

Modification

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges.

Collateral Held as Security and Other Credit Enhancements

The Group holds collateral against loans and other receivables from customers and SPURRA in order to mitigate risk. The collateral may be in the form of mortgages over real estate property, chattels, inventory, cash, securities and/or guarantees. The Bank regularly monitors and updates the fair value of the collateral depending on the type of credit exposure. Estimates of the fair value of collateral are considered in the review and assessment of the adequacy of allowance for credit losses. In general, the Bank does not require collateral for loans and advances to other banks, except when securities are held as part of reverse repurchase agreements.

An estimate of the fair value of collateral and other security enhancements held by the Group and the Parent Bank against loans and other receivables and SPURRA as of December 31, 2025 and 2024 is shown below:

Group					
	Exposure before collaterals	Properties	Deposits	Others	Exposure after financial effect of collaterals
As of December 31, 2025	₱609,283,867	₱68,077,042	₱940,036	₱152,008,613	₱399,912,062
As of December 31, 2024	551,007,034	35,909,760	735,414	92,388,457	421,973,403

Parent Bank					
	Exposure before collaterals	Properties	Deposits	Others	Exposure after financial effect of collaterals
As of December 31, 2025	₱447,445,068	₱63,647,940	₱817,348	₱104,902,371	₱278,077,409
As of December 31, 2024	419,671,843	31,810,298	596,274	83,650,244	303,615,027

The Group's manner of disposing the collateral for impaired loans and receivables is normally through sale of the assets after foreclosure proceedings have taken place.

The maximum exposure of the other financial assets of the Group and the Parent Bank represents the carrying value.

Liquidity Risk

Liquidity risk is the risk that there are insufficient funds available to adequately meet the credit demands of the Group's customers and repay deposits on maturity. The Asset and Liability Committee (ALCO) and the Treasurer of the Group ensure that sufficient liquid assets are available to meet short-term funding and regulatory requirements. Liquidity is monitored by the Group on a daily basis and under stressed situations. A contingency plan is formulated to set out the amount and the sources of funds (such as unused credit facilities) that are available to the Group and the circumstances under which the Group may use such funds.



Liquidity ratios are used to monitor and manage the Bank's liquidity. The MRC approves the ratios to be used for monitoring the performance of the Bank and for mapping out areas where improvements are needed. These ratios include Liquid Assets to Deposits Ratio, Liquidity Ratio, Leverage Ratio and Intermediation Ratio.

The Group also manages its liquidity risks through the use of a Maximum Cumulative Outflow (MCO) limit which regulates the outflow of cash on a cumulative basis and on a tenor basis. To maintain sufficient liquidity in foreign currencies, the Group has also set an MCO limit for certain designated foreign currencies. The MCO limits are endorsed by the MRC and approved by the BOD. The Bank has separate limits for the short term (generally less than 30 days) and the medium term tenor (from 30 days to one year).

The table below shows the financial assets and financial liabilities' liquidity information which includes coupon cash flows categorized based on the contractual date on which the asset will be realized and the liability will be settled. For financial assets at FVTPL, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the expected date the assets will be realized (amounts in millions).

	Group 2025						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
<i>Financial assets</i>							
Cash and other cash items	P11,419	P-	P-	P-	P-	P-	P11,419
Due from BSP	31,541	9,277	-	-	-	-	40,818
Due from other banks	35,315	-	-	-	-	-	35,315
Interbank loans receivable and SPURRA	-	41,182	-	-	-	-	41,182
	78,275	50,459	-	-	-	-	128,734
Financial assets at FVTPL							
Derivative assets	-	485	75	176	302	56	1,094
Debt securities	-	22,579	-	-	-	-	22,579
Equity securities	-	-	-	-	-	408	408
Financial assets at FVOCI							
Debt securities	-	221	99	351	978	50,805	52,454
Equity securities	-	-	-	-	-	300	300
Financial assets at amortized cost	-	3,153	1,861	5,004	17,175	395,623	422,816
	-	26,438	2,035	5,531	18,455	447,192	499,651
Loans and other receivables	1,749	70,857	71,030	53,947	74,993	304,228	576,804
Other receivables							
Accounts receivable	-	-	-	-	-	7,160	7,160
Accrued interest receivable	-	5,089	-	-	-	-	5,089
Sales contract receivable	3	24	32	45	108	2,994	3,206
	1,752	80,343	71,062	53,992	75,101	314,382	596,632
Other financial assets							
Returned checks and other cash items	-	137	-	-	-	-	137
Sundry debits	-	352	-	-	-	-	352
	-	489	-	-	-	-	489
Total assets	P80,027	P157,729	P73,097	P59,523	P93,556	P761,574	P1,096,772
<i>Non-derivative liabilities</i>							
Deposit liabilities							
Demand	P267,019	P-	P-	P-	P-	P-	P267,019
Savings	232,968	-	-	-	-	-	232,968
Time	296	120,031	56,696	15,668	18,136	24,650	235,477
	500,283	120,031	56,696	15,668	18,136	24,650	735,464
Bills payable	-	29,675	20,883	2,447	3,894	82,907	139,806
Notes and bonds payable	-	288	2,003	267	17,862	30,620	51,040
Manager's checks	7,205	-	-	-	-	-	7,205
Accrued interest payable	-	2,359	-	-	-	-	2,359
Accounts payable	-	11,491	-	-	-	-	11,491
Other liabilities	-	16,475	-	-	-	-	16,475
	507,488	180,319	79,582	18,382	39,892	138,177	963,840
<i>Derivative Liabilities</i>	1	1,438	151	287	595	25	2,497
Total liabilities	P507,489	P181,757	P79,733	P18,669	P40,487	P138,202	P966,337



	Group 2024						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
<i>Financial assets</i>							
Cash and other cash items	P10,144	P-	P-	P-	P-	P-	P10,144
Due from BSP	30,938	51,273	-	-	-	-	82,211
Due from other banks	33,891	-	-	-	-	-	33,891
Interbank loans receivable and SPURRA	-	1,882	-	-	-	-	1,882
	74,973	53,155	-	-	-	-	128,128
Financial assets at FVTPL							
Derivative assets	-	430	21	66	237	838	1,592
Debt securities	-	7,760	-	-	-	-	7,760
Equity securities	-	-	-	-	-	1,140	1,140
Financial assets at FVOCI							
Debt securities	-	373	143	351	1,041	52,597	54,505
Equity securities	-	-	-	-	-	300	300
Financial assets at amortized cost	-	1,566	2,724	7,827	31,361	403,951	447,429
	-	10,129	2,888	8,244	32,639	458,760	512,660
Loans and other receivables	-	70,381	76,697	55,196	70,160	310,161	582,595
Other receivables							
Accounts receivable	-	10,730	-	-	-	-	10,730
Accrued interest receivable	-	4,942	-	-	-	-	4,942
Sales contract receivable	-	32	53	65	131	3,107	3,388
	-	81,143	76,750	55,261	70,291	320,802	604,247
Other financial assets							
Returned checks and other cash items	-	53	-	-	-	-	53
Sundry debits	-	1,934	-	-	-	-	1,934
	-	1,987	-	-	-	-	1,987
Total assets	P74,973	P146,414	P79,638	P63,505	P102,930	P779,562	P1,247,022
<i>Non-derivative liabilities</i>							
Deposit liabilities							
Demand	P231,378	P-	P-	P-	P-	P-	P231,378
Savings	215,543	-	-	-	-	-	215,543
Time	580	132,044	42,218	17,544	13,117	27,581	233,084
	447,501	132,044	42,218	17,544	13,117	27,581	680,005
Bills payable	-	45,226	42,371	394	37,281	45,137	170,409
Notes and bonds payable	-	61	397	17,721	17,879	31,881	67,939
Manager's checks	8,494	-	-	-	-	-	8,494
Accrued interest payable	-	2,809	-	-	-	-	2,809
Accounts payable	-	9,139	-	-	-	-	9,139
Other liabilities	-	21,532	-	-	-	-	21,532
	455,995	210,811	84,986	35,659	68,277	104,599	960,327
<i>Derivative Liabilities</i>	-	472	299	350	640	1,875	3,636
Total liabilities	P455,995	P211,283	P85,285	P36,009	P68,917	P106,474	P963,963

	Parent Bank 2025						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
<i>Financial assets</i>							
Cash and other cash items	P10,359	P-	P-	P-	P-	P-	P10,359
Due from BSP	31,274	2,001	-	-	-	-	33,275
Due from other banks	34,165	-	-	-	-	-	34,165
Interbank loans receivable and SPURRA	-	10,222	-	-	-	-	10,222
	75,798	12,223	-	-	-	-	88,021
Financial assets at FVTPL							
Derivative assets	-	485	75	176	302	56	1,094
Debt securities	-	22,579	-	-	-	-	22,579
Equity securities	-	-	-	-	-	350	350
Financial assets at FVOCI							
Debt securities	-	221	99	351	978	50,784	52,433
Equity securities	-	-	-	-	-	58	58
Financial assets at amortized cost	-	3,002	1,800	4,970	16,870	383,316	409,958
	-	26,229	1,974	5,497	18,150	434,564	486,414
Loans and other receivables	-	67,331	63,854	43,560	56,844	208,854	440,443
Other receivables							
Accounts receivable	-	-	-	-	-	3,305	3,305
Accrued interest receivable	-	7,630	-	-	-	-	7,630
Sales contract receivable	-	15	25	36	67	2,844	2,987
	-	74,976	63,879	43,596	56,911	215,003	454,365

(Forward)



	Parent Bank						
	2025						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Other financial assets							
Returned checks and other cash items	P—	P137	P—	P—	P—	P—	P137
Sundry debits	—	266	—	—	—	—	266
	—	403	—	—	—	—	403
Total assets	P75,798	P115,500	P65,853	P49,093	P75,061	P649,567	P1,030,872
Non-derivative liabilities							
Deposit liabilities							
Demand	P267,585	P—	P—	P—	P—	P—	P267,585
Savings	224,540	—	—	—	—	—	224,540
Time	152	81,957	33,693	6,715	2,900	3,201	128,618
	492,277	81,957	33,693	6,715	2,900	3,201	620,743
Bills payable	—	29,660	20,782	370	717	51,513	103,042
Notes and bonds payable	—	248	1,159	267	17,862	17,778	37,314
Manager's checks	7,204	—	—	—	—	—	7,204
Accrued interest payable	—	1,478	—	—	—	—	1,478
Accounts payable	—	9,784	—	—	—	—	9,784
Other liabilities	—	14,557	—	—	—	—	14,557
	499,481	137,684	55,634	7,352	21,479	72,492	794,122
Derivative liabilities	1	1,438	151	287	595	25	2,497
Total liabilities	P499,482	P139,122	P55,785	P7,639	P22,074	P72,517	P796,619

	Parent Bank						
	2024						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
<i>Financial assets</i>							
Cash and other cash items	P9,270	P–	P–	P–	P–	P–	P9,270
Due from BSP	29,212	20,018	–	–	–	–	49,230
Due from other banks	31,140	–	–	–	–	–	31,140
Interbank loans receivable and SPURRA	–	180	–	–	–	–	180
	69,622	20,198	–	–	–	–	89,820
<i>Financial assets at FVTPL</i>							
Derivative assets	–	430	21	66	237	838	1,592
Debt securities	–	7,494	–	–	–	–	7,494
Equity securities	–	–	–	–	–	1,074	1,074
<i>Financial assets at FVOCI</i>							
Debt securities	–	373	143	351	1,041	52,576	54,484
Equity securities	–	–	–	–	–	58	58
<i>Financial assets at amortized cost</i>							
	–	1,414	2,663	7,794	31,097	391,560	434,528
	–	9,711	2,827	8,211	32,375	446,106	499,230
Loans and other receivables	–	66,358	68,785	45,579	54,478	209,517	444,717
<i>Other receivables</i>							
Accounts receivable	–	7,990	–	–	–	–	7,990
Accrued interest receivable	–	4,778	–	–	–	4,778	4,778
Sales contract receivable	–	28	48	60	117	2,956	3,209
	–	74,376	68,833	45,639	54,595	217,251	460,694
<i>Other financial assets</i>							
Returned checks and other cash items	–	53	–	–	–	–	53
Sundry debits	–	1,602	–	–	–	–	1,602
	–	1,988	–	–	–	–	1,988
Total assets	P69,622	P106,273	P71,660	P53,850	P86,970	P662,792	P1,051,167
<i>Non-derivative liabilities</i>							
<i>Deposit liabilities</i>							
Demand	P232,683	P–	P–	P–	P–	P–	P232,683
Savings	208,382	–	–	–	–	–	208,382
Time	148	94,455	25,332	8,555	2,798	785	132,073
	441,213	94,455	25,332	8,555	2,798	785	573,138
Bills payable	–	45,216	32,567	394	28,165	23,251	129,593
Notes and bonds payable	–	61	397	17,721	17,879	18,285	54,343
Manager's checks	8,488	–	–	–	–	–	8,488
Accrued interest payable	–	1,593	–	–	–	–	1,593
Accounts payable	–	7,860	–	–	–	–	7,860
Other liabilities	–	19,733	–	–	–	–	19,733
	449,701	168,918	58,296	26,670	48,842	42,321	794,748
<i>Derivative liabilities</i>							
	–	472	299	350	640	1,875	3,636
Total liabilities	P449,701	P169,390	P58,595	P27,020	P49,482	P44,196	P798,383



BSP Reporting*Liquidity Coverage Ratio (LCR)*

BSP Circular No. 905 provides the implementing guidelines on LCR and disclosure standards that are consistent with Basel III framework. The LCR is calculated as the ratio of stock of high quality liquid assets (HQLA) over the total net cash outflows over the next 30 calendar days, which should not be lower than 100%. The Group is required to disclose information related to the liquidity coverage ratio (LCR) in a single currency and on solo and consolidated basis.

The Group's and the Parent Bank's LCR as of December 31, 2025 and 2024 follows (amounts in millions):

	December 31, 2025	
	Group	Parent Bank
Total HQLA	₱308,002	₱258,388
Total net cash outflows	118,361	88,932
LCR Ratio	260.22%	290.55%

	December 31, 2024	
	Group	Parent Bank
Total HQLA	₱281,602	₱236,519
Total net cash outflows	112,682	88,517
LCR Ratio	249.91%	267.20%

Net Stable Funding Ratio (NSFR)

BSP Circular No. 1007 provides the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). The NSFR is aimed to promote long-term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short-term resilience of a bank's liquidity profile. Banks shall maintain an NSFR of at least 100 percent (100%) at all times. As of December 31, 2025 and 2024, the NSFR was at 134.73% and 127.89%, respectively, for the Group, and at 134.25% and 127.70%, respectively, for the Parent Bank.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading book or banking book. The market risk for the trading portfolio is managed and monitored based on a Value-at-Risk (VaR) methodology. Meanwhile, the market risk for the non-trading positions are managed and monitored using other sensitivity analyses.

The Parent Bank applies a VaR methodology to assess the market risk of positions held and to estimate the potential economic loss based upon a number of parameters and assumptions for various changes in market conditions. VaR is a method used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon.

The Bank uses a 10-day 99% VaR historical simulation with full revaluation approach. The historical simulation with full revaluation approach is the general market accepted methodology in the measurement of VaR. This methodology recalculates the market value of each financial



product for each scenario by applying simulated risk factors based on historical movements to the market-accepted valuation methodology defined for each product.

VaR may also be underestimated or overestimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level.

The VaR figures are backtested daily against actual and hypothetical profit and loss of the trading book to validate the robustness of the VaR model. To supplement the VaR, the Parent Bank performs stress tests wherein the trading portfolios are valued under extreme market scenarios not covered by the confidence interval of the Parent Bank's VaR model.

Since VaR is an integral part of the Parent Bank's market risk management, VaR limits are established annually for all financial trading activities and exposures against the VaR limits and are monitored on a daily basis. Limits are based on the tolerable risk appetite of the Parent Bank.

A summary of the Parent Bank's VaR position at December 31, 2025 and 2024 follows (amounts in millions of Philippine pesos)

	Foreign Exchange	Interest Rate	Equity	Total VaR
2025	₱162.6	₱1,223.3	₱—	₱1,389.1
Average daily	175.1	1,703.9	—	1,879.6
Highest	321.7	2,620.0	—	2,805.4
Lowest	84.4	1,125.2	—	1,346.1
 2024	 ₱217.9	 ₱1,943.1	 ₱—	 ₱2,161.0
Average daily	334.4	2,178.8	—	2,513.2
Highest	836.9	2,930.6	—	3,476.3
Lowest	19.1	1,798.6	—	1,903.9

The high and low of the total portfolio may not equal to the sum of the individual components as the highs and lows of the individual portfolios may have occurred on different trading days.

Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is the current and prospective risk to earnings and capital arising from adverse movements in interest rates that affect the bank's banking book positions. When interest rates change, the present value and timing of future cash flows change. This, in turn, changes the underlying value of the Bank's assets, liabilities and off-balance sheet items, and hence its economic value. On the other hand, changes in interest rates also affect the Bank's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII). The ALCO establishes appropriate asset and liability pricing in support of the Bank's balance sheet objectives.

The Group employs "gap analysis" to measure rate-sensitivity of the income and expenses, also known as Earnings-at-Risk (EaR). This sensitivity analysis is performed at least every month. The EaR measures the impact on the net interest income for any mismatch between the amounts of interest-earning assets, and interest-bearing liabilities within a one-year period. The EaR is calculated by first distributing the interest-sensitive assets, liabilities and off-balance sheet items based on the current balance sheet composition into tenor buckets based on time remaining to the next repricing date or the time remaining to maturity if there is no repricing and then subtracting the liabilities from the assets to obtain the repricing gap. The repricing gap per tenor bucket is



then multiplied by the assumed interest rate shock and appropriate time factor to derive the EaR per tenor. The 1st year (one-year) EaR is derived from the summation of the EaR per tenor within one year is subject to the established EaR limit per currency. EaR limits are reviewed and updated regularly to ensure that the risks brought by the changes in the balance sheet and liquidity strategies are within the risk appetite of the Bank.

The Bank also calculates EaR for the 2nd and 3rd years in order to measure medium-term vulnerabilities, i.e., those occurring in the 2nd and 3rd years. In addition, EaR is also calculated based on the current balance sheet composition plus projections to provide additional valuable insights in managing IRRBB. However, these are not subject to the EaR limit but are for monitoring purposes only.

Non-maturing or repricing assets or liabilities are considered to be non-interest rate sensitive and are not included in the measurement.

A positive gap occurs when the amount of interest rate-sensitive assets exceeds the amount of interest rate-sensitive liabilities while a negative gap occurs when the amount of interest rate-sensitive liabilities exceeds the amount of interest rate-sensitive assets. Accordingly, during a period of rising interest rates, an entity with a positive gap will have more interest rate-sensitive assets repricing at a higher interest rate than interest rate-sensitive liabilities which will be favorable to it. During a period of falling interest rates, an entity with a positive gap will have more interest rate-sensitive assets repricing at a lower interest rate than interest rate sensitive liabilities, which will be unfavorable to it.

The asset-liability gap position of the Group and Parent Bank at carrying amounts follows (amounts in millions of Philippine pesos):

Group 2025				
	Up to Six Months	Beyond Six Months To One Year	Beyond One Year	Total
<i>Resources</i>				
Loans	₱191,293	₱59,709	₱286,680	₱537,682
Placements	85,745	–	31,541	117,286
Investments	8,619	10,287	353,079	371,985
	285,657	69,996	671,300	1,026,953
<i>Liabilities</i>				
Deposit liabilities	192,829	17,805	523,400	734,034
Bills payable	92,378	1,696	37,936	132,010
Notes and bonds payable	9,246	16,997	13,419	39,662
	294,453	36,498	574,755	905,706
Asset-Liability Gap	(₱8,796)	₱33,498	₱96,545	₱121,247

Group 2024				
	Up to Six Months	Beyond Six Months To One Year	Beyond One Year	Total
<i>Resources</i>				
Loans	₱187,008	₱55,944	₱279,704	₱522,656
Placements	86,977	–	30,939	117,916
Investments	7,401	23,361	342,459	373,221
	281,386	79,305	653,102	1,013,793
<i>Liabilities</i>				
Deposit liabilities	128,386	11,311	536,626	676,323
Bills payable	126,004	14,215	22,037	162,256
Notes and bonds payable	25,697	17,333	14,536	57,566
	280,087	42,859	573,199	896,145
Asset-Liability Gap	₱1,299	₱36,446	₱79,903	₱117,648



Parent Bank 2025				
	Up to Six Months	Beyond Six Months To One Year	Beyond One Year	Total
<i>Resources</i>				
Loans	₱175,668	₱46,157	₱196,065	₱417,890
Placements	46,381	–	31,273	77,654
Investments	8,069	10,287	343,017	361,373
	230,118	56,444	570,355	856,917
<i>Liabilities</i>				
Deposit liabilities	122,176	2,804	495,167	620,147
Bills payable	90,266	–	10,158	100,424
Notes and bonds payable	9,683	16,997	6,695	33,375
	222,125	19,801	512,020	753,946
Asset-Liability Gap	₱7,993	₱36,643	₱58,335	₱102,971

Parent Bank 2024				
	Up to Six Months	Beyond Six Months To One Year	Beyond One Year	Total
<i>Resources</i>				
Loans	₱172,498	₱43,604	₱190,079	₱406,181
Placements	51,319	–	29,212	80,531
Investments	7,512	23,452	331,705	362,669
	231,329	67,056	550,996	849,381
<i>Liabilities</i>				
Deposit liabilities	64,411	1,070	507,001	572,482
Bills payable	116,296	5,531	4,343	126,170
Notes and bonds payable	25,697	17,333	8,694	51,724
	206,404	23,934	520,038	750,376
Asset-Liability Gap	₱24,925	₱43,122	₱30,958	₱99,005

EAR is complemented by stress tests which are conducted quarterly. It involves subjecting the total interest rate-sensitive assets and liabilities within one year to probable short-term and medium-term interest rate movements, assuming parallel and non-parallel shifts (flattener, steepener, short rates up and short rates down) in the yield curve.

Additionally, the Bank also monitors long-term sensitivity to interest rate risk of the Bank's balance sheet through the Delta Economic Value of Equity (EVE) method at least on a monthly basis. EVE measures the economic value which provides a more comprehensive view of potential long-term effects of changes in interest rates. EVE is defined as the net cash flows of the Bank's assets and liabilities which affect the Bank's capital. Delta EVE is calculated as the change in the Bank's long-term economic value assuming certain interest rate shocks.

Similar to EaR, EVE is also complemented by stress tests conducted quarterly. It involves subjecting the Bank's total interest rate sensitive assets and liabilities to probable short, medium and long-term interest rate movements, assuming parallel and non-parallel (flattener, steepener, short rates up and short rates down) in the yield curve.

The Bank's interest rate-sensitive asset and liability positions are analyzed based on its cash flows, and its present value are computed using appropriate market rates which include the current risk-free rate plus the corresponding margin. On the other hand, the present values of non-interest sensitive assets and liabilities will be kept at their carrying values.

The Bank's IRRBB models and its assumptions are validated by an independent party prior to use. The Bank's risk management program includes measuring and monitoring the risks



associated with fluctuations in market interest rates on its net interest income and capital ensuring that the exposures in interest rates are kept within acceptable limits.

The following table sets out the impact of changes in interest rates on the Group's and Parent Bank's net interest income (amounts in millions of Philippine pesos):

Increase (decrease) in interest rates (in basis points)	Group		Parent Bank	
	100	(100)	100	(100)
2025				
Change in annualized net interest income	(P783)	P783	(P611)	P611
As a percentage of net interest income	(1.2%)	1.2%	(1.2%)	1.2%
2024				
Change in annualized net interest income	(P1,168)	P1,168	(P922)	P922
As a percentage of net interest income	(2.01%)	2.01%	(2.05%)	2.05%

This sensitivity analysis is performed for risk management purposes and assumes no other changes in the repricing structure. Actual changes in net interest income may vary from the Bank's internal model.

Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from changes in foreign exchange rates.

The Group's net foreign exchange exposure, taking into account any spot or forward exchange contracts, is computed as foreign currency assets less foreign currency liabilities. The foreign exchange exposure is limited to the day-to-day, over-the-counter buying and selling of foreign exchange in the Group's branches, as well as foreign exchange trading with corporate accounts and other financial institutions. The Group is permitted to engage in proprietary trading to take advantage of foreign exchange fluctuations.

The breakdown of the financial resources and financial liabilities of the Group and the Parent Bank as to foreign currency-denominated balances (excluding FCDU USD-denominated financial resources and liabilities, which functional currency is in USD), translated to Philippine pesos as of December 31, 2025 and 2024 is shown below:

	Group		
	2025		
	U.S. Dollars	Other Foreign Currencies	Total
<i>Resources:</i>			
Cash and other cash items	P71,221	P143,912	P215,133
Due from other banks	4,297,470	1,662,895	5,960,365
Interbank loans receivables and SPURRA	—	215,662	215,662
Financial assets at FVTPL	—	520	520
Financial assets at amortized cost	—	2,185,652	2,185,652
Loans and other receivables	2,909,799	98,668	3,008,467
Other resources	5,628,583	135,057	5,763,640
	12,907,073	4,442,366	17,349,439
<i>Liabilities:</i>			
Deposit liabilities	—	44,949,917	44,949,917
Bills payable	2,726,566	19,363,737	22,090,303
Notes and bonds payable	7,565,577	—	7,565,577
Derivative liabilities	—	29,112	29,112
Accrued interest and other expenses	204,466	16,952	221,418
Other liabilities	168,003	178,996	346,999
	10,664,612	64,538,714	75,203,326
Currency swaps and forwards	(6,959,617)	60,324,250	53,364,633
Net exposure	(P4,717,156)	P227,902	(P4,489,254)



	Group		
	2024		
	U.S. Dollars	Other Foreign Currencies	Total
<i>Resources:</i>			
Cash and other cash items	₱227,347	₱174,956	₱402,303
Due from other banks	6,334,453	2,651,599	8,986,052
Interbank loans receivables and SPURRA	—	178,992	178,992
Financial assets at FVTPL	—	4,689	4,689
Financial assets at amortized cost	—	1,891,812	1,891,812
Loans and other receivables	2,515,371	110,651	2,626,022
Other resources	—	14,901,066	14,901,066
	9,077,171	19,913,765	28,990,936
<i>Liabilities:</i>			
Deposit liabilities	—	18,384,432	18,384,432
Bills payable	8,296,324	16,497,600	24,793,924
Notes and bonds payable	7,230,625	—	7,230,625
Derivative liabilities	—	1,419	1,419
Accrued interest and other expenses	326,323	4,876	331,199
Other liabilities	41,960,068	14,858,186	56,818,254
	57,813,340	49,746,513	107,559,853
Currency swaps and forwards	49,212,592	29,868,664	79,081,256
Net exposure	₱476,423	₱35,916	₱512,339

	Parent Bank		
	2025		
	U.S. Dollars	Other Foreign Currencies	Total
<i>Resources:</i>			
Cash and other cash items	₱—	₱143,248	₱143,248
Due from other banks	4,106,738	1,662,504	5,769,242
Interbank loans receivable	—	215,662	215,662
Financial assets at FVTPL	—	520	520
Financial assets at amortized cost	—	2,185,652	2,185,652
Loans and other receivables	2,433,254	98,668	2,531,922
Other assets	5,628,583	135,057	5,763,640
	12,168,575	4,441,311	16,609,886
<i>Liabilities:</i>			
Deposit liabilities	—	44,949,917	44,949,917
Bills payable	2,726,566	19,363,737	22,090,303
Notes and bonds payable	7,348,750	—	7,348,750
Derivative liabilities	—	29,112	29,112
Accrued interest and other expenses	200,192	16,952	217,144
Other liabilities	76,701	178,551	255,252
	10,352,209	64,538,269	74,890,478
Currency swaps and forwards	(6,959,617)	60,324,250	53,364,633
Net exposure	(₱5,143,251)	₱227,292	(₱4,915,959)

	Parent Bank		
	2024		
	U.S. Dollars	Other Foreign Currencies	Total
<i>Resources:</i>			
Cash and other cash items	₱134,982	₱174,374	₱309,356
Due from other banks	6,161,554	2,651,437	8,812,991
Interbank loans receivable and SPURRA	—	178,992	178,992
Financial assets at FVTPL	—	4,689	4,689
Financial assets at amortized cost	—	1,891,812	1,891,812
Loans and other receivables	2,014,335	110,651	2,124,986
Other assets	—	14,901,066	14,901,066
	8,310,871	19,913,021	28,223,892
<i>Liabilities:</i>			
Deposit liabilities	—	18,384,432	18,384,432
Bills payable	8,296,324	16,497,600	24,793,924
Notes and bonds payable	7,230,625	—	7,230,625
Derivative liabilities	—	1,419	1,419
Accrued interest and other expenses	323,404	4,876	328,280
Other liabilities	41,811,209	14,857,407	56,668,616
	57,661,562	49,745,734	107,407,296
Currency swaps and forwards	49,212,592	29,868,664	79,081,256
Net exposure	(₱138,099)	₱35,951	(₱102,148)



The Parent Bank's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Parent Bank believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Parent Bank is involved.

The following table illustrates the sensitivity of the net results and capital funds to the changes in foreign exchange rates on the Parent Bank's financial assets and financial liabilities in the RBU. The percentages change (increase and decrease) have been determined based on the average market volatility in exchange rates in the previous 12 months, using a confidence level of 99%.

The sensitivity analysis is based on the Parent Bank's foreign currency-denominated financial instruments held at each reporting date, including currency swaps and forwards.

	2025		2024	
	% Change	Effect on Net Profit For the Year	% Change	Effect on Net Profit For the Year
U.S. dollars	1.0%	(₱51,433)	1.0%	(₱157,827)
Japanese yen	1.5%	(494)	2.0%	(918,474)
Euros	1.5%	4,059	1.0%	6,309
Others	1.3%	(141)	1.1%	4,364

Operational Risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

The Bank's Operational Risk Management (ORM) Framework and Manual are aligned with the overall business strategy of the Bank. Specifically, this aims to ensure that the Bank has a robust operational risk culture by embedding risk awareness and consciousness in each of the business and functional units in line with BSP's Circular No. 900, *Guidelines on ORM*. Further, the framework aims to standardize the risk management, monitoring and reporting of operational risk across the Bank. The ORM Framework forms part of the enterprise-wide risk management system and supports the Bank's overall risk governance structure.

Key to the effective implementation of the ORM Framework is a governance structure that transparently defines the lines of responsibility from the Board down to the business and functional unit as follows:

Operational Risk Management Committee (ORMC)

The ORMC is a Board-level committee whose principal responsibility is to review risk management policies and practices relating to bank-wide operational risk.

Operational Risk Management (ORM)

ORM, as the second line of defense, shall support management in its endeavor to oversee the operational risks of the Bank, including integration of environment and sustainability related operational risk requirements, and ensure that operational risk policies and procedures are designed and executed adequately and consistently across the organization. ORM reports directly to the Chief Risk Officer. In performing its second line role, ORM supports and challenges management, and provides independent monitoring and reporting on adherence to operational risk policies and frameworks.



Senior Management

Senior Management ensures the implementation of Board-approved operational risk policies, maintains the supporting internal control environment, allocates adequate resources, and ensures effective escalation, monitoring, and reporting are in place across the Bank.

Business/Functional Unit

Business and functional units act as the first line of defense where the responsibility to manage risks resides. It sees to it that the controls and practices implemented within the lines of operations conform to the enterprise-wide policies and procedures that address operational risks.

Other Operational Risk-related Functions

Specialist departments e.g., Legal Division, CCGO, Human Resources Group, Enterprise Fraud Management Division, Information Security Office, and Financial Controllershship functions have dual responsibilities to manage both the operational risks within their own functions as well as provide support to other departments for ORM.

The Bank has a mechanism in place for operational risk identification and assessment, risk measurement, risk control/mitigation, and risk monitoring and reporting. There is regular monitoring of its operational risk profiles and material exposures to losses to ensure that it is still within the approved thresholds. In doing so, it utilizes operational risk tools (Risk and Control Self-Assessment, Key Risk Indicator, Incident Report, Issue Management & Remediation, New Product/ Process Risk Assessment) to assess the adequacy of controls and mitigants to address identified risks appropriately. The Bank maintains loss data and classifies operational loss events to support root-cause analysis and continuous improvement of controls.

Legal Risk and Regulatory Risk Management

Legal risk pertains to the Parent Bank's exposure to losses arising from cases decided not in favor of the Parent Bank where significant legal costs have already been incurred, or in some instances, where the Parent Bank may be required to pay damages. The Parent Bank is involved in litigation to enforce its collection rights under loan agreements in case of borrower default. The Parent Bank may incur significant legal expenses as a result of these events, but the Parent Bank may still end up being unable to collect or enforce its claims, depending on the outcome of litigation.

The Parent Bank has established measures to avoid or mitigate the effects of these adverse decisions and engages several qualified legal advisors who were endorsed to and carefully approved by senior management. At year-end, the Parent Bank also ensures that material adjustments or disclosures are made in the financial statements for any significant commitments or contingencies that may arise from legal proceedings involving the Parent Bank.

Regulatory risk refers to the potential risk for the Parent Bank and its subsidiaries to suffer financial loss due to changes in the laws, monetary, tax, or other governmental regulations of the country. Compliance risk is the Bank's potential exposure to legal penalties, financial forfeiture and material loss resulting from its failure to act in accordance with industry laws and regulations, internal policies or prescribed best practices. While the proper and consistent implementation of these rules and regulations is the primary responsibility of the respective units within the Bank and its subsidiaries, the monitoring of the latter's compliance with these regulations rests on the entity's CCO. The study of the potential impact of new laws and regulations is coordinated by the CCO with the Legal Group. The CCO is responsible for communicating and disseminating new rules and regulations to all units, analyzing and addressing potential compliance issues, performing periodic compliance testing, and regularly reporting to the CGC and the BOD.



5. Capital Management

Regulatory Capital

As the Parent Bank's regulator, the BSP sets and monitors capital requirements of the Parent Bank.

In implementing current capital requirements, the BSP requires the Group and the Parent Bank to maintain a minimum capital amount and a prescribed ratio of qualifying capital to risk-weighted assets, known as the "capital adequacy ratio" (CAR). Risk-weighted assets is the aggregate value of assets weighted by credit risk, market risk, and operational risk, based on BSP-prescribed formula provided under BSP Circular No. 360 and BSP Circular No. 538 which contain the implementing guidelines for the revised risk-based capital adequacy framework to conform to Basel II recommendations.

Effective January 1, 2014, the BSP has adopted the risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for the Philippine banking system in accordance with the Basel III standards through BSP Circular No. 781. The adopted Basel III risk-based capital adequacy framework requires the Group to maintain:

- Common Equity Tier 1 (CET1) of at least 6.0% of risk-weighted assets;
- Tier 1 Capital of at least 7.5% of risk-weighted assets;
- Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets; and,
- Capital Conservation Buffer of 2.5% of risk-weighted assets, comprised of CET1 Capital.

On November 29, 2018, the BSP amended the requirements of Subsection X115.1 of the Manual for Regulations for Banks (MORB) through BSP Circular No. 1024. The amendment requires the Group and the Parent Bank to maintain, with respect to the CET 1 requirement, in addition to the minimum, the following capital buffers:

- Capital conservation buffer (CCB) of 2.5%; and
- Countercyclical capital buffer (CCyB) of 0% subject to upward adjustment to a rate determined by the MB when systemic conditions warrant but not to exceed to 2.5%

The Group's and the Parent Bank's regulatory capital position as of December 31, 2025 and 2024, as reported to the BSP, follow (amounts in millions):

	Group		Parent Bank	
	2025	2024	2025	2024
Common Equity Tier 1 Capital				
Paid-up common stock	₱33,164	₱33,164	₱33,164	₱33,164
Additional paid in capital	64,368	64,368	64,368	64,368
Surplus free	89,291	81,345	92,092	83,573
Undivided profits	9,292	11,556	10,184	12,089
Other comprehensive income/(loss)	(2,529)	(3,089)	(2,786)	(3,088)
Minority interest in financial allied subsidiary	821	872	—	—
Sub-total	194,407	188,216	197,022	190,106
Less Regulatory Adjustments:				
Total outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates	223	362	645	1,204
Deferred income tax	10,576	9,811	7,264	6,767
Goodwill	48,297	48,570	43,340	43,340
Other intangible assets	20,877	17,029	18,471	14,487
Investments in equity of consolidated subsidiary banks and quasi banks, and other financial allied undertakings	—	—	37,738	37,432
Total regulatory adjustments to Common Equity	79,973	75,772	107,458	103,230
Total Common Equity Tier 1 capital	114,434	112,444	89,564	86,876
Total Tier 1 capital	114,434	112,444	89,564	86,876

(Forward)



	Group		Parent Bank	
	2025	2024	2025	2024
Tier 2 Capital				
General loan loss provision	₱6,285	₱5,580	₱4,920	₱4,702
Unsecured subordinated debt	–	6,768	–	6,768
Total Tier 2 capital	6,285	12,348	4,920	11,470
Net Tier 1 capital	114,434	112,444	89,564	86,876
Net Tier 2 capital	6,285	12,348	4,920	11,470
Total qualifying capital	120,719	124,792	94,484	98,346
Credit risk-weighted assets	628,309	610,396	491,825	475,977
Market risk-weighted assets	12,372	14,665	12,266	14,543
Operational risk-weighted assets	120,516	95,571	92,030	71,031
Total risk-weighted assets	₱761,196	₱720,632	₱596,121	₱561,551
Capital ratios:				
Total regulatory capital expressed as percentage of total risk weighted assets	15.86%	17.32%	15.85%	17.51%
Total Tier 1 expressed as percentage of total risk-weighted assets	15.03%	15.60%	15.02%	15.47%
Total Common Equity Tier 1 expressed as percentage of total risk-weighted assets	15.03%	15.60%	15.02%	15.47%
Conservation buffer	9.03%	9.60%	9.02%	9.47%

The Group and the Parent Bank have fully complied with the CAR requirements of the BSP on both solo and consolidated bases.

The breakdown of credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets follow (amounts in millions):

	Group		Parent Bank	
	2025	2024	2025	2024
On-books assets	₱614,109	₱596,464	₱477,628	₱462,066
Off-books assets	6,821	7,143	6,799	7,122
Counterparty risk-weighted assets:				
in the banking books	5,052	5,738	5,052	5,738
in the trading books	2,515	1,051	2,515	1,051
Gross Credit Risk-Weighted Assets	628,497	610,396	491,994	475,977
Excess of amount permitted in upper Tier 2	188	–	169	–
Total Credit Risk-Weighted Assets	₱628,309	₱610,396	₱491,825	₱475,977
Capital Requirements	₱62,831	₱61,040	₱49,183	₱47,598
Interest rate exposures	₱9,263	₱10,642	₱9,263	₱10,642
Equity exposures	–	892	–	892
Foreign exchange exposures	3,109	3,131	3,003	3,009
Total Market Risk-Weighted Assets	₱12,372	₱14,665	₱12,266	₱14,543
Capital Requirements	₱1,237	₱1,467	₱1,227	₱1,454
Total Operational Risk-Weighted Assets - Basic indicator	₱120,515	₱95,571	₱92,030	₱71,031
Capital Requirements	₱12,052	₱9,557	₱9,203	₱7,103

The total credit exposure broken down by type of exposures and risk weights follow (amounts in millions):

	Group					Total Weighted Assets
	Credit Risk Total Credit Risk Exposure	Total Credit Risk Exposure after Risk Mitigation	0%-50%	75%-100%	150%	
Risk-Weighted On-Books Assets						
Cash on hand	₱11,413	₱11,413	₱11,413	₱–	₱–	₱–
Checks and other cash items	6	6	6	–	–	1
Due from BSP	40,835	40,835	40,835	–	–	–
Due from other banks	34,137	34,137	33,914	223	–	15,481
Financial assets at FVTPL	35	35	–	35	–	35
Financial assets at FVOCI	39,921	39,921	39,621	300	–	302
Financial assets at amortized cost	312,883	301,762	257,712	44,050	–	60,374
Loans and receivables	523,421	522,136	67,445	441,023	13,668	483,645

(Forward)



Group 2025						
	Credit Risk Total Credit Risk Exposure	Total Credit Risk Exposure after Risk Mitigation	0%-50%	75%-100%	150%	Total Weighted Assets
SPURRA	₱40,947	₱8,189	₱8,189	₱—	₱—	₱—
Sales contract receivable (SCR)	2,166	2,166	—	764	1,402	2,868
ROPA	5,743	5,743	—	—	5,743	8,614
Other assets	39,830	39,830	—	39,830	—	39,830
Total risk-weighted on-books assets not covered by CRM	1,051,337	1,006,173	459,135	526,225	20,813	611,150
Total risk-weighted on-books assets covered by CRM	—	45,164	45,164	—	—	2,959
	₱1,051,337	₱1,051,337	₱504,299	₱526,225	₱20,813	₱614,109
Risk-Weighted Off-Books Assets						
Direct credit substitutes (e.g., general guarantee of indebtedness and acceptances)	₱3,929	₱—	₱—	₱3,929	₱—	₱3,929
Transaction-related contingencies (e.g., performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	₱1,985	₱—	₱—	₱993	₱—	₱993
Trade-related contingencies arising from movements of goods (e.g., documentary credits collateralized by the underlying shipments) and commitments with an original maturity of up to one year	9,495	—	—	1,899	—	1,899
	₱15,409	₱—	₱—	₱6,821	₱—	₱6,821
Counterparty Risk-Weighted Assets in the Banking Books						
Repo-style Exposure	₱90,418	₱10,226	₱10,226	₱—	₱—	₱5,052
Counterparty Risk-Weighted Assets in the Trading Books						
Interest Rate Contracts	₱3,601	₱1	₱1	₱—	₱—	₱—
Exchange Rate Contracts	139,389	3,441	1,773	1,668	—	2,515
Total	₱142,990	₱3,442	₱1,774	₱1,668	₱—	₱2,515

Group 2024						
	Credit Risk Total Credit Risk Exposure	Total Credit Risk Exposure after Risk Mitigation	0%-50%	75%-100%	150%	Total Weighted Assets
Risk-Weighted On-Books Assets						
Cash on hand	₱10,116	₱10,116	₱10,116	₱—	₱—	₱—
Checks and other cash items	27	27	27	—	—	5
Due from BSP	82,205	82,205	82,205	—	—	—
Due from other banks	33,891	33,891	32,959	932	—	14,803
Financial assets at FVTPL	237	237	—	237	—	237
Financial assets at FVOCI	40,102	40,102	39,802	300	—	302
Financial assets at amortized cost	327,479	316,480	268,853	47,627	—	61,569
Loans and receivables	504,656	503,232	78,129	408,679	16,424	455,931
SPURRA	1,701	340	340	—	—	—
Sales contract receivable (SCR)	2,377	2,377	—	1,067	1,310	3,032
ROPA	5,628	5,628	—	—	5,628	8,442
Other assets	49,059	49,059	—	49,059	—	49,059
Total risk-weighted on-books assets not covered by CRM	1,057,478	1,043,694	512,431	507,901	23,362	593,380
Total risk-weighted on-books assets covered by CRM	—	13,784	13,784	—	—	3,084
	₱1,057,478	₱1,057,478	₱526,215	₱507,901	₱23,362	₱596,464
Risk-Weighted Off-Books Assets						
Direct credit substitutes (e.g., general guarantee of indebtedness and acceptances)	₱3,427	₱—	₱—	₱3,427	₱—	₱3,427
Transaction-related contingencies (e.g., performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	₱2,077	₱—	₱—	₱1,038	₱—	₱1,038
Trade-related contingencies arising from movements of goods (e.g., documentary credits collateralized by the underlying shipments) and commitments with an original maturity of up to one year	13,388	—	—	2,678	—	2,678
	₱18,892	₱—	₱—	₱7,143	₱—	₱7,143

(Forward)



	Group					
	2024					
	Credit Risk Total Credit Risk Exposure	Total Credit Risk Exposure after Risk Mitigation	0%-50%	75%-100%	150%	Total Weighted Assets
Counterparty Risk-Weighted Assets in the Banking Books						
Repo-style Exposure	₱115,819	₱11,088	₱10,641	₱447	₱–	₱5,738
Counterparty Risk-Weighted Assets in the Trading Books						
Interest Rate Contracts	₱–	₱–	₱–	₱–	₱–	₱–
Exchange Rate Contracts	27,279	1,581	1,022	559	–	1,051
Total	₱27,279	₱1,581	₱1,022	₱559	₱–	₱1,051

	Parent Bank					
	2025					
	Credit Risk Total Credit Risk Exposure	Total Credit Risk Exposure after Risk Mitigation	0%-50%	75%-100%	150%	Total Weighted Assets
Risk-Weighted On-Books Assets						
Cash on hand	₱10,359	₱10,359	₱10,359	₱–	₱–	₱–
Cash and other cash items	–	–	–	–	–	–
Due from BSP	33,274	33,274	33,274	–	–	–
Due from other banks	32,987	32,987	32,981	6	–	14,797
Financial asset at FVTPL	–	–	–	–	–	–
Financial assets at FVOCI	39,659	39,659	39,601	58	–	58
Financial assets at amortized cost	302,446	291,326	247,276	44,050	–	60,356
Loans and other receivables	408,240	407,211	67,199	333,252	6,760	365,759
SPURRA	10,000	2,000	2,000	–	–	–
SCR	2,020	2,020	–	703	1,317	2,678
ROPA	4,418	4,418	–	–	4,418	6,627
Other assets	24,434	24,434	–	24,434	–	24,434
Total risk-weighted on-books assets not covered by CRM	867,837	847,688	432,690	402,503	12,495	474,709
Total risk-weighted on-books assets covered by CRM	–	20,149	20,149	0	0	2,919
	₱867,837	₱867,837	₱452,839	₱402,503	₱12,495	₱477,628
Risk-Weighted Off-Books Assets						
Direct credit substitutes (e.g., general guarantee of indebtedness and acceptances)	₱3,929	₱–	₱–	₱3,929	₱–	₱3,929
Transaction-related contingencies (e.g., performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	1,985	–	–	993	–	993
Trade-related contingencies arising from movements of goods (e.g., documentary credits collateralized by the underlying shipments) and commitments with an original maturity of up to one year	9,385	–	–	1,877	–	1,877
	₱15,299	₱–	₱–	₱6,799	₱–	₱6,799
Counterparty Risk-Weighted Assets in the Banking Books						
Repo-style Exposure	₱90,418	₱10,226	₱10,226	₱–	₱–	₱5,052
Counterparty Risk-Weighted Assets in the Trading Books						
Interest Rate Contracts	₱3,601	₱1	₱1	₱–	₱–	₱–
Exchange Rate Contracts	139,389	3,441	1,773	1,668	–	2,515
Total	₱142,990	₱3,442	₱1,774	₱1,668	₱–	₱2,515



	Parent Bank					
	2024					
	Credit Risk Total Credit Risk Exposure	Total Credit Risk Exposure after Risk Mitigation	0%-50%	75%-100%	150%	Total Weighted Assets
Risk-Weighted On-Books Assets						
Cash on hand	P9,270	P9,270	P9,270	P –	P –	P –
Cash and other cash items	–	–	–	–	–	–
Due from BSP	49,227	49,227	49,227	–	–	–
Due from other banks	31,140	31,140	30,377	763	–	13,343
Financial asset at FVTPL	–	–	–	–	–	–
Financial assets at FVOCI	39,841	39,841	39,783	58	–	58
Financial assets at amortized cost	317,313	306,314	258,687	47,627	–	61,551
Loans and other receivables	394,438	393,272	77,919	307,314	8,039	342,353
SPURRA	–	–	–	–	–	–
SCR	2,257	2,257	–	1,004	1,253	2,883
ROPA	4,306	4,306	–	–	4,306	6,459
Other assets	32,375	32,375	–	32,375	–	32,375
Total risk-weighted on-books assets not covered by CRM	880,167	868,002	465,263	389,141	13,598	459,022
Total risk-weighted on-books assets covered by CRM	–	12,165	12,165	–	–	3,044
	P880,167	P880,167	P477,428	P389,141	P13,598	P462,066
Risk-Weighted Off-Books Assets						
Direct credit substitutes (e.g., general guarantee of indebtedness and acceptances)	P3,427	P–	P–	P3,427	P–	P3,427
Transaction-related contingencies (e.g., performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	2,077	–	–	1,038	–	1,038
Trade-related contingencies arising from movements of goods (e.g., documentary credits collateralized by the underlying shipments) and commitments with an original maturity of up to one year	13,285	–	–	2,657	–	2,657
	P18,789	P–	P–	P7,122	P–	P7,122
Counterparty Risk-Weighted Assets in the Banking Books						
Repo-style Exposure	P115,819	P11,088	P10,641	P447	P–	P5,738
Counterparty Risk-Weighted Assets in the Trading Books						
Interest Rate Contracts	P–	P–	P–	P–	P–	P–
Exchange Rate Contracts	27,279	1,581	1,022	559	–	1,051
Total	P27,279	P1,581	P1,022	P559	P–	P1,051

Risk weighted on-balance sheet assets covered by credit risk mitigants were based on collateralized transactions as well as guarantees by the Philippine National Government and those guarantors and exposures with the highest credit rating.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the ratings by Standard & Poor's, Moody's, Fitch and Philratings on exposures to Sovereigns, Multilateral Development Banks, Banks, Local Government Units, Government Corporations and Corporates.

Minimum Capital Requirement

Under the relevant provisions of current BSP regulations, the required minimum capitalization of a universal bank is ₱20.0 billion both as of December 31, 2025 and 2024. As of those dates, the Bank is in compliance with these regulations.

Basel III Leverage Ratio (BLR)

BSP Circular Nos. 881 and 990 cover the implementing guidelines on the BLR framework designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.



The details of the BLR as of December 31, 2025 and 2024 follow (amounts in millions, except for percentages):

	Consolidated		Parent Bank	
	2025	2024	2025	2024
Tier 1 Capital	₱114,434	₱112,444	₱89,564	₱86,876
Exposure Measure	1,142,987	1,129,483	959,465	952,152
BLR	10.01%	9.96%	9.33%	9.12%

Under the framework, BLR is defined as the capital measure divided by the exposure measure. Capital measure is Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items.

Ensuring Sufficient Capital

On January 15, 2009, the BSP issued Circular No. 639, which articulates the need for banks to adopt and document an Internal Capital Adequacy Assessment Process (ICAAP). All universal and commercial banks are expected to perform a thorough assessment of all their material risks, as well as maintain capital adequate to support these risks. This is intended to complement the current regulatory capital requirement of at least 10% of risk assets, which only covers credit, market and operational risks.

Cognizant of the importance of a strong capital base to meet strategic and regulatory requirements, the Parent Bank has adopted a robust ICAAP on a group-wide level that is consistent with its risk philosophy and risk appetite. The ICAAP Document embodies the Group's risk philosophy, risk appetite, and risk governance framework and structure, and integrates these with: (a) the Group's strategic objectives and long-term strategies; (b) the five-year financial and business plans; and, (c) the capital plan and dividend policy.

The ICAAP's objective is to ensure that the BOD and senior management actively and promptly identify and manage the material risks arising from the general business environment, and that an appropriate level of capital is maintained to cover these risks.

On January 4, 2018, the BSP issued Circular No. 989 which mandates the conduct of stress testing exercise of banks. The Group's ICAAP Document considered the impact of severe but plausible scenarios on the Group's capital position. The results are thoroughly discussed during RMC meetings, and reported to the Board. In the course of its discussions, the BOD and senior management may request for additional stress testing scenarios or revisions to the test assumptions in order to better align these to current trends and forecasts.

The Group has a cross-functional ICAAP technical team, comprised of representatives from the core risk management units - credit, market, operational, information technology, and emerging risks; corporate planning; financial controllership; treasury; internal audit; and compliance. This ensures a well-coordinated approach to the development, documentation, implementation, review, improvement, and maintenance of the various sub-processes included in the ICAAP.

The key members of the ICAAP technical team are enrolled in further training as well as various fora and briefings to enhance their knowledge and expertise particularly on the subjects of ICAAP, Basel III, and their interface with PFRS.



The Group's ICAAP Document is subjected each year to an independent review by the Internal Audit Division (IAD) to provide reasonable assurance that the Group has met the regulatory requirements. For the 2025 ICAAP Document submission, the results of the audit assessment were presented to the Audit Committee and the BOD.

Based on IAD's assessment of the ICAAP document, its related supporting documents, and existing processes and structures, IAD reported that the Group has satisfactorily complied with the minimum requirements prescribed in BSP Circular No. 639. Presence of a proper governance and oversight function of the ICAAP, comprehensive risk management framework, and sound capital management process were verified in the audit process. For 2025, the Group and Parent Bank's ICAAP Document was submitted to the BSP on March 28, 2025.

6. Segment Reporting

Business Segments

The Group's main operating businesses are organized and managed separately according to the nature of products and services provided and the different markets served, with each segment representing a strategic business unit. These are also the basis of the Group in reporting to its chief operating decision-maker for its strategic decision-making activities.

The Group's main business segments are presented below.

(a) Consumer Banking

This segment principally handles individual customer deposits, funds transfer facilities and provides consumer type loans, such as personal loans, automobiles and mortgage financing, and credit card facilities and small and medium enterprises loan products.

(b) Institutional Banking

This segment principally handles loans and other credit facilities and deposit and current accounts for corporate, institutional and middle market customers.

(c) Mass Market/Digital Banking

Mass Market banking primarily provides a range of mass market financial products and services such as salary loans, pension loans, seafarer loans, motorcycle loans, company loans, LGU salary loans, and traditional deposits. Digital Banking offers retail financial products, including deposits and loans, on a highly secure digital banking platform.

(d) Treasury Banking

This segment is principally responsible for managing the Bank's liquidity and funding requirements, and handling transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives.

(e) Trust and Insurance

The segment handles trust, asset management and fiduciary services provided by the Bank to its customers.

(f) Headquarters

This segment includes corporate management, support and administrative units not specifically identified with Consumer Banking, Corporate and Commercial Banking or Treasury.



These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment resources and liabilities comprise operating resources and liabilities including items such as taxation and borrowings. Revenues and expenses that are directly attributable to a particular business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

In 2025, the Bank revised its segment reporting related to the deposit products within its RBC. Previously, all RBC deposits were reported under the Consumer Banking segment. To better reflect the underlying business dynamics and enhance clarity in the Group's segment performance measurement, the Group restructured its reporting approach. RBC deposit products are now allocated across Consumer Banking and Institutional Banking, based on their respective sub-product segments: Retail Personal and SME under Consumer Banking, and Retail Commercial and Retail Corporate under Institutional Banking. As a result, the comparative segment reporting for the years ended December 31, 2024 and 2023 have been restated.

Analysis of Segment Information

Segment information of the Group as of and for the years ended December 31, 2025, 2024 and 2023 follow (amounts in millions):

	Consumer Banking	Mass Market/ Digital	Institutional	Treasury	Trust/ Insurance and Brokerage	Headquarters	Total
December 31, 2025							
Results of operations							
Net interest income and other income	₱43,526	₱13,671	₱22,645	₱5,275	₱1,275	(₱3,163)	₱83,229
Other expenses	(22,536)	(10,394)	(11,164)	(1,969)	(615)	(1,196)	(47,874)
Income before credit losses and income tax	₱20,990	₱3,277	₱11,481	₱3,306	₱660	(₱4,359)	₱35,355
Provision for credit losses							(21,156)
Tax expense							(4,197)
Net income							₱10,002
Segment resources	₱265,644	₱185,865	₱208,043	₱438,599	₱1,426	₱59,888	₱1,159,465
Segment liabilities	₱229,001	₱158,335	₱403,785	₱144,075	₱352	₱21,065	₱956,613
Other information:							
Depreciation and amortization	₱1,116	₱837	₱131	₱18	₱9	₱1,723	₱3,834
Capital expenditures	664	353	780	203	1	5,252	7,253
December 31, 2024, as restated							
Results of operations							
Net interest income and other income	₱40,079	₱14,152	₱23,342	₱4,749	₱1,330	(₱5,793)	₱77,859
Other expenses	(21,587)	(8,897)	(9,738)	(2,116)	(763)	(1,167)	(44,268)
Income before credit losses and income tax	₱18,492	₱5,255	₱13,604	₱2,633	₱567	(₱6,960)	33,591
Provision for credit losses							(17,908)
Tax expense							(3,653)
Net income							₱12,030
Segment resources	₱259,372	₱180,709	₱201,746	₱446,257	₱1,640	₱55,717	₱1,145,441
Segment liabilities	₱214,830	₱152,862	₱373,825	₱186,781	₱391	₱18,684	₱947,373
Other information:							
Depreciation and amortization	₱797	₱766	₱184	₱29	₱3	₱1,062	₱2,841
Capital expenditures	180	361	222	45	—	5,626	6,434



	Consumer Banking	Mass Market/ Digital	Institutional	Treasury	Trust/ Insurance and Brokerage	Headquarters	Total
December 31, 2023, as restated							
Results of operations							
Net interest income and other income	₱31,112	₱14,828	₱15,542	₱2,958	₱919	₱4,295	₱69,654
Other expenses	(19,133)	(8,377)	(6,445)	(1,972)	(468)	(8,493)	(44,888)
Income before credit losses and income tax	₱11,979	₱6,451	₱9,097	₱986	₱451	(₱4,198)	24,766
Provision for credit losses							(12,917)
Tax expense							(2,644)
Net income							₱9,205
Segment resources	₱251,845	₱182,085	₱215,654	₱442,546	₱2,173	₱50,840	₱1,145,143
Segment liabilities	₱240,961	₱155,934	₱339,293	₱221,098	₱252	₱11,980	₱969,518
Other information:							
Depreciation and amortization	₱35	₱644	₱70	₱5	₱6	₱1,906	₱2,666
Capital expenditures	171	605	362	43	—	3,144	4,325

7. Fair Value Measurement and Offsetting of Financial Assets and Financial Liabilities

Fair Value Hierarchy

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

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

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

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.



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

For assets and liabilities that are recognized at fair value in the statement of financial position on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are grouped into the fair value hierarchy as follows:

a) Financial instruments measured at fair value

Group

December 31, 2025				
	Level 1	Level 2	Level 3	Total
<i>Resources</i>				
Financial assets at FVTPL				
Debt securities	₱22,521,166	₱–	₱–	₱22,521,166
Equity securities	34,683	349,850	23,250	407,783
Derivative assets	–	912,515	55,557	968,072
Financial assets at FVOCI				
Debt securities	39,036,752	–	–	39,036,752
Equity securities	–	–	299,761	299,761
<i>Liabilities</i>				
Derivative liabilities	–	2,497,440	–	2,497,440
December 31, 2024				
	Level 1	Level 2	Level 3	Total
<i>Resources</i>				
Financial assets at FVTPL				
Debt securities	₱7,693,772	₱–	₱–	₱7,693,772
Equity securities	35,363	571,412	533,850	1,140,625
Derivative assets	–	1,406,028	54,664	1,460,692
Financial assets at FVOCI				
Debt securities	39,212,893	–	–	39,212,893
Equity securities	–	–	299,761	299,761
<i>Liabilities</i>				
Derivative liabilities	–	3,088,312	–	3,088,312

Parent Bank

December 31, 2025				
	Level 1	Level 2	Level 3	Total
<i>Resources</i>				
Financial assets at FVTPL				
Debt securities	₱22,521,166	₱–	₱–	₱22,521,166
Equity securities	–	349,850	–	349,850
Derivative assets	–	912,515	55,557	968,072
Financial assets at FVOCI				
Debt securities	39,016,859	–	–	39,016,859
Equity securities	–	–	58,073	58,073
<i>Liabilities</i>				
Derivative liabilities	–	2,497,440	–	2,497,440



	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Resources				
Financial assets at FVTPL				
Debt securities	₱7,493,643	₱—	₱—	₱7,493,643
Equity securities	—	571,412	502,851	1,074,263
Derivative assets	—	1,406,028	54,664	1,460,692
Financial assets at FVOCI				
Debt securities	39,193,382	—	—	39,193,382
Equity securities	—	—	58,073	58,073
Liabilities				
Derivative liabilities	—	3,088,312	—	3,088,312

b) *Financial instruments measured at amortized cost and investment properties for which fair value is disclosed*

Group

	December 31, 2025				
	Carrying Value	Level 1	Level 2	Level 3	Total
Resources					
Financial Assets					
Financial assets at amortized cost	₱308,751,875	₱292,572,513	₱—	₱—	₱292,572,513
Loans and other receivables	537,682,367	—	—	495,547,041	495,547,041
Nonfinancial Assets					
Investment properties	10,092,938	—	—	21,495,093	21,495,093
Liabilities					
Financial Liabilities					
Deposit liabilities	734,033,788	—	—	738,108,587	738,108,587
Bills payable	132,009,906	—	132,871,181	—	132,871,181
Notes and bonds payable	39,662,164	—	40,060,203	—	40,060,203

	December 31, 2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Resources					
Financial Assets					
Financial assets at amortized cost	₱323,412,938	₱303,086,488	₱—	₱—	₱303,086,488
Loans and other receivables	522,655,816	—	—	489,825,582	489,825,582
Nonfinancial Assets					
Investment properties	9,789,983	—	—	20,262,561	20,262,561
Liabilities					
Financial Liabilities					
Deposit liabilities	676,322,796	—	—	685,523,143	685,523,143
Bills payable	162,256,379	—	180,790,718	—	180,790,718
Notes and bonds payable	57,565,582	—	56,044,999	—	56,044,999

Parent Bank

	December 31, 2025				
	Carrying Value	Level 1	Level 2	Level 3	Total
Resources					
Financial Assets					
Financial assets at amortized cost	₱298,459,094	₱282,414,067	₱—	₱—	₱282,414,067
Loans and other receivables	417,889,678	—	—	382,827,486	382,827,486
Nonfinancial Assets					
Investment properties	9,041,001	—	—	20,142,352	20,142,352
Liabilities					
Financial Liabilities					
Deposit liabilities	620,146,941	—	—	618,344,664	618,344,664
Bills payable	100,424,273	—	101,195,598	—	101,195,598
Notes and bonds payable	33,375,113	—	33,660,684	—	33,660,684



	December 31, 2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
<i>Resources</i>					
<i>Financial Assets</i>					
Financial assets at amortized cost	₱313,388,774	₱293,392,468	₱—	₱—	₱293,392,468
Loans and other receivables	406,180,888	—	—	385,018,069	385,018,069
<i>Nonfinancial Assets</i>					
Investment properties	8,564,812	—	—	18,697,704	18,697,704
<i>Liabilities</i>					
<i>Financial Liabilities</i>					
Deposit liabilities	572,481,890	—	—	574,504,333	574,504,333
Bills payable	126,169,642	—	144,626,478	—	144,626,478
Notes and bonds payable	51,724,287	—	50,165,422	—	50,165,422

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years. Certain disclosures required for financial instruments measured at fair value and classified as Level 3 are not presented as these financial instruments are comprised of derivative assets and unquoted equity securities that are not material to the financial statements.

Below information provided about how the fair values of the Group's classes of financial instruments are determined.

- (a) *For Cash and other cash items, Due from BSP and other banks, Interbank loans receivable, SPURRA (included under loans and other receivable) and Returned checks and other cash items, and Other liabilities such as Manager's checks, Bills purchased, Accounts payable, Accrued interest payable, Payment orders payable and Due to Treasurer of the Philippines* Management considers that the carrying amounts approximate their fair value due to their short-term nature. Accordingly, these are not presented in the tables above.
- (b) *Debt securities*
Fair values of debt securities under Level 1, composed of government securities issued by the Philippine government and other foreign governments and private debt securities, are determined based on quoted prices at the close of business as appearing on Bloomberg. Fair values of debt securities under Level 2 composed of government securities, determined based on observable input prices of similar securities appearing on Bloomberg.
- (c) *Derivatives*
The fair values of derivative financial instruments that are not quoted in an active market are determined through valuation techniques using the net present value computation (see Note 3). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.
- (d) *Equity securities*
Instruments included in Level 1 comprise equity securities classified as financial assets at FVTPL. These securities are valued based on their closing prices published by the Philippine Stock Exchange.

Club shares classified as financial assets at FVTPL are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. Fair value of unquoted equity investments is based on the price in the recently observed transaction and is considered Level 2.



Equity instruments included in Level 3 comprise of UIC's investment in unquoted equity securities valued using the adjusted net asset method. The adjusted net asset method involves deriving the fair value of the investee's equity instruments by reference to the fair value of its assets and liabilities. Adjustments in the fair value of the investee's net assets, such as discount for the lack of liquidity, were also considered in the valuation. The Level 3 unquoted equity instruments are not material to the consolidated financial statements.

(e) *Loans and receivables, Deposit liabilities and Bills payable*

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

(f) *Notes and bonds payable*

Fair values of notes and bonds payable under Level 2 are determined based on quoted prices at the close of business as appearing on PDEX and Bloomberg. These are classified as Level 2 due to absence of an active market.

(g) *Investment properties*

The fair values of the Group's investment properties are determined on the basis of the appraisals performed by internal appraisers (for investment properties with values below ₱5 million) and independent appraisal companies acceptable to the BSP (for investment properties with fair values above ₱5 million), with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation process is conducted by the appraisers with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, appraisal companies take into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management's assessment, the best use of the Group's non-financial assets indicated above is their current use.

The fair values of investment properties are determined using the market data approach that reflects observable and recent transaction prices for similar properties in nearby locations. Under this approach, when sales prices of comparable property in close proximity are used in the valuation of the subject property with no adjustment on the price, fair value is included in Level 2. On the other hand, if the observable and recent prices of the reference properties were adjusted for differences in key attributes such as property size, zoning, and accessibility, the fair value will be the lower level of the hierarchy or Level 3. The most significant input into this valuation approach is the price per square meter, hence, the higher the price per square meter, the higher the fair value.

There has been no change in the valuation techniques used by the Group during the year for its investment properties.



Offsetting Financial Assets and Financial Liabilities

Certain financial assets and financial liabilities of the Group and the Parent Bank with amounts presented in the statements of financial position as of December 31, 2025 and 2024 are subject to offsetting, enforceable master netting arrangements and similar agreements. However, there were no financial assets and financial liabilities presented at net in the statements of financial position.

Presented below is the financial assets and financial liabilities subject to offsetting but the related amounts are not set-off in the statements of financial position.

	Group							
	December 31, 2025				December 31, 2024			
	Net amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		Net Exposure	Net amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		Net Exposure
		Financial Instruments	Collateral Received			Financial Instruments	Collateral Received	
Financial Assets								
Derivative Assets								
Currency forwards	P473,298	P129,153	P-	344,145	P620,328	P258,954	P-	P361,374
Cross currency interest rate swaps	439,217	447	-	438,770	354,585	18,087	-	336,498
SPURRA	40,945,000	-	40,945,000	-	1,700,000	-	1,700,000	-
Loans and Receivables	674,242	-	674,242	-	555,692	-	555,692	-
Total financial assets	P42,531,757	P129,599	P41,619,242	P782,916	P3,230,605	P277,041	P2,255,692	P697,872
Financial Liabilities								
Derivative Liabilities								
Currency forwards	P1,511,585	P129,153	P-	P1,382,432	P1,594,694	P258,954	P-	P1,335,740
Cross currency swaps	961,218	446	-	960,772	1,062,908	18,087	-	1,044,821
Deposit Liabilities	996,519	674,242	-	322,277	935,785	555,692	-	380,093
Bills Payable	80,191,646	80,191,646	-	-	104,731,109	104,731,109	-	-
Total financial liabilities	P83,660,968	P80,995,487	P-	P2,665,481	P108,324,496	P105,563,842	P-	P2,760,654

	Parent Bank							
	December 31, 2025				December 31, 2024			
	Net amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		Net Exposure	Net amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		Net Exposure
		Financial Instruments	Collateral Received			Financial Instruments	Collateral Received	
Financial assets								
Derivative assets								
Currency forwards	P473,298	P129,153	P-	P344,145	P620,328	P258,954	P-	P361,374
Cross currency interest rate swaps	439,217	446	-	438,771	354,585	18,087	-	336,498
SPURRA	10,000,000	-	10,000,000	-	-	-	-	-
Loans and receivables	603,008	-	603,008	-	483,790	-	483,790	-
Total financial assets	P11,515,523	P129,599	P10,603,008	P782,916	P1,458,703	P277,041	P483,790	P697,872
Financial liabilities								
Derivative liabilities								
Currency forwards	P1,511,585	P129,153	P-	P1,382,432	P1,594,694	P258,954	P-	P1,335,740
Cross currency swaps	961,218	446	-	960,772	1,062,908	18,087	-	1,044,821
Deposit liabilities	873,834	603,008	-	270,826	796,644	483,790	-	312,854
Bills Payable	80,191,646	80,191,646	-	-	104,731,109	104,731,109	-	-
Total financial liabilities	P83,538,283	P80,924,253	P-	P2,614,030	P108,185,355	P105,491,940	P-	P2,693,415



8. Cash and Balances with the BSP

These accounts are composed of the following as of December 31:

	Group		Parent Bank	
	2025	2024	2025	2024
Cash and other cash items	₱11,419,221	₱10,143,777	₱10,359,243	₱9,270,243
Due from BSP				
Mandatory reserves (Note 21)	31,569,165	32,038,411	31,365,618	30,507,385
Non-mandatory reserves	9,240,977	50,108,164	1,907,638	18,704,704
	₱40,810,142	₱82,146,575	₱33,273,256	₱49,212,089

Cash consists primarily of funds in the form of Philippine currency notes and coins in the Group and the Parent Bank's vault and those in the possession of tellers, including ATMs. Other cash items include cash items (other than currency and coins on hand) such as checks drawn on other banks or other branches that were received after the Group and the Parent Bank's clearing cut-off time until the close of the regular banking hours.

Mandatory reserves represent the balance of the deposit account maintained with the BSP to meet reserve requirements and to serve as clearing account for interbank claims (see Note 21). Under Section 254 of the MORB, a bank shall keep its required reserves in the form of deposits placed in the bank's demand deposit account with the BSP. Section 254.1 of the MORB further provides that such deposit account with the BSP is not considered as a regular current account as drawings against such deposits shall be limited to: (a) settlement of obligation with the BSP, and (b) withdrawals to meet cash requirements.

Due from BSP bears annual interest rates ranging from 4.00% to 5.25% in 2025, from 5.25% to 6.25% in 2024, and from 5.00% to 6.71% in 2023, except for the amounts within the required reserve as determined by the BSP. Total interest income on Due from BSP recognized by the Group amounted to ₱1.41 billion, ₱1.70 billion, and ₱1.47 billion in 2025, 2024 and 2023, respectively, while the total interest income on Due from BSP recognized by the Parent Bank amounted to ₱361.84 million, ₱204.11 million, and ₱290.29 million in 2025, 2024 and 2023, respectively.

9. Due from Other Banks

The balance of this account consists of regular deposits with the following:

	Group		Parent Bank	
	2025	2024	2025	2024
Foreign banks	₱31,517,251	₱29,671,672	₱31,516,899	₱29,671,672
Local banks	3,807,655	4,231,317	2,657,483	1,477,758
	35,324,906	33,902,989	34,174,382	31,149,430
Allowance for impairment (Note 20)	(9,696)	(12,451)	(9,180)	(9,651)
	₱35,315,210	₱33,890,538	₱34,165,202	₱31,139,779



Due from Other Banks and Interbank Loans Receivable and Securities Purchased under Repurchase Agreements

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The breakdown of this account as to currency follows:

	Group		Parent Bank	
	2025	2024	2025	2024
U.S. dollars	₱29,279,830	₱26,384,493	₱28,965,772	₱26,190,737
Philippine pesos	4,372,817	4,854,585	3,536,927	2,297,605
Other currencies	1,662,563	2,651,460	1,662,503	2,651,437
	₱35,315,210	₱33,890,538	₱34,165,202	₱31,139,779

Annual interest rates on these deposits range from 0.00% to 4.35% in 2025 and from 0.00% to 5.40% in 2024, and from 0.00% to 5.40% in 2023. Total interest income on Due from other banks earned by the Group amounted to ₱615.20 million, ₱958.20 million, and ₱694.49 million in 2025, 2024 and 2023, respectively, while total interest income earned by the Parent Bank amounted to ₱606.21 million, ₱952.27 million, and ₱656.87 million in 2025, 2024 and 2023, respectively.

10. Interbank Loans Receivable and Securities Purchased under Repurchase Agreements

Interbank loans receivable of the Group and the Parent Bank amounted to ₱215.66 million and ₱178.99 million, net of allowance for credit losses of ₱0.04 million, as of December 31, 2025 and 2024, respectively. Interbank loans receivable consists of foreign currency-denominated loans granted to other banks with terms ranging from 1 to 8 days in 2025 and from 1 to 15 days in 2024. Interest income on interbank loans amounted to ₱355.82 million, ₱71.21 million, and ₱96.17 million in 2025, 2024 and 2023, respectively, for the Group, and ₱355.82 million, ₱71.22 million, and ₱96.17 million in 2025, 2024 and 2023, respectively, for the Parent Bank.

SPURRA of the Group amounted to ₱40.95 billion and ₱1.70 billion as of December 31, 2025 and 2024, respectively. SPURRA of the Parent Bank amounted to ₱10.00 billion and nil as of December 31, 2025 and 2024, respectively. SPURRA represents short-term placements with the BSP where the underlying securities cannot be sold or re-pledged to parties other than the contracting party. Interest income on SPURRA amounted to ₱1.11 billion, ₱1.36 billion, and ₱1.27 billion in 2025, 2024 and 2023, respectively, for the Group, and ₱0.38 billion, ₱0.48 billion, and ₱0.42 billion in 2025, 2024 and 2023, respectively, for the Parent Bank.

Annual interest rates on interbank loans receivable range from 3.00% to 5.97% in 2025, from 3.70% to 6.65% in 2024, and from 2.63% to 6.44% in 2023. SPURRA bears nominal annual interest ranging from 4.49% to 5.90% in 2025, from 5.70% to 6.51% in 2024, and from 5.50% to 6.48% in 2023.



11. Financial Assets at Fair Value through Profit or Loss

The Group's and Parent Bank's financial assets at FVTPL as of December 31, 2025 and 2024 consist of the following:

	Group		Parent Bank	
	2025	2024	2025	2024
Debt securities held for trading	₱22,521,166	₱7,693,772	₱22,521,166	₱7,493,643
Derivative assets	968,072	1,460,692	968,072	1,460,692
Equity securities designated at FVTPL	407,783	1,140,625	349,850	1,074,263
	₱23,897,021	₱10,295,089	₱23,839,088	₱10,028,598

The breakdown of this account as to currency follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Philippine pesos	₱17,603,449	₱4,400,727	₱17,545,516	₱4,134,236
U.S. dollars	6,293,052	5,889,673	6,293,052	5,889,673
Others	520	4,689	520	4,689
	₱23,897,021	₱10,295,089	₱23,839,088	₱10,028,598

Derivative instruments include warrants, foreign exchange forwards and swaps, cross-currency interest rate swaps and futures. These derivative instruments represent commitments to purchase/sell/exchange foreign currency or bonds on a future date at an agreed price, exchange rate and/or interest rates.

The aggregate contractual or notional amount of derivative financial instruments and the total fair values of derivative financial assets and liabilities of the Group and the Parent Bank are set out below.

	December 31, 2025		
	Notional Amount	Fair Values	
		Assets	Liabilities (Note 24)
Currency forwards			
Bought	₱74,945,703	₱383,994	₱1,394,235
Sold	40,861,069	89,304	117,350
Cross currency interest rate swaps			
Payer	31,777,781	438,061	961,218
Receiver	31,337,834	1,156	
Futures	2,351,600	—	24,637
Warrants	—	55,557	—
		₱968,072	₱2,497,440
	December 31, 2024		
Currency forwards			
Bought	₱84,778,570	₱328,045	₱1,501,260
Sold	23,326,152	292,283	93,434
Cross currency interest rate swaps			
Payer	26,692,894	16,912	265,946
Receiver	26,047,329	337,673	796,962
Futures	867,675	431,115	430,710
Warrants	—	54,664	—
		₱1,460,692	₱3,088,312



Equity securities include PSE listed securities, club shares and unquoted equity securities.

Interest income generated from these financial assets amounted to ₱746.56 million, ₱493.43 million, and ₱194.35 million in 2025, 2024 and 2023, respectively, for the Group, and ₱746.56 million, ₱487.22 million, and ₱193.27 million in 2025, 2024 and 2023, respectively, for the Parent Bank. In 2025, annual interest rates on these financial assets range from 3.63% to 8.00% and from 1.38% to 9.63% for securities denominated in Philippine peso and U.S. dollars, respectively. In 2024 and 2023, annual interest rates on these financial assets range from 2.38% to 9.25% and from 1.38% to 9.63% for securities denominated in Philippine peso and U.S. dollars, respectively.

The Group recognized fair value gains (losses) on financial assets at FVTPL amounting to ₱554.82 million, ₱1.34 billion, and ₱502.14 million in 2025, 2024 and 2023, respectively, while the Parent Bank recognized fair value gains (losses) on financial assets at FVTPL amounting to ₱556.55 million, ₱1.34 billion, and ₱501.19 million in 2025, 2024 and 2023, respectively, and included as part of Gains (losses) on trading and investment securities at FVTPL and FVOCI in the statement of income.

12. Financial Assets at Amortized Cost

The Group's and the Parent Bank's financial assets at amortized cost as of December 31, 2025 and 2024 consist of the following:

	Group		Parent Bank	
	2025	2024	2025	2024
Government bonds and other debt securities	₱285,945,052	₱298,650,068	₱275,742,271	₱288,715,904
Private bonds and commercial papers	23,133,456	25,080,834	23,043,456	24,990,834
	309,078,508	323,730,902	298,785,727	313,706,738
Allowance for impairment (Note 20)	(326,633)	(317,964)	(326,633)	(317,964)
	₱308,751,875	₱323,412,938	₱298,459,094	₱313,388,774

The Group's and the Parent Bank's investment securities with carrying values of ₱95.25 billion and ₱115.73 billion as of December 31, 2025 and 2024, respectively, were pledged as collaterals for bills payable under repurchase agreements (see Note 22).

The breakdown of this account as to currency as of December 31, 2025 and 2024 follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Philippine pesos	₱204,113,497	₱221,048,337	₱193,820,716	₱211,024,173
U.S. dollars	102,452,727	100,472,789	102,452,727	100,472,789
Others	2,185,651	1,891,812	2,185,651	1,891,812
	₱308,751,875	₱323,412,938	₱298,459,094	₱313,388,774



Financial assets at amortized cost denominated in Philippine pesos have annual fixed interest rates ranging from 2.88% to 12.5% in 2025, and from 2.38% to 18.25% in 2024 and 2023, while financial assets at amortized cost denominated in U.S. dollars and Euros have annual fixed interest rates ranging from 1.25% to 9.63% in 2025, 2024 and 2023. These bonds have remaining maturities of 1 to 27 years as of December 31, 2025, 1 to 28 years as of December 31, 2024, and 1 to 29 years as of December 31, 2023.

Interest income generated from these financial assets, including amortization of premium or discount, amounted to ₱14.80 billion, ₱14.20 billion, and ₱13.81 billion in 2025, 2024 and 2023, respectively, by the Group, and ₱14.29 billion, ₱13.75 billion, and ₱13.36 billion in 2025, 2024 and 2023, respectively, by the Parent Bank. This is shown as part of Interest income on investment securities at amortized cost and FVOCI account in the statement of income.

13. Financial Assets at Fair Value through Other Comprehensive Income

The Group's and the Parent Bank's financial assets at FVOCI as of December 31, 2025 and 2024 consist of the following:

	Group		Parent Bank	
	2025	2024	2025	2024
Debt securities:				
Government bonds	₱39,026,773	₱39,203,066	₱39,016,859	₱39,193,382
Private bonds and commercial papers	9,979	9,827	—	—
Equity securities	299,761	299,761	58,073	58,073
	₱39,336,513	₱39,512,654	₱39,074,932	₱39,251,455

The breakdown of this account as to currency as of December 31, 2025 and 2024 follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Philippine pesos	₱39,094,915	₱39,270,967	₱39,074,932	₱39,251,455
U.S. dollars	241,598	241,687	—	—
	₱39,336,513	₱39,512,654	₱39,074,932	₱39,251,455

The Group has designated the above equity securities as at FVOCI because they are held for long-term investments and are neither held-for-trading nor designated as at FVTPL. Unquoted equity securities pertain to golf club shares and investments in non-marketable equity securities.

Debt securities denominated in Philippine pesos have annual interest rates ranging from 2.88% to 8.13% in 2025 and from 2.88% to 9.25% in 2024 and 2023, while debt securities denominated in U.S. dollars have annual interest rates is nil in 2025 and 2024 and from 1.25% to 9.63% in 2023, respectively. Interest income, including amortization of premium or discount, amounted to ₱2.40 billion, ₱1.88 billion, and ₱1.81 billion in 2025, 2024 and 2023, respectively, for the Group and Parent Bank, and is shown as part of Interest income on investment securities at amortized cost and FVOCI account in the statement of income.

The Group and the Parent Bank recognized gains from the sale of investments securities at FVOCI amounting to ₱0.59 billion, ₱0.19 billion, and ₱0.42 billion in 2025, 2024 and 2023, respectively. The amounts are included under Gains on trading and investments securities at FVTPL and FVOCI in the statement of income.



14. Loans and Other Receivables

The Group's and the Parent Bank's loans and other receivables as of December 31, 2025 and 2024 consist of the following:

	Group		Parent Bank	
	December 31		December 31	
	2025	2024	2025	2024
Receivables from customers:				
Loans and discounts	₱536,344,373	₱512,958,473	₱411,665,397	₱395,379,978
Customers' liabilities under acceptances and trust receipts	9,114,989	11,152,182	9,114,989	11,152,182
Bills purchased	2,212,837	2,469,666	2,212,837	2,469,666
Accrued interest receivable	5,295,911	7,044,825	3,263,659	3,440,938
	552,968,110	533,625,146	426,256,882	412,442,764
Unearned discounts	(2,346,559)	(2,571,970)	(290,047)	(293,049)
Allowance for impairment (Note 20)	(27,289,035)	(22,870,642)	(18,362,839)	(17,194,228)
	523,332,516	508,182,534	407,603,996	394,955,487
Other receivables:				
Accounts receivable	8,035,971	8,309,457	4,140,980	4,911,001
Accrued interest receivable	5,089,636	4,942,863	4,940,864	4,777,509
Sales contracts receivable	2,244,887	2,428,972	2,106,342	2,318,078
Instalment contracts receivable	263	596	—	—
	15,370,757	15,681,888	11,188,186	12,006,588
Allowance for impairment (Note 20)	(1,020,906)	(1,208,606)	(902,504)	(781,187)
	14,349,851	14,473,282	10,285,682	11,225,401
	₱537,682,367	₱522,655,816	₱417,889,678	₱406,180,888

Restructured loans amounted to ₱8.36 billion and ₱4.13 billion as of December 31, 2025 and 2024, respectively, for the Group, and ₱7.96 billion and ₱4.08 billion as of December 31, 2025 and 2024, respectively, for the Parent Bank. Interest income on these restructured loans amounted to ₱64.75 million, ₱78.57 million, and ₱113.12 million in 2025, 2024 and 2023, respectively, for the Group, and ₱59.11 million, ₱62.63 million, and ₱111.15 million in 2025, 2024 and 2023, respectively, for the Parent Bank.

The maturity profile of loans and other receivables (net of unearned discounts) follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Less than one year	₱267,557,434	₱231,738,442	₱251,850,587	₱214,265,825
One year to less than five years	189,436,933	225,142,870	77,208,713	121,696,401
Beyond five years	108,997,941	89,853,752	108,095,721	88,194,077
	₱565,992,308	₱546,735,064	₱437,155,021	₱424,156,303

Loans and other receivables bear annual interest ranging from 4.25% to 13.70% in 2025, from 4.25% to 14.00% in 2024 and 2023.



The breakdown of loans (receivable from customers excluding accrued interest receivable) as to type of interest rate follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Variable interest rates	₱258,955,000	₱263,892,104	₱258,955,000	₱263,892,104
Fixed interest rates	288,717,199	262,688,217	164,038,223	145,109,722
	₱547,672,199	₱526,580,321	₱422,993,223	₱409,001,826

The amounts of interest income per type of loans and receivables for each reporting period are as follows:

	Group		
	2025	2024	2023
Receivables from customers	₱62,732,564	₱62,909,822	₱59,015,283
Other receivables	185,313	172,606	203,801
	₱62,917,877	₱63,082,428	₱59,219,084

	Parent Bank		
	2025	2024	2023
Receivables from customers	₱43,639,117	₱43,144,836	₱38,670,624
Sales contracts receivable	173,201	158,697	182,597
	₱43,812,318	₱43,303,533	₱38,853,221

15. Investments in Subsidiaries and Associates

Investment in Subsidiaries

This account in the Parent Bank's financial statements pertains to investments in the following subsidiaries, which are accounted for using the equity method:

	% Interest	2025	2024
Acquisition costs:			
CSB	99.81%	₱8,248,536	₱6,748,543
UnionDigital (Note 1)	100%	8,500,000	6,650,000
UFSI	100%	5,097,261	5,097,261
UBX (Note 1)	83.33%	1,100,000	1,100,000
UIC	100%	924,861	924,861
FUPI	100%	290,002	290,002
UBPSI	100%	5,000	5,000
UBIMTC	—	—	300,000
UDC	—	—	3,125
		₱24,165,660	₱21,118,792



The movement in investments in subsidiaries is shown below:

	2025	2024
Subsidiaries:		
Acquisition costs:		
Beginning balances	₱21,118,791	₱18,367,110
Additional investments (Note 1)	3,349,994	2,751,681
Disposal	(303,125)	—
	24,165,660	21,118,791
Accumulated equity in total comprehensive income:		
Balance at beginning of year	15,798,485	17,393,148
Share in net loss (Note 28)	(3,294,921)	(664,775)
Dividends	(342,523)	(1,075,000)
Gain on deemed disposal (Note 1)	—	373,128
Share in other comprehensive income (loss) (Note 29)	42,166	(228,016)
Others	2,625	—
Balance at end of year	12,205,832	15,798,485
Net investment in subsidiaries	36,371,492	36,917,276
Associates:		
Acquisition costs:		
Beginning balances	347,299	347,299
Additional investments (Note 1)	300,000	—
	647,299	347,299
Accumulated equity in total comprehensive income:		
Balance at beginning of year	36,694	6,856
Share in equity income		
Excess of fair value over cost of investment (Note 28)	590,918	—
Share in current period profit (Note 28)	102,300	31,649
Share in other comprehensive loss (Note 29)	(689)	(1,811)
Balance at end of year	729,223	36,694
Net investment in associates	1,376,522	383,993
	₱37,748,014	₱37,301,269

The Parent Bank's direct subsidiaries are all incorporated in the Philippines. The principal place of business of these subsidiaries is in Metro Manila, Philippines except for CSB, which has its principal place of operations in Cebu, Philippines.

The details of the dividends by the subsidiaries to the Parent Bank are provided below:

Subsidiaries	Date of declaration	Per share	Total amounts
UFSI	April 24, 2025	₱2.99	₱300,000
	February 29, 2024	1.99	200,000
	June 25, 2024	6.97	700,000
	November 15, 2024	1.00	100,000
	May 24, 2023	0.62	62,000
UBIMTC	April 24, 2025	0.14	42,523
UIC	June 4, 2024	1.12	75,000
	September 25, 2023	1.00	67,000

Investment in Associates

On November 8, 2024, the Parent Bank and AAMI entered into an agreement for UBP's acquisition of a 27.5% shareholding in AAMI and a share purchase agreement for the sale of 100% UBP's shareholding in UBIMTC to AAMI. In May 2025, upon approval of the BSP, the investment in UBIMTC was sold for ₱300 million. No gain or loss was recognized on the sale. On the same date, the acquisition of 27.5% shareholding in AAMI resulted in a gain on acquisition amounting to ₱590.92 million included under the share in equity income under 'Miscellaneous income' in the statement of income, representing the excess of the fair value of the acquired investment in AAMI of ₱890.92 million and the acquisition cost of its investment of ₱300.00 million (Note 28).



Sale of Investments in Fintech Platform Ventures Pte Ltd. by UBX SG

On August 28, 2023, UBX SG sold its 32.28% stake in Fintech Platform Ventures Pte. Ltd with a carrying value of \$1.30 million (₱74.8 million) for \$1.70 million (₱98.0 million) with gain from sale of \$0.407 million (₱23.2 million).

Summarized Financial Information

The following table presents the combined financial information of the subsidiaries, which comprises CSB, UnionDigital, UFSI, PETNET, UBX, UIC, and Bangko Kabayan as of and for the years ended December 31, 2025 and 2024:

	Assets	Liabilities	Revenues	Net Profit (Loss)
Subsidiaries				
2025	₱191,750,848	₱159,935,696	₱25,340,812	(₱2,957,562)
2024	186,467,856	154,098,330	26,805,544	(256,564)
Associate				
2025	1,399,247	503,870	1,319,720	224,222

16. Bank Premises, Furniture, Fixtures and Equipment

The gross carrying amounts and accumulated depreciation and amortization of bank premises, furniture, fixtures and equipment as of December 31, 2025 and 2024 are shown below.

	Group					Total
	Land	Buildings	Furniture, Fixtures and Equipment	Right-of-Use Assets	Leasehold Improvements	
December 31, 2025						
Cost	₱1,172,569	₱7,613,076	₱6,600,255	₱4,980,929	₱2,194,425	₱22,561,254
Accumulated depreciation and amortization	—	(1,419,512)	(4,473,533)	(3,385,927)	(1,653,642)	(10,932,614)
Net carrying amounts	₱1,172,569	₱6,193,564	₱2,126,722	₱1,595,002	₱540,783	₱11,628,640
December 31, 2024						
Cost	₱1,174,299	₱7,369,579	₱5,942,479	₱4,774,810	₱1,996,279	₱21,257,446
Accumulated depreciation and amortization	—	(1,244,772)	(4,200,382)	(3,270,814)	(1,540,267)	(10,256,235)
Net carrying amounts	₱1,174,299	₱6,124,807	₱1,742,097	₱1,503,996	₱456,012	₱11,001,211
Parent Bank						
	Land	Buildings	Furniture, Fixtures and Equipment	Right-of-Use Assets	Leasehold Improvements	Total
December 31, 2025						
Cost	₱558,820	₱7,130,207	₱4,942,320	₱4,199,910	₱1,076,295	₱17,907,552
Accumulated depreciation and amortization	—	(1,132,980)	(3,210,015)	(2,995,776)	(638,680)	(7,977,451)
Net carrying amounts	₱558,820	₱5,997,227	₱1,732,305	₱1,204,134	₱437,615	₱9,930,101
December 31, 2024						
Cost	₱558,820	₱6,877,938	₱4,390,220	₱3,779,970	₱917,123	₱16,524,071
Accumulated depreciation and amortization	—	(967,241)	(3,024,638)	(2,637,898)	(569,350)	(7,199,127)
Net carrying amounts	₱558,820	₱5,910,697	₱1,365,582	₱1,142,072	₱347,773	₱9,324,944



A reconciliation of the carrying amounts at the beginning and end of 2025 and 2024 of this account (including right-of-use assets) is shown below:

	Group					Total
	Land	Buildings	Furniture, Fixtures and Equipment	Right-of-Use Assets	Leasehold Improvements	
Balances at January 1, 2025, net of accumulated depreciation and amortization	₱1,174,299	₱6,124,807	₱1,742,097	₱1,503,996	₱456,012	₱11,001,211
Additions	—	273,798	990,401	748,311	198,746	2,211,256
Disposals	(1,730)	(653)	(81,356)	(36,495)	—	(120,234)
Reclassifications/adjustments	—	(19,393)	614	44,457	(600)	25,078
Depreciation and amortization charges for the year	—	(184,995)	(525,034)	(665,267)	(113,375)	(1,488,671)
Balances at December 31, 2025, net of accumulated depreciation and amortization	₱1,172,569	₱6,193,564	₱2,126,722	₱1,595,002	₱540,783	₱11,628,640
Balances at January 1, 2024, net of accumulated depreciation and amortization	₱1,182,455	₱5,122,798	₱1,971,029	₱1,416,931	₱500,026	₱10,193,239
Additions	—	1,189,253	373,368	714,284	84,380	2,361,285
Disposals	(8,156)	(1,073)	(40,196)	—	—	(49,425)
Reclassifications/adjustments	—	(930)	(17,601)	(1,616)	(6,948)	(27,095)
Depreciation and amortization charges for the year	—	(185,241)	(544,503)	(625,603)	(121,446)	(1,476,793)
Balances at December 31, 2024, net of accumulated depreciation and amortization	₱1,174,299	₱6,124,807	₱1,742,097	₱1,503,996	₱456,012	₱11,001,211

	Parent Bank					Total
	Land	Buildings	Furniture, Fixtures and Equipment	Right-of-Use Assets	Leasehold Improvements	
Balances at January 1, 2025, net of accumulated depreciation and amortization	₱558,820	₱5,910,697	₱1,365,582	₱1,142,072	₱347,773	₱9,324,944
Additions	—	271,523	810,963	589,276	159,719	1,831,481
Disposals	—	—	(63,291)	(36,040)	—	(99,331)
Reclassifications/adjustments	—	(19,253)	2,871	—	(547)	(16,929)
Depreciation and amortization charges for the year	—	(165,740)	(383,820)	(491,174)	(69,330)	(1,110,064)
Balances at December 31, 2025, net of accumulated depreciation and amortization	₱558,820	₱5,997,227	₱1,732,305	₱1,204,134	₱437,615	₱9,930,101
Balances at January 1, 2024, net of accumulated depreciation and amortization	₱558,820	₱4,898,310	₱1,599,715	₱1,070,175	₱412,306	₱8,539,326
Additions	—	1,176,682	202,027	561,627	6,413	1,946,749
Disposals	—	—	(34,834)	—	—	(34,834)
Reclassifications/adjustments	—	(54)	8,582	—	(136)	8,392
Depreciation and amortization charges for the year	—	(164,241)	(409,908)	(489,730)	(70,810)	(1,134,689)
Balances at December 31, 2024, net of accumulated depreciation and amortization	₱558,820	₱5,910,697	₱1,365,582	₱1,142,072	₱347,773	₱9,324,944

The Group has leases for branch offices, parking lots, stalls for specific events, signage and computer equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the statement of financial position as a ROU asset and a lease liability.

Generally, the Group is restricted from assigning and subleasing the leased assets. The lease contracts are cancellable upon mutual agreement of the parties or renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5% to 10%. As of December 31, 2025 and 2024, the Group has neither a contingent rent payable nor an asset restoration obligation in relation with these lease agreements.



The Group's leasing activities qualified to recognize ROU assets mainly comprise of branch offices and parking lots with remaining lease terms ranging from 1 to 10 years.

The details of depreciation and amortization in the consolidated statements of income follow:

	Group		
	2025	2024	2023
Computer software (Note 19)	₱1,668,082	₱758,880	₱595,876
Bank premises, furniture, fixtures and equipment*	823,404	851,190	839,585
Investment properties and foreclosed chattel (Notes 17 and 19)	709,352	598,444	597,818
Customer relationships (Note 19)	343,500	343,500	343,500
Core deposits (Note 19)	289,714	289,714	289,714
	₱3,834,052	₱2,841,728	₱2,666,493

*Excluding depreciation of ROU asset presented in Occupancy.

	Parent Bank		
	2025	2024	2023
Computer software (Note 19)	₱1,043,817	₱417,642	₱316,402
Bank premises, furniture, fixtures and equipment*	618,890	644,959	636,278
Investment properties and foreclosed chattel (Notes 17 and 19)	549,074	446,092	380,662
Customer relationships (Note 19)	343,500	343,500	343,500
Core deposits (Note 19)	262,643	262,643	262,643
	₱2,817,924	₱2,114,836	₱1,939,485

*Excluding depreciation of ROU asset presented in Occupancy.

Depreciation charges amounted to ₱665.27 million, ₱625.60 million, and ₱611.48 million in 2025, 2024 and 2023, respectively, for the ROU of the Group and ₱491.17 million, ₱489.73 million, and ₱468.68 million in 2025, 2024 and 2023, respectively, for the ROU of the Parent Bank. This is shown as part of Occupancy in the consolidated and parent bank statements of income.

The Group recognized gains from the sale of bank premises, furniture, fixtures and equipment amounting to ₱8.36 million, ₱25.24 million, and ₱46.27 million in 2025, 2024 and 2023, respectively. The Parent Bank recognized gains (losses) from the sale of bank premises, furniture, fixtures and equipment amounting to (₱2.90) million, ₱1.28 million, and ₱43.43 million in 2025, 2024 and 2023, respectively. The amounts are included under Net gain on sale of investment properties, property and equipment and other assets under Miscellaneous Income section of the statement of income (see Note 28).

Under BSP rules, investments in bank premises, furniture, fixtures and equipment should not exceed 50% of the Parent Bank's unimpaired capital. As of December 31, 2025 and 2024, the Parent Bank has satisfactorily complied with this requirement.



17. Investment Properties

The Group's and the Parent Bank's investment properties include several parcels of land and buildings held for rentals and foreclosed properties. The composition of this account are shown below.

	Group		Parent	
	As at December 31		As at December 31	
	2025	2024	2025	2024
Cost	₱13,516,804	₱13,048,847	₱12,228,828	₱11,589,371
Accumulated depreciation	(3,274,806)	(3,158,632)	(3,091,791)	(2,961,656)
Accumulated impairment loss	(149,060)	(100,232)	(96,036)	(62,903)
Net carrying amounts	₱10,092,938	₱9,789,983	₱9,041,001	₱8,564,812

The composition of and movements in the Group's and the Parent Bank's investment properties are shown below.

	Group		Total
	Building Held for Lease	Foreclosed Properties	
Cost			
Balances at January 1	₱2,535,808	₱10,513,039	₱13,048,847
Additions/rescission	3,797	1,601,635	1,605,432
Disposals/derecognition	(28,766)	(1,108,709)	(1,137,475)
Balances at December 31	2,510,839	11,005,965	13,516,804
Accumulated Depreciation and Amortization			
Balances at January 1	895,346	2,263,286	3,158,632
Depreciation	53,264	509,659	562,923
Disposals/derecognition	(23,081)	(423,668)	(446,749)
Balances at December 31	925,529	2,349,277	3,274,806
Accumulated Impairment Losses			
Balances at January 1	—	100,232	100,232
Provision for impairment	—	52,381	52,381
Disposals/derecognition	—	(3,553)	(3,553)
Balances at December 31	—	149,060	149,060
Net Book Values	₱1,585,310	₱8,507,628	₱10,092,938

	Group		Total
	Building Held for Lease	Foreclosed Properties	
Cost			
Balances at January 1	₱2,533,424	₱9,115,278	₱11,648,702
Additions	2,526	2,270,497	2,273,023
Disposals	(142)	(872,547)	(872,689)
Reclassifications/adjustments	—	(189)	(189)
Balances at December 31	2,535,808	10,513,039	13,048,847
Accumulated Depreciation and Amortization			
Balances at January 1	842,463	2,109,120	2,951,583
Depreciation	52,883	431,545	484,428
Disposals	—	(275,593)	(275,593)
Reclassifications/adjustments	—	(1,786)	(1,786)
Balances at December 31	895,346	2,263,286	3,158,632
Accumulated Impairment Losses			
Balances at January 1	—	104,860	104,860
Reversals on provision for impairment	—	(3,547)	(3,547)
Disposals	—	(1,087)	(1,087)
Reclassifications/adjustments	—	6	6
Balances at December 31	—	100,232	100,232
Net Book Values	₱1,640,462	₱8,149,521	₱9,789,983



	Parent Bank		
	2025		
	Building Held for Lease	Foreclosed Properties	Total
Cost			
Balances at January 1	₱2,198,110	₱9,391,261	₱11,589,371
Additions	—	1,510,734	1,510,734
Disposals/derecognized	—	(871,277)	(871,277)
Balances at December 31	2,198,110	10,030,718	12,228,828
Accumulated Depreciation and Amortization			
Balances at January 1	740,989	2,220,667	2,961,656
Depreciation	45,854	500,997	546,851
Disposals/derecognized	—	(416,716)	(416,716)
Balances at December 31	786,843	2,304,948	3,091,791
Accumulated Impairment Losses			
Balances at January 1	—	62,903	62,903
Provision for impairment	—	36,351	36,351
Disposals/derecognized	—	(3,218)	(3,218)
Balances at December 31	—	96,036	96,036
Net Book Values	₱1,411,267	₱7,629,734	₱9,041,001

	Parent Bank		
	2024		
	Building Held for Lease	Foreclosed Properties	Total
Cost			
Balances at January 1	₱2,198,110	₱7,992,679	₱10,190,789
Additions	—	2,194,537	2,194,537
Disposals	—	(795,955)	(795,955)
Balances at December 31	2,198,110	9,391,261	11,589,371
Accumulated Depreciation and Amortization			
Balances at January 1	695,135	2,071,559	2,766,694
Depreciation	45,854	419,277	465,131
Disposals	—	(270,169)	(270,169)
Balances at December 31	740,989	2,220,667	2,961,656
Accumulated Impairment Losses			
Balances at January 1	—	64,812	64,812
Reversals on provision for impairment	—	(1,909)	(1,909)
Balances at December 31	—	62,903	62,903
Net Book Values	₱1,457,121	₱7,107,691	₱8,564,812

Real property taxes related to these investment properties paid by the Group and recognized as expense totaled ₱55.75 million, ₱50.03 million, and ₱48.29 million, in 2025, 2024 and 2023, respectively. Real property taxes related to these investment properties paid by the Parent Bank and recognized as expense totaled ₱51.39 million, ₱45.49 million, and ₱43.92 million, in 2025, 2024 and 2023, respectively. These are presented as part of Taxes and licenses account under Other expenses in the statements of income.

Rent income, included as part of 'Others' under Miscellaneous income in the statement of income (see Note 28), amounted to ₱181.65 million, ₱150.41 million, and ₱118.56 million in 2025, 2024 and 2023, respectively, earned by the Group on its investment properties under operating leases. Rent income, included as part of 'Others' under Miscellaneous income in the statement of income (see Note 28), amounted to ₱191.14 million, ₱199.44 million, and ₱171.67 million in 2025, 2024 and 2023, respectively, earned by the Parent Bank on its investment properties under operating leases.

The gain on foreclosure of loan collaterals, presented as part of Miscellaneous income in the statements of income (see Note 28), amounted to ₱877.20 million, ₱1.20 billion and ₱751.94 million in 2025, 2024 and 2023, respectively, for the Group and ₱816.35 million, ₱1.17 billion and ₱679.75 million in 2025, 2024 and 2023, respectively, for the Parent Bank.



The gain on disposal of foreclosed properties, presented as part of Miscellaneous income in the statements of income (see Note 28), amounted to ₱601.49 million, ₱496.10 million, and ₱1.02 billion in 2025, 2024 and 2023, respectively, for the Group, and ₱598.01 million, ₱610.72 million, and ₱1.11 billion in 2025, 2024 and 2023, respectively, for the Parent Bank.

Information about the fair value of investment properties is presented in Note 7.

18. Goodwill

Goodwill represents the excess of the acquisition cost over the fair value arising from the acquisitions of (a) former iBank's in April 2006; (b) CSB in January 2013, (c) PR Savings Bank by CSB in June 2018, (d) PETNET in December 2018, (e) Bangko Kabayan in March 2020, and (f) Citigroup Inc.'s consumer banking business in the Philippines in August 2022 (see Note 1).

None of the goodwill recognized is expected to be deductible for income tax purposes.

For impairment testing purposes, the goodwill of the Group acquired through business combinations is allocated to the following CGUs:

- With respect to the goodwill from the acquisition of iBank, to the Parent Bank's Personal Banking and SME within the Consumer Banking business and Parent Bank's Retail Commercial and Retail Corporate and in view of the change in reporting deposit products in 2025, a portion of the goodwill previously attributed to RBC was reallocated to Institutional Banking;
- With respect to the goodwill from the acquisition of CSB and PR Savings Bank, to CSB's DepEd salary loans business and motorcycle loans business, respectively;
- With respect to the goodwill from the acquisition of PETNET, the separate cash generating unit of PETNET at entity level;
- With respect to the goodwill from the acquisition of Bangko Kabayan, the separate cash generating unit of Bangko Kabayan at entity level; and,
- With respect to the goodwill from the acquisition of Citigroup Inc.'s consumer banking business in the Philippines, the separate cash generating unit of (i) credit card and personal loans products within the consumer banking business; and (ii) UFSI at entity level.

The goodwill of the Group and the Parent Bank is allocated to the following CGUs:

	Group		Parent Bank	
	2025	2024	2025	2024
Parent Bank				
Parent Bank's Credit card/Personal Loan Business	₱35,452,798	₱35,452,798	₱35,452,798	₱35,452,798
Parent Bank's Retail Commercial and Corporate*	5,086,973	3,208,998	5,086,973	3,208,998
Parent Bank's Personal Banking and SME Banking**	2,799,925	4,677,900	2,799,925	4,677,900
	43,339,696	43,339,696	43,339,696	43,339,696
CSB				
CSB's DepEd Salary Loans Business	3,371,353	3,371,353	—	—
CSB's Motorcycle Loans Business***	2,729,424	2,729,424	—	—
	6,100,777	6,100,777	—	—
UFSI	3,720,835	3,720,835	—	—
PETNET	715,118	715,118	—	—
Bangko Kabayan	116,139	116,139	—	—
	₱53,992,565	₱53,992,565	₱43,339,696	₱43,339,696

*formerly Parent Bank's Institutional Banking

**formerly Parent Bank's Retail Banking

***Goodwill of ₱3.48 billion, net of accumulated impairment recognized of ₱752.77 million, arising from the acquisition of PR Savings Bank.



In 2025, the Parent Bank revised its internal reporting structure for Retail Banking Center to align with changes in the way management monitors business performance and allocates resources. This resulted in a change to the Parent Bank's reportable operating segments in accordance with PFRS 8, *Operating Segments* (see Note 6). The change in reporting structure altered the composition of CGUs associated with the goodwill from the acquisition of iBank, requiring the goodwill to be reallocated in accordance with PAS 36, *Impairment of Assets*.

The reallocation was performed based on the allocation approach that estimates the expected economic benefits from the reconstituted CGUs. As a result, the goodwill from the acquisition of iBank allocated to the Parent Bank's Retail Commercial and Corporate and Personal Banking and SME Banking segments amounted to ₱5.1 billion and ₱2.8 billion, respectively, as of December 31, 2025, compared to ₱3.2 billion and ₱4.7 billion, respectively, as of December 31, 2024.

The Group performs its annual impairment test in December of each year, unless indicators for impairment warrant earlier reassessment. The Group considers various internal and external sources of information in assessing whether there is any indication that goodwill is impaired including if there are significant changes with an adverse effect on the CGUs that have taken place during the period in the technological, market, economic or legal environment in which the Group operates.

The recoverable amount of the Group's CGUs has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The key assumptions in VIU calculation of CGUs which are most sensitive include the long-term growth rate and discount rate. Future cash flows and growth rates were based on historical experiences and strategies developed. The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to a comparable entity, market observable inputs and assumptions consistent with the valuation practice. Refer to Note 3 for the disclosure of assumptions used in the impairment assessment.

In 2025 and 2024, the Group performed its annual impairment test and noted that there is no impairment to be recognized for the CGUs (see Note 3).

19. Other Resources

The composition of Other resources account as of December 31 follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Computer software - net	₱14,488,792	₱10,168,398	₱12,056,396	₱7,466,441
Deferred tax assets (Note 30)	11,541,903	10,481,236	7,921,083	7,365,133
Customer relationships - net	3,635,375	3,978,875	3,635,375	3,978,875
Software under development	3,220,720	8,280,868	2,586,119	7,807,156
Core deposits - net	2,847,315	3,137,029	2,779,637	3,042,280
Deferred charges	2,353,251	2,384,698	1,214,095	1,423,915
Prepaid expenses	2,012,130	1,698,664	1,086,326	720,850
Creditable withholding taxes	956,213	1,259,698	837,614	1,173,413
Documentary stamps	385,189	592,820	253,472	292,757
Deposits and other investments	380,037	1,142,469	251,034	1,065,905
Sundry debits	270,889	1,549,047	266,263	1,549,021
Net retirement asset (Note 29)	152,201	129,020	—	—
Miscellaneous	2,297,981	1,994,964	990,034	639,980
	44,541,996	46,797,786	33,877,448	36,525,726
Allowance for impairment (Note 20)	(126,986)	(112,644)	(20,967)	(3,771)
	₱44,415,010	₱46,685,142	₱33,856,481	₱36,521,955



Movements in the Computer software, Customer relationship and Core deposits accounts follow:

	Group		
	Computer Software	Customer Relationship	Core Deposits
Balances at January 1, 2025, net of accumulated amortization	₱10,168,398	₱3,978,875	₱3,137,029
Reclassifications/adjustments*	5,988,476	—	—
Amortization charges for the year	(1,668,082)	(343,500)	(289,714)
Balances at December 31, 2025, net of accumulated amortization	₱14,488,792	₱3,635,375	₱2,847,315
Balances at January 1, 2024, net of accumulated amortization	₱5,327,888	₱4,322,375	₱3,426,743
Reclassifications/adjustments*	5,599,390	—	—
Amortization charges for the year	(758,880)	(343,500)	(289,714)
Balances at December 31, 2024, net of accumulated amortization	₱10,168,398	₱3,978,875	₱3,137,029

*Includes reclassifications from software under development and other adjustments.

	Parent Bank		
	Computer Software	Customer Relationship	Core Deposit
Balances at January 1, 2025, net of accumulated amortization	₱7,466,441	₱3,978,875	₱3,042,280
Reclassifications/adjustments*	5,633,772	—	—
Amortization charges for the year	(758,880)	(343,500)	(289,714)
Balances at December 31, 2025, net of accumulated amortization	₱12,056,396	₱3,635,375	₱2,779,637
Balances at January 1, 2024, net of accumulated amortization	₱3,182,556	₱4,322,375	₱3,304,923
Reclassifications/adjustments*	4,701,527	—	—
Amortization charges for the year	(417,642)	(343,500)	(262,643)
Balances at December 31, 2024, net of accumulated amortization	₱7,466,441	₱3,978,875	₱3,042,280

*Includes reclassifications from software under development and other adjustments

20. Allowance for Impairment

The breakdown of allowance for impairment is shown in the table below:

	Group		Parent Bank	
	2025	2024	2025	2024
Receivable from customers (Note 14)	₱27,289,035	₱22,870,642	₱18,362,839	₱17,194,228
Other receivables (Note 14)	1,020,906	1,208,606	902,504	781,187
Investments and placements (Notes 9 and 12)	336,329	330,518	335,919	327,718
Others (Notes 17 and 19)	276,046	212,876	117,003	66,674
	₱28,922,316	₱24,622,642	₱19,718,265	₱18,369,807

Allowance for impairment of investments and placements include the Group's and the Parent Bank's financial assets at amortized cost, due from other banks and interbank loans receivable. Others refer to allowance for impairment of investment properties and other resources.

With the foregoing level of allowance for impairment and credit losses, management believes that the Group has sufficient allowance for any losses that the Group may incur from the non-collection or nonrealization of its receivables and other risk assets. The reconciliation of allowance for the total receivables from customers follows.



Group - Total Receivables from Customers

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱3,621,583	₱2,138,341	₱17,110,718	₱22,870,642
Newly originated assets that remained in Stage 1 as of December 31, 2025**	1,169,498	—	—	1,169,498
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2025*	—	328,197	2,233,230	2,561,427
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs)**.	466,109	(174,202)	1,678,566	1,970,473
Transfers to Stage 1	972,119	(395,749)	(576,370)	—
Transfers to Stage 2	(251,028)	473,736	(222,708)	—
Transfers to Stage 3	(960,382)	(1,126,234)	2,086,616	—
Impact on ECL of exposures transferred between stages	(853,835)	682,478	12,941,310	12,769,953
Amounts written-off	—	—	(14,052,958)	(14,052,958)
Balances at end of year	₱4,164,064	₱1,926,567	₱21,198,404	₱27,289,035

*Includes effect on the availment of new customers of credit cards

**Includes effect on the availment of existing customers of credit cards.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱3,603,258	₱1,357,576	₱14,205,652	₱19,166,486
Newly originated assets that remained in Stage 1 as of December 31, 2024*	973,475	—	—	973,475
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2024*	—	571,884	2,116,811	2,688,695
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs)**.	(264,290)	(131,573)	376,960	(18,903)
Transfers to Stage 1	446,020	(106,391)	(339,629)	—
Transfers to Stage 2	(259,449)	429,452	(170,003)	—
Transfers to Stage 3	(706,942)	(845,598)	1,552,540	—
Impact on ECL of exposures transferred between stages	(170,489)	862,991	14,773,040	15,465,542
Amounts written-off	—	—	(15,404,653)	(15,404,653)
Balances at end of year	₱3,621,583	₱2,138,341	₱17,110,718	₱22,870,642

*Includes effect on the availment of new customers of credit cards

**Includes effect on the availment of existing customers of credit cards.

Parent Bank - Total Receivables from Customers

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱3,097,474	₱1,974,122	₱12,122,632	₱17,194,228
Newly originated assets that remained in Stage 1 as of December 31, 2025*	663,497	—	—	663,497
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2025*	—	238,105	1,589,911	1,828,016
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs)**.	79,135	(333,766)	(1,523,435)	(1,778,066)
Transfers to Stage 1	968,527	(392,715)	(575,812)	—
Transfers to Stage 2	(235,548)	457,921	(222,373)	—
Transfers to Stage 3	(284,951)	(809,960)	1,094,911	—
Impact on ECL of exposures transferred between stages	(861,403)	682,844	12,906,625	12,728,066
Amounts written-off	—	—	(12,272,902)	(12,272,902)
Balances at end of year	₱3,426,731	₱1,816,551	₱13,119,557	₱18,362,839

*Includes effect on the availment of new customers of credit cards

**Includes effect on the availment of existing customers of credit cards.



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱3,215,569	₱1,186,605	₱9,013,465	₱13,415,639
Newly originated assets that remained in Stage 1 as of December 31, 2024*	780,611	—	—	780,611
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2024*	—	533,265	1,499,425	2,032,690
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs)**.	(402,457)	(102,472)	508,332	3,403
Transfers to Stage 1	412,044	(100,408)	(311,636)	—
Transfers to Stage 2	(169,836)	326,665	(156,829)	—
Transfers to Stage 3	(368,103)	(722,880)	1,090,983	—
Impact on ECL of exposures transferred between stages	(370,354)	853,347	9,443,591	9,926,584
Amounts written-off	—	—	(8,964,699)	(8,964,699)
Balances at end of year	₱3,097,474	₱1,974,122	₱12,122,632	₱17,194,228

*Includes effect on the availment of new customers of credit cards

**Includes effect on the availment of existing customers of credit cards.

Reconciliation of the allowance for impairment by class follows:

Group and Parent Bank - Corporate Loans -

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱31,910	₱188,560	₱172,339	₱392,809
Newly originated assets that remained in Stage 1 as of December 31, 2025	14,006	—	—	14,006
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2025	—	43,126	19,167	62,293
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(16,808)	26,058	8,531	17,781
Transfers to Stage 2	(123)	123	—	—
Transfers to Stage 3	—	(155)	155	—
Impact on ECL of exposures transferred between stages	—	(12)	930	918
Balances at end of year	₱28,985	₱257,700	₱201,122	₱487,807

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱68,149	₱190,708	₱100,977	₱359,834
Newly originated assets that remained in Stage 1 as of December 31, 2024	17,672	—	—	17,672
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2024	—	11,142	165,048	176,190
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(52,185)	(16,499)	(100,976)	(169,660)
Transfers to Stage 2	(1,706)	1,706	—	—
Transfers to Stage 3	(20)	—	20	—
Impact on ECL of exposures transferred between stages	—	1,503	7,270	8,773
Balances at end of year	₱31,910	₱188,560	₱172,339	₱392,809

In 2025 and 2024, there were no write-offs for corporate loans.



Group and Parent Bank - Commercial Loans

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱191,209	₱126,360	₱5,846,823	₱6,164,392
Newly originated assets that remained in Stage 1 as of December 31, 2025	168,222	—	—	168,222
Newly originated assets that moved to Stage 2 & 3 as of December 31, 2025	—	37,667	804,692	842,359
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(181,827)	(121,887)	(1,556,175)	(1,859,889)
Transfers to Stage 1	966	(966)	—	—
Transfers to Stage 2	(2,320)	10,171	(7,851)	—
Transfers to Stage 3	(549)	(2,069)	2,618	—
Impact on ECL of exposures transferred between stages	(791)	(6,717)	49,197	41,689
Balances at end of year	₱174,910	₱42,559	₱5,139,304	₱5,356,773

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱289,655	₱91,694	₱4,704,401	₱5,085,750
Newly originated assets that remained in Stage 1 as of December 31, 2024	179,222	—	—	179,222
Newly originated assets that moved to Stage 2 & 3 as of December 31, 2024	—	124,224	129,872	254,096
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(256,115)	(55,304)	868,032	556,613
Transfers to Stage 1	—	—	—	—
Transfers to Stage 2	(20,756)	20,756	—	—
Transfers to Stage 3	(797)	(35,702)	36,499	—
Impact on ECL of exposures transferred between stages	—	(19,308)	108,019	88,711
Balances at end of year	₱191,209	₱126,360	₱5,846,823	₱6,164,392

In 2025 and 2024, there were no write-offs for commercial loans.

Group and Parent Bank - Home Loans

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱349,152	₱221,019	₱1,557,686	₱2,127,857
Newly originated assets that remained in Stage 1 as of December 31, 2025	36,760	—	—	36,760
Newly originated assets that moved to Stage 3 as of December 31, 2025	—	7,929	34,049	41,978
Impact of changes in ECL model and assumptions, and effect of collections and other movements in receivable balance (excluding write-offs).	(63,001)	(17,719)	(180,515)	(261,235)
Transfers to Stage 1	360,045	(90,189)	(269,856)	—
Transfers to Stage 2	(26,315)	70,495	(44,180)	—
Transfers to Stage 3	(16,877)	(54,735)	71,612	—
Impact on ECL of exposures transferred between stages	(315,828)	45,371	356,917	86,460
Amounts written-off	—	—	(48,210)	(48,210)
Balances at end of year	₱323,936	₱182,171	₱1,477,503	₱1,983,610



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱471,644	₱84,063	₱1,628,257	₱2,183,964
Newly originated assets that remained in Stage 1 as of December 31, 2024	43,593	—	—	43,593
Newly originated assets that moved to Stage 3 as of December 31, 2024	—	9,336	27,303	36,639
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(173,950)	26,901	(299,479)	(446,528)
Transfers to Stage 1	264,019	(27,405)	(236,614)	—
Transfers to Stage 2	(9,370)	137,040	(127,670)	—
Transfers to Stage 3	(10,631)	(32,043)	42,674	—
Impact on ECL of exposures transferred between stages	(236,153)	23,127	523,215	310,189
Amounts written-off	—	—	—	—
Balances at end of year	₱349,152	₱221,019	₱1,557,686	₱2,127,857

Consumer Products - Group and Parent Bank

Consumer Products include auto loans, business line, credit cards, personal loans and SME financial products.

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱2,498,853	₱1,424,925	₱4,208,296	₱8,132,074
Newly originated assets that remained in Stage 1 as of December 31, 2025*	424,562	—	—	424,562
Newly originated assets that moved to Stage 3 as of December 31, 2025*	—	145,512	715,552	861,064
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs)**.	355,023	(208,028)	131,529	278,524
Transfers to Stage 1	606,594	(300,830)	(305,764)	—
Transfers to Stage 2	(206,617)	374,387	(167,770)	—
Transfers to Stage 3	(267,226)	(749,023)	1,016,249	—
Impact on ECL of exposures transferred between stages	(543,888)	640,830	12,463,715	12,560,657
Amounts written-off	—	—	(12,151,446)	(12,151,446)
Balances at end of year	₱2,867,301	₱1,327,773	₱5,910,361	₱10,105,435

*Includes effect on the availment of new customers of credit cards

**Includes effect on the availment of existing customers of credit cards.

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱2,356,872	₱807,939	₱2,310,723	₱5,475,534
Newly originated assets that remained in Stage 1 as of December 31, 2024*	524,922	—	—	524,922
Newly originated assets that moved to Stage 3 as of December 31, 2024*	—	383,692	1,118,915	1,502,607
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs)**.	96,882	(58,787)	79,646	117,741
Transfers to Stage 1	144,665	(72,745)	(71,920)	—
Transfers to Stage 2	(137,951)	166,648	(28,697)	—
Transfers to Stage 3	(355,576)	(648,196)	1,003,772	—
Impact on ECL of exposures transferred between stages	(130,961)	846,374	8,722,748	9,438,161
Amounts written-off	—	—	(8,926,891)	(8,926,891)
Balances at end of year	₱2,498,853	₱1,424,925	₱4,208,296	₱8,132,074

*Includes effect on the availment of new customers of credit cards

**Includes effect on the availment of existing customers of credit cards.



CSB Salary Loans – Group

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱36,980	₱104,810	₱1,007,243	₱1,149,033
Newly originated assets that remained in Stage 1 as of December 31, 2025	223,687	—	—	223,687
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2025	—	7,835	147,665	155,500
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	204,283	(66,040)	1,349,583	1,487,826
Transfers to Stage 1	2,215	(2,028)	(187)	—
Transfers to Stage 2	(1,191)	1,191	—	—
Transfers to Stage 3	(164,322)	(36,601)	200,923	—
Amounts written-off	—	—	(133,893)	(133,893)
Balances at end of year	₱301,652	₱9,167	₱2,571,334	₱2,882,153

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱132,173	₱44,336	₱1,068,123	₱1,244,632
Newly originated assets that remained in Stage 1 as of December 31, 2024	15,718	—	—	15,718
Newly originated assets that moved to Stage 2 and Stage 3 as of December 31, 2024	—	13,144	96,472	109,616
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	295,627	10,635	140,861	447,123
Transfers to Stage 1	435	(426)	(9)	—
Transfers to Stage 2	(86,660)	86,666	(6)	—
Transfers to Stage 3	(320,313)	(49,545)	369,858	—
Amounts written-off	—	—	(668,056)	(668,056)
Balances at end of year	₱36,980	₱104,810	₱1,007,243	₱1,149,033

Other Receivables from Customers

Other receivables from customers of the Group and the Parent Bank include small portfolios such as, with respect to the Parent Bank (i) HR loans, (ii) bills purchased and (iii) customer liabilities under acceptances, (iv) home credit receivables, (v) teacher's loans acquired from CSB and, with respect to the subsidiaries, (i) personal loans, and (ii) motorcycle loans.

Group

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱513,479	₱72,667	₱4,318,331	₱4,904,477
Newly originated assets that remained in Stage 1 as of December 31, 2025	302,261	—	—	302,261
Newly originated assets that moved to Stage 3 as of December 31, 2025	—	86,128	512,105	598,233
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	168,439	213,414	1,925,613	2,307,466
Transfers to Stage 1	2,299	(1,736)	(563)	—
Transfers to Stage 2	(14,462)	17,369	(2,907)	—
Transfers to Stage 3	(511,408)	(283,651)	795,059	—
Impact on ECL of exposures transferred between stages	6,672	3,006	70,551	80,229
Amounts written-off	—	—	(1,719,409)	(1,719,409)
Balances at end of year	₱467,280	₱107,197	₱5,898,780	₱6,473,257



	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱284,765	₱138,836	₱4,393,171	₱4,816,772
Newly originated assets that remained in Stage 1 as of December 31, 2024	192,348	—	—	192,348
Newly originated assets that moved to Stage 3 as of December 31, 2024	—	30,346	579,201	609,547
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(174,549)	(38,519)	(311,124)	(524,192)
Transfers to Stage 1	36,902	(5,815)	(31,087)	—
Transfers to Stage 2	(3,006)	16,636	(13,630)	—
Transfers to Stage 3	(19,605)	(80,112)	99,717	—
Impact on ECL of exposures transferred between stages	196,624	11,295	5,196,010	5,403,929
Amounts written-off	—	—	(5,593,927)	(5,593,927)
Balances at end of year	₱513,479	₱72,667	₱4,318,331	₱4,904,477

Parent Bank

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱26,350	₱13,258	₱337,488	₱377,096
Newly originated assets that remained in Stage 1 as of December 31, 2025	19,947	—	—	19,947
Newly originated assets that moved to Stage 3 as of December 31, 2025	—	3,871	16,451	20,322
Impact of changes in ECL model and assumptions and effect of collections and other movements in receivable balance (excluding write-offs).	(14,252)	(12,190)	73,195	46,753
Transfers to Stage 1	922	(730)	(192)	—
Transfers to Stage 2	(173)	2,745	(2,572)	—
Transfers to Stage 3	(299)	(3,978)	4,277	—
Impact on ECL of exposures transferred between stages	(896)	3,372	35,866	38,342
Amounts written-off	—	—	(73,246)	(73,246)
Balances at end of year	₱31,599	₱6,348	₱391,267	₱429,214

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱29,249	₱12,201	₱269,107	₱310,557
Newly originated assets that remained in Stage 1 as of December 31, 2024	15,202	—	—	15,202
Newly originated assets that moved to Stage 3 as of December 31, 2024	—	4,871	58,287	63,158
Effect of collections and other movements in receivable balance (excluding write-offs), and impact of changes in ECL model and assumptions	(17,089)	1,217	(38,891)	(54,763)
Transfers to Stage 1	3,360	(258)	(3,102)	—
Transfers to Stage 2	(53)	515	(462)	—
Transfers to Stage 3	(1,079)	(6,939)	8,018	—
Impact on ECL of exposures transferred between stages	(3,240)	1,651	82,339	80,750
Amounts written-off	—	—	(37,808)	(37,808)
Balances at end of year	₱26,350	₱13,258	₱337,488	₱377,096



Investments and Placements

Group

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱42,000	₱288,519	₱—	₱330,519
Newly originated assets that remained in Stage 1 as of December 31, 2025	738	—	—	738
Effect of collections and other movements in receivable balance (excluding write-offs)	(17,737)	22,915	—	5,178
Balances at end of year	₱25,001	₱311,434	₱—	₱336,435

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱37,997	₱278,641	₱—	₱316,638
Newly originated assets that remained in Stage 1 as of December 31, 2024	6,971	—	—	6,971
Effect of collections and other movements in receivable balance (excluding write-offs)	(2,968)	9,878	—	6,910
Balances at end of year	₱42,000	₱288,519	₱—	₱330,519

Parent Bank

	2025			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱39,199	₱288,519	₱—	₱327,718
Newly originated assets that remained in Stage 1 as of December 31, 2025	222	—	—	222
Effect of collections and other movements in receivable balance (excluding write-offs)	(14,936)	22,915	—	7,979
Balances at end of year	₱24,485	₱311,434	₱—	₱335,919

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balances at beginning of year	₱33,877	₱278,641	₱—	₱312,518
Newly originated assets that remained in Stage 1 as of December 31, 2024	6,971	—	—	6,971
Effect of collections and other movements in receivable balance (excluding write-offs)	(1,649)	9,878	—	8,229
Balances at end of year	₱39,199	₱288,519	₱—	₱327,718

21. Deposit Liabilities

The breakdown of deposit liabilities account follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Due to banks:				
Demand	₱947,640	₱1,177,426	₱947,615	₱1,177,399
Savings	271,065	266,068	242,116	228,263
Time	17,023	31,865	12,354	17,241
	1,235,728	1,475,359	1,202,085	1,422,903
Due to customers:				
Demand	266,071,491	230,200,543	266,637,869	231,506,045
Savings	232,696,902	215,276,830	224,298,070	208,153,412
Time	234,029,667	229,370,064	128,008,917	131,399,530
	732,798,060	674,847,437	618,944,856	571,058,987
	₱734,033,788	₱676,322,796	₱620,146,941	₱572,481,890



The breakdown of deposit liabilities account as to currency follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Philippine pesos	₱582,248,406	₱541,061,450	₱468,360,363	₱437,219,348
Foreign currencies	151,785,382	135,261,346	151,786,578	135,262,542
	₱734,033,788	₱676,322,796	₱620,146,941	₱572,481,890

Deposit liabilities bear annual fixed interest rates ranging from 0.00% to 5.25% in 2025, from 0.00% to 7.50% in 2024, and from 0.00% to 7.00% in 2023 for the Group and from 0.00% to 5.25% in 2025, from 0.03% to 5.10% in 2024, and from 0.00% to 6.00% in 2023 for the Parent Bank.

Interest expense on the deposit liabilities amounted to ₱9.44 billion, ₱12.49 billion, and ₱15.79 billion in 2025, 2024 and 2023, respectively, in the Group's statements of income, and ₱3.35 billion, ₱5.78 billion, and ₱9.46 billion in 2025, 2024 and 2023, respectively, in the Parent Bank's statements of income.

Under existing BSP regulations at the start of 2023, non-FCDU deposit liabilities of the Bank are subject to unified reserve requirement equivalent to 12.0% (under BSP Circular No. 1092). In 2023, BSP Circular No. 1175 reduced the reserve requirement to 9.5%, 6.0%, 2.0% and 1.0% for universal and commercial banks, digital banks, thrift banks, and rural banks, respectively, effective reserve week June 30, 2023. In 2024, BSP Circular No. 1201 further reduced the reserve requirement to 7.0%, 4.0%, 1.0% and nil, for universal and commercial banks, digital banks, thrift banks, and rural banks, respectively, effective reserve week beginning October 25, 2024. In March 2025, BSP Circular No. 1211 further reduced the reserve requirement to 5.0%, 2.5%, nil and nil, for universal and commercial banks, digital banks, thrift banks, and rural banks, respectively, effective reserve week beginning March 28 2025.

Required reserves as of December 31, 2025 and 2024 amounted to ₱31.57 billion and ₱32.04 billion, respectively, for the Group, and ₱31.37 billion and ₱30.51 billion, respectively, for the Parent Bank (see Note 8).

22. Bills Payable

Bills payable consist of borrowings from:

	Group		Parent Bank	
	2025	2024	2025	2024
Banks, other financial institutions and individuals	₱131,828,082	₱162,009,917	₱100,242,449	₱125,923,180
Others	181,824	246,462	181,824	246,462
	₱132,009,906	₱162,256,379	₱100,424,273	₱126,169,642

Bills payable to banks and other financial institutions consist mainly of amortized cost balance of short, medium and long-term borrowings. Certain bills payable to banks and other financial institutions are collateralized by investment securities (see Note 12).



The breakdown of bills payable as to currency follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Philippine pesos	₱75,982,677	₱89,022,209	₱44,397,044	₱52,935,472
Foreign currencies	56,027,229	73,234,170	56,027,229	73,234,170
	₱132,009,906	₱162,256,379	₱100,424,273	₱126,169,642

The breakdown of interest expense on bills payable, which is presented as part of Interest expense on bills payable and other liabilities account in the statements of income, follows:

	Group			Parent Bank		
	2025	2024	2023	2025	2024	2023
Banks, other financial institutions and individuals	₱7,683,551	₱10,162,425	₱8,466,972	₱5,651,187	₱7,647,926	₱6,263,551
BSP	917	—	87,028	917	—	87,028
Others	95	272	327	95	272	327
	₱7,684,563	₱10,162,697	₱8,554,327	₱5,652,199	₱7,648,198	₱6,350,906

The range of interest rates of bills payable per currency follows:

	Group and Parent Bank		
	2025	2024	2023
Philippine pesos	4.90% to 6.05%	4.50% to 8.37%	3.50% to 8.37%
Foreign currencies	0.07% to 5.38%	1.20% to 6.41%	0.32% to 6.41%

23. Notes and Bonds Payable

The Group's and the Parent Bank's notes and bonds payable as of December 31, 2025 and 2024 consist of the following:

	Coupon Interest	Principal Amount	Outstanding Balance		Issue Date	Maturity Date	First Call Option Date
			December 31, 2025	December 31, 2024			
Peso Senior Series H Bonds Due 2026	5.880%	₱9,250,700	₱9,192,036	₱—	June 26, 2025	December 26, 2026	
USD Social Bonds Due 2028	5.619%*	8,818,500	8,797,880	8,647,015	July 23, 2021	July 23, 2028	
Peso Senior Series G Bonds Due 2026	6.680%	7,829,500	7,806,659	7,792,794	December 5, 2023	December 5, 2026	
Peso Senior Series I Bonds Due 2028	6.020%	6,749,300	6,695,887	—	June 26, 2025	June 26, 2028	
Peso Senior Series D Bonds Due 2026	3.375%	885,000	882,651	886,602	December 9, 2020	March 9, 2026	
USD Senior Medium Term Notes Due 2025	2.125%	17,637,000	—	17,333,327	October 22, 2020	October 22, 2025	
Peso Senior Series F Bonds Due 2025	6.563%	10,338,500	—	10,296,528	December 5, 2023	June 5, 2025	
Unsecured Subordinated Tier 2 Notes Due 2030 Callable in 2025	5.250%	6,800,000	—	6,768,021	February 24, 2020	May 24, 2030	May 24, 2025
Total for Parent Bank		68,308,500	33,375,113	51,724,287			
Peso Social Bond	6.535% - 5.909%	5,864,500	5,850,224	5,841,295	June 20, 2024	June 21, 2027	
Others	6.750%	436,827	436,827	—			
Total for Group		₱74,609,827	₱39,662,164	₱57,565,582			

*floating interest rate based on prevailing SOFR as of December 31, 2025

Peso Senior Series H Bonds Due 2026 and Peso Senior Series I Bonds Due 2028

On June 25, 2025, the Bank issued its ₱16.0 billion of Peso denominated fixed rate bonds. The Bonds were issued under the Bank's PHP Bond Program with an increased Bond Limit of up to ₱100 billion as approved by the BOD on February 28, 2025.



The 1.5Y Series H Bonds due 2026 raised a total of ₱9.25 billion and carries an interest rate of 5.88% per annum, while the 3Y Series I Bonds due 2028 raised a total of ₱6.75 billion and carries an interest rate of 6.02% per annum (collectively, the “Bonds”). Proceeds from the issuance shall be used to extend term liabilities, expand funding base, support business expansion plans, and for other general corporate purposes. The Bonds were listed on the Philippine Dealing & Exchange Corp. (PDEX) on June 26, 2025.

USD Social Bonds Due 2028

The International Finance Corporation (IFC) invested in a USD150 million social bond issued by the Bank under its sustainable finance framework. The social bond carries a floating rate interest and is unsecured. It is the first social bond by the Parent Bank and its longest-term USD-denominated bond to date. Proceeds from the bond were used to finance loans to micro, small and medium-sized enterprises (MSMEs).

The Parent Bank shall at all times maintain, and abstain from any action which may result in the breach of, several financial parameters provided in the subscription agreement with IFC.

Peso Senior Series F Bonds Due 2025 and Peso Senior Series G Bonds Due 2026

On December 5, 2023, the Bank issued and listed on the PDEX its ₱18.17 billion of Peso denominated fixed rate bonds via a dual tranche offering. This is the largest bond issuance by the Bank from its ₱50.00 billion Bonds Program, which received strong demand from both retail and institutional investors. This enabled the Bank to upsize the issuance to over nine times its initial minimum offer size of ₱2.00 billion for the two tranches.

The 1.5Y Series F Bonds due 2025 raised a total of ₱10.34 billion and carried an interest rate of 6.56% per annum while the 3Y Series G Bonds due 2026 raised a total of ₱7.83 billion and carries an interest rate of 6.68% per annum (collectively, the “New Bonds”). The Series F Bonds were fully redeemed on its maturity last June 5, 2025.

Concurrent with the issuance of the New Bonds, the Bank also implemented the country’s first public non-sovereign bond exchange which extended to the holders of its ₱8.12 billion 2.75% Fixed Rate Series C Bonds due December 9, 2023 (the “Exchangeable Bonds”) the option to sell to UnionBank such Exchangeable Bonds in exchange for subscription to any of the New Bonds (the “Bond Exchange”). The Bond Exchange settlement date was on December 4, 2023, with ₱236.70 million of Exchangeable Bonds to be exchanged with the New Bonds.

Peso Senior Series D Bonds Due 2026

These fixed rate Senior Series Bonds Due 2026 amounting to ₱885.0 million formed part of the Bank’s dual-tranche issuance on December 9, 2020. The Bonds were issued under the existing ₱39 Billion Corporate Bonds Program of the Bank.

The Bank may, at its sole option and subject to the Terms and Conditions of the issuance, redeem the Bonds at par plus accrued interest (if any), without premium or penalty, as of but excluding the Early Redemption Date. The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Bank.

USD Senior Medium Term Notes Due 2025

These USD300 million Senior Medium Term Notes Due 2025 were issued under the updated USD2 Billion MTN Programme of the Parent Bank and were also rated Baa2 by Moody’s. The Notes were also listed on the Singapore Exchange Securities Trading Limited.



The Notes constituted direct, unconditional, unsubordinated and (subject to the Terms and Conditions of the issuance) unsecured obligations of the Parent Bank and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Parent Bank from time to time outstanding. The Notes were fully redeemed on its maturity last October 22, 2025.

Unsecured Subordinated Tier 2 Notes Due 2030 Callable in 2025

The Basel III-compliant Unsecured Subordinated Tier 2 Notes were issued by the Parent Bank under its BSP-approved issuance of ₱20.0 Billion Unsecured Subordinated Notes Qualifying as Tier 2 Capital.

Unless the Notes are previously redeemed, the Initial Interest Rate will be reset at the equivalent of the Initial Spread per annum plus the Benchmark as of Reset Date as defined in the Terms and Conditions of the Notes. Subject to certain conditions, the BSP Guidelines, and the Terms and Conditions, the Parent Bank may redeem the Notes in whole and not only in part on the Redemption Option Date at 100% of the face value of the Notes, plus accrued and unpaid interest as of but excluding the Redemption Option Date. The Notes were early redeemed on its first call option date last May 24, 2025.

The Notes have a loss absorption feature which means the Notes are subject to a Non-Viability Write-Down in case of a Non-Viability Trigger Event. A Non-Viability Trigger Event is deemed to have occurred when the Issuer is considered non-viable as determined by the BSP.

The Tier II Notes constitute a direct, unconditional, fixed, unsecured and subordinated obligation of the Bank. Claims in respect of the Tier II Notes will rank: (a) junior to the claims of holders of all deposits and general creditors of the Bank; (b) *pari passu* with obligations of the Bank that are, expressly or by applicable laws, subordinated so as to rank *pari passu* with claims in respect of securities constituting “Tier 2” capital of the Bank; and (c) senior to (i) the claims for payment of any obligation that, expressly or by applicable law, is subordinated to the Tier II Notes, (ii) the claims in respect of securities constituting “Tier 1” capital of the Bank, and (iii) the rights and claims of holders of equity shares of the Bank.

CSB Peso Social Bond Due 2027

IFC subscribed to fixed-rate ₱5.8 billion social bond issued by CSB to finance CSB's lending operations in respect of Eligible Sub-loans in accordance with the ICMA and ASEAN Social Bond Principles and this Agreement. The social bond shall rank at least *pari passu* with the claims of all its other senior and unsubordinated creditors, except for the obligations mandatorily preferred established under Philippine laws.

CSB shall at all times maintain and abstain from any action, which may result in the breach of the “Conditions of Subscription” with IFC.

Others

Others comprise of PETNET's various bank loans which bear annual interest rates ranging from 6.15% to 6.75%, with terms ranging from 60 to 90 days. These bank loans represent drawdowns from PETNET's unsecured credit line with local banks, which are used to finance transactions during the holidays and long weekends

Others also include the short-term loan availed by UBX on November 7, 2025, in the amount of ₱20.0 million with a certain local bank due to be paid on January 7, 2026. The loan is unsecured and carries a fixed interest rate of 6.70% per annum.



The interest expense on notes and bonds payable amounted to ₱2.85 billion, ₱2.91 billion, and ₱2.12 billion in 2025, 2024 and 2023, respectively, for the Group, and ₱2.39 billion, ₱2.64 billion, and ₱2.08 billion in 2025, 2024 and 2023, respectively, for the Parent Bank. These are included under Interest Expense on Bills payable and other liabilities account in the statements of income.

As of December 31, 2025 and 2024, the Group is in compliance with all the debt covenants on the above notes and bonds.

24. Other Liabilities

Other liabilities consist of the following as of December 31:

	Group		Parent Bank	
	2025	2024	2025	2024
Accounts payable	₱11,472,811	₱14,650,894	₱9,783,687	₱13,380,470
Accrued taxes and other expenses	10,942,549	11,812,911	8,723,515	9,452,687
Manager's checks	7,204,971	8,494,370	7,204,403	8,488,258
Sundry credits	4,739,068	2,563,450	4,006,038	2,243,567
Other credits - dormant	3,053,032	3,039,115	2,927,561	2,914,182
Payment orders payable	2,548,337	1,585,421	2,548,337	1,585,421
Derivative liabilities (Note 11)	2,497,440	3,088,312	2,497,440	3,088,312
Bills purchased - domestic and foreign	2,193,337	2,450,166	2,193,337	2,450,166
Post-employment defined benefit obligation (Note 29)	1,951,429	1,335,849	1,517,789	885,923
Lease liabilities	1,712,628	1,625,925	1,292,379	1,238,395
Unearned income - bancassurance (Note 31)	295,129	442,693	295,129	442,693
Miscellaneous	2,296,016	2,139,550	2,023,122	1,928,717
	₱50,906,747	₱53,228,656	₱45,012,737	₱48,098,791

The breakdown of Accrued taxes and other expenses account follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Accrued interest payable	₱2,358,557	₱2,808,646	₱1,478,478	₱1,592,531
Accrued income and other taxes	1,161,795	1,146,076	829,758	928,064
Other accruals	7,422,197	7,858,189	6,415,279	6,932,092
	₱10,942,549	₱11,812,911	₱8,723,515	₱9,452,687

Other accruals represent mainly fringe and other personnel benefits.

Set out below is the carrying amount of lease liabilities and the movements during the year:

	Group		Parent Bank	
	2025	2024	2025	2024
Balance at beginning of year	₱1,625,925	₱1,551,143	₱1,238,395	₱1,180,973
Additions	773,119	731,139	589,276	561,627
Payments	(739,622)	(724,806)	(564,150)	(552,358)
Accretion of interest (Note 33)	104,116	68,449	79,625	48,153
Lease termination	(50,910)	—	(50,767)	—
Balance at end of year	₱1,712,628	₱1,625,925	₱1,292,379	₱1,238,395



Accretion of interest is included as part of Interest expense on bills payable and other liabilities account in the statements of income.

As at December 31, 2025 and 2024, the Group has no lease commitments which have not yet commenced.

The unearned income represents the unamortized portion of the Exclusive Access Fees (EAF) arising from the Parent Bank's bancassurance agreement with a related party (see Note 31).

25. Capital Funds

Capital Stock

The Parent Bank's capital stock as of December 31, 2025 and 2024 consists of the following:

	Shares		Amount	
	2025	2024	2025	2024
Common – ₱10 par value				
Authorized	5,030,785,238	5,030,785,238	₱50,307,852	₱50,307,852
Issued	3,316,405,584	3,316,405,584	33,164,056	33,164,056
Treasury stock	—	—	—	—
Issued and outstanding	3,316,405,584	3,316,405,584	₱33,164,056	₱33,164,056
Preferred – ₱100 par value, non-voting				
Authorized	100,000,000	100,000,000	₱10,000,000	₱10,000,000
Issued and outstanding	—	—	—	—

On June 29, 1992, the Bank was originally listed with the then Makati Stock Exchange, now PSE. A total of 89.7 million shares were issued at an issue price of ₱22.50. As of December 31, 2025 and 2024, there are 3,315.7 million shares and 3,315.0 million shares, respectively, listed at the PSE. The number of holders and the closing price of the said shares is 4,942 and ₱26.60 per share, respectively, as of December 31, 2025, and 4,954 and ₱36.00 per share, respectively, as of December 31, 2024.

The historical information on the Bank's share issuances, beginning with its initial public offering and including all subsequent issuances, is set out below:

Issuance	PSE Listing Date	Number of Shares Listed
Initial Listing	June 29, 1992	89,660,126
Stock Dividends	February 26, 1993	37,630,593
Stock Rights Offering	November 21, 1994	25,458,139
Conversion of International Corporate Bank Shares into UBP shares	December 28, 1994	75,895,800
Stock Dividends	March 23, 1995	34,296,695
Stock Dividends	November 15, 1995	52,559,180
Stock Rights Offering	April 12, 1996	52,557,617
Stock Dividends	March 21, 1997	73,610,486
Pre-Emptive Rights Offering	May 24, 1999	109,588,164



Issuance	PSE Listing Date	Number of Shares Listed
Impact of merger with International Exchange Bank	December 19, 2006	176,464
Stock Rights Offering	May 10, 2007	78,300,000
Over-Allotment	May 21, 2007	11,700,000
Stock Dividends	December 4, 2014	416,921,509
Stock Rights Offering	September 28, 2018	158,805,583
Stock Dividends	January 5, 2022	304,838,842
Employee Stock Plan	February 4, 2022	460,049
Stock Rights Offering	May 16, 2022	617,188,705
Employee Stock Plan	February 2, 2023	878,381
Stock Rights Offering	February 6, 2023	210,970,464
Stock Dividends	January 4, 2024	635,512,928
Employee Stock Plan	February 8, 2024	883,965
Stock Rights Offering	May 31, 2024	327,118,089
Employee Stock Plan	February 7, 2025	707,310
Employee Stock Plan	February 5, 2026	697,339

Issuance of Shares under the Employee Stock Plan

The Bank issued 697,339 shares on February 6, 2023 to qualified employees under the Parent Bank's Employee Stock Plan (ESP), which accounts as the last tranche (see Note 35). A total of 3.6 million common shares were issued over the five-year period.

Treasury Stocks

On March 10, 2023, in accordance with the terms of the ESP and its supporting agreements, the Parent Bank acquired 27,977 common shares at a price per share of ₱74.97 or in the total amount of ₱2.10 million and is presented as Treasury stock in the statement of financial position as of December 31, 2023. The ESP provides that in the event of death or disability of an employee participating in the ESP, the Parent Bank shall buy back shares that have not been previously released to the employee and are subject to a holding period.

On June 28, 2024, the Parent Bank's BOD approved the sale of 27,977 treasury stocks at ₱34.50 per share. The sale was completed on July 1, 2024.

Issuance of Shares through Stock Rights

On May 31, 2024, the Parent Bank issued approximately 327.1 million common shares priced at ₱30.57 per share. The shares were offered to eligible shareholders as of record date of May 9, 2024 at a ratio of 1 right share for every 9.1382 existing common shares. The newly issued shares were listed at the PSE on the same date. Net proceeds to the Parent Bank from the Offer amounted to ₱10.0 billion.

Also on February 6, 2023, the Parent Bank issued approximately 211.0 million common shares priced at ₱56.88 per share. The shares were offered to eligible shareholders as of record date of January 12, 2023 at a ratio of 1 right share for every 10.1536 existing common shares. The newly issued shares were listed at the PSE on the same date. Net proceeds to the Parent Bank from the Offer amounted to ₱11.86 billion.

Distribution of Stock Dividends

On January 4, 2024, the Bank issued 635.5 million common shares at par value of ₱10 for whole shares and paid ₱0.22 million for 2,550.79 fractional shares in relation to the 27% stock dividends approved by the Bank's BOD and stockholders on February 24, 2023 and April 28, 2023, respectively.



Surplus Free

At the annual meeting of the stockholders of the Parent Bank held on April 28, 2023, the stockholders approved the following matters as endorsed by the BOD at its meeting held on February 24, 2023:

- a. Amendment of the Parent Bank's Articles of Incorporation (AOI) to increase the authorized capital stock from ₱35.3 billion to ₱60.3 billion, with the increase of ₱25.0 billion equivalent to 2,500,000,000 common shares with a par value of ₱10.00.
- b. Declaration of 27% stock dividends in the amount of ₱6.4 billion equivalent to 635.5 million common shares with a par value of ₱10.00, to comply with the required 25% subscription of the increase in authorized capital stock.

The stock dividend is presented as Stock dividend distributable in the statement of financial position as of December 31, 2023. Fractional shares resulting from the stock dividend declaration were paid in cash based on the closing rate of ₱87.50 as of February 27, 2023, the next trading day at the PSE following the date of approval by the BOD of the stock dividend declaration and computed up to two (2) decimal places.

On August 1, 2023 and December 5, 2023, the Parent Bank obtained the BSP and the SEC approvals, respectively, for the increase in the authorized capital stock and for the issuance of common shares to stockholders of record as of December 22, 2023 and payment date on January 4, 2024.

The following is a summary of the cash dividends declared and distributed by the Parent Bank in 2025, 2024 and 2023:

Date of Declaration	Date of Record	Date of BSP Approval	Date of Payment	Dividend per Share	Outstanding Shares	Total Amount
January 31, 2025	February 17, 2025	N/A	February 24, 2025	₱1.00	3,316,405,584	₱3,316,406
January 26, 2024	February 13, 2024	N/A	February 20, 2024	0.80	2,989,259,518	₱2,391,408
February 1, 2023	February 15, 2023	N/A	February 27, 2023	2.00	2,353,774,567	4,707,549

In compliance with BSP regulations, the Parent Bank ensures that adequate reserves are in place for future bank expansion requirements. The foregoing cash dividend declarations were made within the BSP's allowable limit of dividends.

Surplus Reserves

Included in this account is the difference between the 1% general loan loss provision (GLLP) over the computed ECL allowance for credit losses related to Stage 1 accounts, as a required BSP appropriation. As of December 31, 2025 and 2024, surplus reserves related to the difference between GLLP over ECL allowance amounted to ₱2.41 billion and ₱2.49 billion, respectively, for the Group and ₱1.67 billion and ₱1.86 billion, respectively, for the Parent Bank.



26. Maturity Profile of Assets and Liabilities

The following tables show an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the statement of financial position date:

	Group					
	2025			2024		
	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Financial Assets						
Cash and other cash items	₱11,419,221	₱–	₱11,419,221	₱10,143,777	₱–	₱10,143,777
Due from BSP	40,810,142	–	40,810,142	82,146,575	–	82,146,575
Due from other banks	35,324,906	–	35,324,906	33,902,989	–	33,902,989
IBLR and SPURRA	41,160,703	–	41,160,703	1,879,030	–	1,879,030
Trading and investment securities						
at FVTPL	23,897,021	–	23,897,021	10,295,089	–	10,295,089
at amortized cost - gross	11,816,173	297,262,335	309,078,508	27,980,825	295,750,077	323,730,902
at FVOCI	19,893	39,316,620	39,336,513	31,563	39,481,091	39,512,654
Loans and receivables - net of unearned discounts	267,557,434	298,434,874	565,992,308	231,738,442	314,996,622	546,735,064
Other resources	408,321	532,238	940,559	1,601,963	1,270,134	2,872,097
	432,413,814	635,546,067	1,067,959,881	399,720,253	651,497,924	1,051,218,177
Nonfinancial Assets						
Investment in associates	–	963,301	963,301	–	35,755	35,755
Bank premises, furniture, fixtures and equipment	–	22,561,254	22,561,254	–	21,257,446	21,257,446
Investment properties	–	13,516,804	13,516,804	–	13,048,847	13,048,847
Goodwill	–	53,992,565	53,992,565	–	53,992,565	53,992,565
Other resources	3,344,058	40,257,379	43,601,437	3,551,182	40,374,507	43,925,689
	3,344,058	131,291,303	134,635,361	3,551,182	128,709,120	132,260,302
	₱435,757,872	₱766,837,370	₱1,202,595,242	₱403,271,435	₱780,207,044	₱1,183,478,479
Allowance for credit losses and impairment			28,922,316			24,622,640
Accumulated depreciation (Notes 16 and 17)			14,207,420			13,414,867
			43,129,777			38,037,444
			₱1,159,465,465			₱1,145,441,035
Financial Liabilities						
Deposit liabilities	₱703,824,607	₱30,209,181	₱734,033,788	₱650,045,618	₱26,277,178	₱676,322,796
Bills payable	55,779,665	76,230,241	132,009,906	122,146,186	40,110,193	162,256,379
Notes and bonds payable	17,881,346	21,780,818	39,662,164	34,397,876	23,167,706	57,565,582
Other liabilities	41,636,676	5,517,131	47,153,807	43,926,989	5,573,348	49,500,337
	819,122,294	133,737,371	952,859,665	850,516,669	95,128,425	945,645,094
Nonfinancial Liabilities						
Accrued income and other taxes	1,161,795	–	1,161,795	1,146,076	–	1,146,076
Other liabilities	471,241	2,119,904	2,591,145	456,792	2,125,451	2,582,243
	1,633,036	2,119,904	3,752,940	1,602,868	2,125,451	3,728,319
	₱820,755,330	₱135,857,275	₱956,612,605	₱852,119,537	₱97,253,876	₱949,373,413



Maturity Profile of Assets and Liabilities and Service Charges, Fees and Commissions

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	Parent Bank					
	2025			2024		
	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Financial Assets						
Cash and other cash items	₱10,359,243	₱–	₱10,359,243	₱9,270,243	₱–	₱9,270,243
Due from BSP	33,273,256	–	33,273,256	49,212,089	–	49,212,089
Due from other banks	34,174,382	–	34,174,382	31,149,430	–	31,149,430
IBLR and SPURRA	10,215,703	–	10,215,703	179,030	–	179,030
Trading and investment securities						
at FVTPL	23,839,088	–	23,839,088	10,028,598	–	10,028,598
at amortized cost - gross	11,266,545	287,519,182	298,785,727	27,960,825	285,745,913	313,706,738
at FVOCI	–	39,074,932	39,074,932	31,563	39,219,892	39,251,455
Loans and receivables - net of unearned discounts	251,850,587	185,304,434	437,155,021	214,265,825	209,890,478	424,156,303
Other resources	403,695	251,034	654,729	1,601,937	1,065,905	2,667,842
	375,382,499	512,149,582	887,532,081	343,699,540	535,922,188	879,621,728
Nonfinancial Assets						
Investment in subsidiaries	–	37,748,014	37,748,014	–	37,301,269	37,301,269
Bank premises, furniture, fixtures and equipment	–	17,907,552	17,907,552	–	16,524,071	16,524,071
Investment properties	–	12,228,828	12,228,828	–	11,589,371	11,589,371
Goodwill	–	43,339,696	43,339,696	–	43,339,696	43,339,696
Other resources	2,177,412	31,045,307	33,222,719	2,187,020	31,670,864	33,857,884
	2,177,412	142,269,397	144,446,809	2,187,020	140,425,271	142,612,291
	₱377,559,911	₱654,418,979	₱1,031,978,890	₱345,886,560	₱676,347,459	₱1,022,234,019
Allowance for credit losses and impairment			19,718,200			18,369,742
Accumulated depreciation (Notes 16 and 17)			11,069,242			10,160,783
			30,787,442			28,530,525
			₱1,001,191,448			₱993,703,494
Financial Liabilities						
Deposit liabilities	₱616,449,461	₱3,697,480	₱620,146,941	571,084,636	1,397,254	572,481,890
Bills payable	50,674,364	49,749,909	100,424,273	103,753,709	22,415,933	126,169,642
Notes and bonds payable	17,881,346	15,493,767	33,375,113	34,397,876	17,326,411	51,724,287
Other liabilities	37,003,812	4,860,916	41,864,728	39,864,381	4,934,936	44,799,317
	722,008,983	73,802,072	795,811,055	749,100,602	46,074,534	795,175,136
Nonfinancial Liabilities						
Accrued income and other taxes	829,758	–	829,758	928,064	–	928,064
Other liabilities	293,616	2,024,635	2,318,251	292,139	2,079,271	2,371,410
	1,123,374	2,024,635	3,148,009	1,220,203	2,079,271	3,299,474
	₱723,132,357	₱75,826,707	₱798,959,064	₱750,320,805	₱48,153,805	₱798,474,610

27. Service Charges, Fees and Commissions

This account is broken down as follows:

	Group			Parent Bank		
	2025	2024	2023	2025	2024	2023
Service charges	₱12,223,459	₱11,428,110	₱9,295,399	₱11,230,161	₱10,012,969	₱8,220,988
Brokerage fees	1,108,343	963,740	769,277	11,618	63,944	6,405
Commissions from						
bancassurance (Note 31)	1,004,907	627,708	589,520	1,004,907	627,708	589,520
Bank commissions	255,883	230,563	203,243	255,431	229,943	198,945
Others	723,570	550,898	363,372	586,537	371,516	137,814
	₱15,316,162	₱13,801,019	₱11,220,811	₱13,088,654	₱11,306,080	₱9,153,672

Others include various commission income on remittance transactions and management fees.



28. Miscellaneous Income and ExpensesMiscellaneous Income

Miscellaneous income is composed of the following:

	Group		
	2025	2024	2023
Gain on foreclosure of investment properties (Note 17)	₱877,201	₱1,203,292	₱751,936
Foreign exchange gains (losses) - net	(647,670)	1,436,317	2,126,188
Net gain on sale of investment properties, property and equipment and other assets (Notes 16, 17 and 19)	633,055	521,341	1,026,933
Gain on acquisition of an associate (Note 15)	590,918	—	22,702
Cards rebates and migration support	456,867	995,546	826,689
Rental Income	190,515	159,384	127,739
Income from trust operations	—	316,901	311,816
Others	416,821	(139,591)	344,952
	₱2,517,707	₱4,493,190	₱5,538,955

	Parent Bank		
	2025	2024	2023
Share in net profit (loss) of subsidiaries and associates (Note 15)	(₱3,192,621)	(₱633,126)	₱2,837,072
Foreign exchange gains (losses) - net	(1,373,485)	64,263	1,464,603
Gain on foreclosure of investment properties (Note 17)	816,349	1,170,914	679,745
Net gain on sale of investment properties, property and equipment and other assets (Notes 16, 17 and 19)	595,111	612,000	1,110,755
Gain on acquisition of an associate (Note 15)	590,918	—	—
Cards rebates and migration support	456,867	995,546	826,689
Rental Income	199,455	207,913	180,273
Income from trust operations	—	46,432	311,816
Gain on deemed disposal of a subsidiary (Note 1)	—	373,128	—
Others	285,239	439,695	339,438
	(₱1,622,167)	₱3,276,765	₱7,750,391

Miscellaneous Expenses

The breakdown of miscellaneous expenses follows:

	Group		
	2025	2024	2023
Information technology	₱7,048,491	₱5,166,269	₱5,726,110
Advertising and publicity	3,982,542	4,682,038	4,882,498
Fees and commission	2,147,969	2,438,894	1,364,037
Insurance	1,422,815	1,538,005	1,518,627
Outside services	1,293,660	1,442,523	1,488,965
Card-related expenses	933,699	762,967	508,396
Communication	731,592	699,573	644,736
Litigation	535,503	319,265	303,581
Provision for impairment on investment properties and other non-financial assets, net of reversal (Note 17)	486,228	308,705	916,619
Management and professional fees	468,330	636,440	903,708
Transportation and travel	368,209	305,132	416,558
Repairs and maintenance	323,401	203,000	224,376
Stationery and supplies	271,188	375,218	424,516
Supervision and compliance costs	137,067	84,723	781,521
Others	1,105,627	1,074,298	1,453,131
	₱21,256,321	₱20,037,050	₱21,557,379



	Parent Bank		
	2025	2024	2023
Information technology	₱5,950,036	₱4,475,524	₱5,215,041
Advertising and publicity	3,843,023	4,529,410	4,792,726
Insurance	1,147,395	1,261,362	1,264,648
Fees and commission	1,142,138	1,121,295	1,149,643
Outside services	1,081,282	1,278,998	1,083,916
Card-related expenses	933,699	762,967	508,396
Communication	579,673	521,211	446,582
Litigation	534,459	308,182	300,055
Management and professional fees	332,507	462,388	700,469
Repairs and maintenance	273,680	150,456	174,097
Stationery and supplies	185,032	322,284	368,009
Provision for impairment on investment properties and other non-financial assets (Note 17)	148,376	84,162	403,042
Transportation and travel	113,181	105,052	214,406
Supervision and compliance costs	85,221	42,754	747,560
Others	593,898	622,311	740,386
	₱16,943,600	₱16,048,356	₱18,108,976

29. Salaries and Employee Benefits

Salaries and Employee Benefits Expense

Expenses recognized for employee benefits are as follows:

	Group		
	2025	2024	2023
Short-term benefits:			
Salaries and wages	₱8,409,940	₱7,790,723	₱7,395,773
Bonuses and fringe benefits	5,430,530	4,795,373	4,763,223
Social security costs	512,749	449,813	386,205
Other benefits	292,928	266,772	225,620
Post-employment and other long-term benefits	952,762	817,444	787,404
	₱15,598,909	₱14,120,125	₱13,558,225

	Parent Bank		
	2025	2024	2023
Short-term benefits:			
Salaries and wages	₱5,595,147	₱5,369,739	₱5,318,750
Bonuses and fringe benefits	4,362,395	3,908,999	3,850,248
Social security costs	320,597	293,541	261,460
Other benefits	237,293	191,831	171,337
Post-employment and other long-term benefits	653,589	632,677	630,577
	₱11,169,021	₱10,396,787	₱10,232,372

Post-employment Defined Benefit Plan and Defined Contribution Plan

(a) Characteristics of the Defined Benefit Plan

The Group maintains funded, tax-qualified, noncontributory pension plans covering all regular full-time employees that are being administered by appointed trustee banks, including AAMI, an associate of the Parent Bank, for the Parent Bank, UIC, CSB, and PETNET. Under these pension plans, all covered employees are entitled to cash benefits after satisfying certain age and service requirements.



The Group maintains various retirement plans, among the retirement plans are being maintained for UnionBank, former iBank employees and former Citigroup Inc.'s consumer banking business employees, hence, the Parent Bank presents pension information in its financial statements combined for the three plans. The other pension plans are for UIC, CSB, Bangko Kabayan, PETNET, UFSI, UBX and UnionDigital.

UnionBank Plan

The normal retirement age is 60. The plan also provides for an early retirement at age 55, or age 50 with the completion of at least ten years of service. However, late retirement is subject to the approval of the Parent Bank's BOD. Normal retirement benefit is an amount equivalent to 150% of the final monthly salary for each year of credited service.

Former iBank Plan

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with the completion of at least ten years of service and late retirement subject to the approval of the Parent Bank's BOD on a case-to-case basis. Normal retirement benefit is an amount equivalent to 125% of the final monthly covered compensation for every year of credited service.

UIC Plan

The normal retirement age is 60 and the compulsory retirement age is 65. Both must have a minimum of five years of credited service. Both have retirement benefit equal to one-half month's salary as of the date of retirement multiplied by the employee's year of service. Upon retirement of an employee, whether optional or compulsory, his services may be continued or extended on a case to case basis upon agreement of management and employee.

This is based on the retirement plan benefits provided in the Retirement Law (R.A. No. 7641). Under the law, unless the parties provide for broader inclusions, the term one-half (1/2) month salary shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than (5) days of service incentive leaves.

CSB Plan

The normal retirement age is 60 or completion of 30 years of service whichever is earlier. The service of any member, however, may be extended from year-to-year beyond the normal retirement date, provided such an extension of service is with the consent of the member and the express approval of CSB. The plan also provides for an early retirement after completion of at least ten years of service. Normal retirement benefit is an amount equivalent to 100% of the final basic monthly salary multiplied by the number of years of service prior to January 1, 2008 and 150% of the final basic monthly salary for services rendered starting January 1, 2008.

PETNET Plan

The normal retirement age is 60. The plan also provides for an early retirement at age 50 with the completion of at least ten years of service and late retirement beyond age 60. However, early and late retirement are subject to the approval of the company. Retirement benefit is an amount equivalent to 92% of the final monthly salary for each year of continuous service.

Bangko Kabayan Plan

The normal retirement age is 60 with at least five years of credited service. Retirement benefit is an amount equivalent to 100%, 125% or 150% of the latest basic monthly salary for each year of credited service if the years of service is 10 years but less than 15 years, 15 years but less than 20 years, and 20 years or more, respectively.



Former Citibank, N.A., PH Consumer Business PlansFund B and Fund C

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with the completion of at least ten years of continuous service. Normal retirement benefit is an amount equivalent to 200% of the final average covered monthly salary for each year of credited service.

The Parent Bank and Citigroup, Inc. agreed that the previous tenure of Citi employees will be continued upon joining with the Group.

UBX Plan

The normal retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is an amount equivalent to 22.5 days' plan salary for every year of credited service.

UnionDigital Plan

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at 50 with the completion of at least ten years of service. Normal retirement benefit is an amount equivalent to 150% of the final monthly salary for each year of credited service.

(b) Characteristics of the Defined Contribution Plans

The Group maintains a defined contribution plan covering all regular and permanent employees. Starting on the date of membership of an employee in the Plan, the employer shall contribute to the retirement fund 8% of the member's salary as defined every month. As this plan operates in the Philippines, it is subject to R.A. No. 7641, which requires a minimum benefit equivalent to one-half month's salary for every year of service, with six months or more of service considered as one year.

Former Citibank, N.A., PH Consumer Business PlanFund D

Fund D is an allocated fund established to hold contributions on behalf of and made by the employees and the corresponding earnings and losses on such contributions. The normal retirement age is 60 with a minimum of five years of credited service. The plan also provides for an early retirement at age 50 with the completion of at least ten years of continuous service. Normal retirement benefit is an amount equivalent to the sum of (a) 100% of the balance in the Member's Individual Account Balances (IAB) attributable to the employer's contributions as of most recent valuation prior to his retirement date adjusted for subsequent contributions and earnings and (b) 100% of the balance in the Member's IAB attributable to the employee's contributions as of most recent valuation prior to his retirement date adjusted for subsequent contributions and earnings.

UFSI Plan

The unfunded, contributory defined contribution retirement plan covers all regular full-time employees. Contribution to the plan is equal to 8% of the annual basic salary of each covered employee.



(c) Analysis of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented in the subsequent pages are based on the actuarial valuation reports obtained from independent actuaries in 2025 and 2024.

The amounts of post-employment defined benefit obligation (net retirement asset) recognized in the statements of financial position are determined as follows (see Notes 19 and 24):

	Group		Parent Bank	
	2025	2024	2025	2024
Present value of the obligation	₱8,229,246	₱7,927,314	₱6,834,378	₱6,715,680
Fair value of plan assets	6,430,018	6,720,485	5,316,589	5,829,757
	₱1,799,228	₱1,206,829	₱1,517,789	₱885,923

As of December 31, 2025 and 2024, the net retirement obligation of the Group amounting to ₱1.80 billion and ₱1.21 billion, respectively, is separately shown at gross amount of ₱152.20 million and ₱129.02 million, respectively, as Net retirement asset in the Other Resources (see Note 19), and as Post-employment defined benefit obligation of ₱1.95 billion and ₱1.34 billion, respectively (see Note 24).

The movements in the present value of the post-employment benefit obligation recognized in the financial statements are as follows:

	Group		
	2025	2024	2023
Balance at beginning of year	₱7,927,314	₱7,299,841	₱6,194,063
Current service cost	812,985	698,953	617,879
Interest expense	402,186	342,984	392,446
Remeasurements:			
Actuarial losses (gains) arising from			
Changes in financial assumptions	(97,560)	85,638	425,647
Experience adjustments	402,495	(55,809)	56,868
Changes in demographic assumptions	(2,291)	—	50
Benefits paid	(1,210,990)	(410,827)	(387,112)
Net released obligation due to employee transfers	(4,893)	(33,466)	—
Balance at end of year	₱8,229,246	₱7,927,314	₱7,299,841

	Parent Bank		
	2025	2024	2023
Balance at beginning of year	₱6,715,680	₱6,505,811	₱5,468,709
Current service cost	599,193	587,951	521,682
Interest expense	344,714	341,660	346,395
Remeasurements:			
Actuarial losses (gains) arising from			
Experience adjustments	325,592	(135,196)	(27,055)
Changes in financial assumptions	(90,073)	(85,334)	473,555
Benefits paid	(1,056,904)	(465,746)	(277,475)
Net released obligation due to employee transfers	(3,824)	(33,466)	—
Balance at end of year	₱6,834,378	₱6,715,680	₱6,505,811



The movements in the fair value of plan assets are presented below.

	Group		
	2025	2024	2023
Balance at beginning of year	₱6,720,485	₱5,917,416	₱5,227,021
Interest income	356,505	318,271	344,075
Return on plan asset (excluding amounts included in net interest)	(225,568)	36,526	(46,580)
Contributions to the plan	749,310	943,094	720,135
Benefits paid	(1,170,714)	(483,018)	(327,235)
Net released obligation due to employee transfer	—	(11,804)	—
Balance at end of year	₱6,430,018	₱6,720,485	₱5,917,416

	Parent Bank		
	2025	2024	2023
Balance at beginning of year	₱5,829,757	₱5,041,225	₱4,558,600
Interest income	309,363	272,332	301,472
Return on plan asset (excluding amounts included in net interest)	(407,284)	43,096	(174,732)
Contributions to the plan	623,893	801,586	633,360
Benefits paid	(1,039,886)	(316,678)	(277,475)
Net acquired/(released) obligation due to employee transfers	746	(11,804)	—
Balance at end of year	₱5,316,589	₱5,829,757	₱5,041,225

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

	Group	
	2025	2024
Bank deposits	₱89,891	₱187,621
Quoted equity securities:		
Financial and insurance activities	3,358,571	3,009,625
Real estate activities	211,626	213,734
Transportation and storage	152,095	—
Manufacturing	116,354	39,389
Electricity, gas and water	30,775	30,116
Others	224,915	520,201
	4,094,336	3,813,065
Debt securities:		
Philippine government bonds	1,704,044	1,771,080
Corporate bonds	195,611	602,335
	1,899,655	2,373,415
Others	346,136	346,384
	₱6,430,018	₱6,720,485



	Parent Bank	
	2025	2024
Bank deposits	₱60,735	₱176,988
Quoted equity securities:		
Financial and insurance activities	2,914,114	2,474,024
Real estate activities	181,152	206,416
Transportation and storage	123,432	—
Manufacturing	116,354	37,757
Electricity, gas and water	26,661	14,652
Others	171,373	499,145
	3,533,086	3,231,994
Debt securities:		
Philippine government bonds	1,542,437	1,678,998
Corporate bonds	123,443	496,608
	1,665,880	2,175,606
Others	56,888	245,169
	₱5,316,589	₱5,829,757

The fair values of the above equity and debt securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy). Equity securities under the fund are primarily investments in corporations listed in the PSE, which include ₱340.54 million and ₱463.70 million investments in the shares of stocks of the Parent Bank as of December 31, 2025 and 2024, respectively, while debt securities represent investments in government and corporate bonds, which is nil as of December 31, 2025 and ₱319.26 million investment in the notes of the Parent Bank as of December 31, 2024, (see Note 31).

The fair values of the above equity and debt securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy). The retirement fund neither provides any guarantee or surety for any obligation of the Parent Bank nor its investments in the Bank's shares of stocks covered by any restriction and liens. Bank deposits are maintained with reputable financial institutions, which include ₱29.78 million and ₱11.23 million deposits with the Parent Bank as of December 31, 2025 and 2024, respectively (see Note 31).

Actual returns on plan assets amounted to ₱130.94 million, ₱318.65 million, and ₱272.03 million in 2025, 2024 and 2023, respectively, for the Group. Actual returns on plan assets amounted to (₱39.76 million), ₱315.43 million, and ₱126.74 million in 2025, 2024 and 2023, respectively, for the Parent Bank.

The amounts recognized in the statements of income in respect of the post-employment defined benefit plan are as follows:

	Group		
	2025	2024	2023
Current service cost	₱812,985	₱698,953	₱617,879
Net interest expense	45,681	24,713	48,371
	₱858,666	₱723,666	₱666,250

	Parent Bank		
	2025	2024	2023
Current service cost	₱599,193	₱587,951	₱521,682
Net interest expense	35,351	69,328	44,923
	₱634,544	₱657,279	₱566,605



The amounts recognized in other comprehensive income in respect of the post-employment defined benefit plan are as follows:

	Group		
	2025	2024	2023
Actuarial losses (gains) arising from changes in:			
Changes in financial assumption	(₱97,560)	₱85,638	₱425,647
Experience adjustments	402,495	(55,809)	56,868
Changes in demographic assumptions	(2,291)	—	50
Return on plan assets (excluding amounts included in net interest)	225,568	(36,526)	46,580
	₱528,212	(₱6,697)	₱529,145

	Parent Bank		
	2025	2024	2023
Actuarial losses (gains) arising from changes in:			
Changes in financial assumption	(₱90,073)	(₱85,334)	₱473,555
Experience adjustments	325,592	(135,196)	(27,055)
Return on plan assets (excluding amounts included in net interest)	349,126	(43,096)	174,732
	₱584,645	(₱263,626)	₱621,232

In addition to the above items, the Parent Bank also recognized its share of the other comprehensive income of subsidiaries in respect of the post-employment defined benefit plan amounting to gains (losses) of ₱41.52 million, (₱214.97 million), and ₱65.89 million in 2025, 2024 and 2023, respectively (see Note 15).

The Group and the Parent Bank expect to contribute ₱980.04 million and ₱784.63 million, respectively, in 2026.

In determining the retirement benefits, the following actuarial assumptions were used:

	Group		
	2025	2024	2023
Retirement age	60	60	60
Average remaining working life	7-23 years	6-26 years	6-26 years
Discount rate	5.89%-6.54%	5.96%-6.09%	6.01%-7.31%
Expected rate of salary increase	6.00%-7.00%	5.00%-7.00%	2.00%-7.00%
Employee turnover rate	0%-26%	0%-19%	0%-19%

	Parent Bank		
	2025	2024	2023
Retirement age	60	60	60
Average remaining working life	7 to 12 years	8 to 14 years	8 to 14 years
Discount rate	5.89%-6.34%	5.96%-6.13%	6.01%-6.11%
Expected rate of salary increase	6.00%	6.00%	6.00%-7.00%
Employee turnover rate	1%-18%	0%-18%	0%-18%

Assumptions regarding future mortality and disability are based on published statistics and mortality tables. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the retirement obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.



(d) Risk Associated with the Retirement Plan

The plans expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

- *Investment and Interest Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plans are mostly invested in equity securities. Due to the long-term nature of plan obligation, a level of continuing equity investments is an appropriate element of the Group's long-term strategy to manage the plans efficiently.

- *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(e) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

- *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31:

Group

	Impact on Post-Employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2025			
Discount rate	+/-1.0%	(P495,558)	P585,351
Salary growth rate	+/-1.0%	646,251	(562,084)
Turn-over rate	+/-20.0%	(19,710)	(13,042)
December 31, 2024			
Discount rate	+/-1.0%	(P571,211)	P543,498
Salary growth rate	+/-1.0%	592,246	(626,177)
Turn-over rate	+/-20.0%	(92,112)	(185,026)



Parent Bank

	Impact on Post-Employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2025			
Discount rate	+/-1.0%	(P447,710)	P523,491
Salary growth rate	+/-1.0%	549,219	(477,925)
Turn-over rate	+/-20.0%	(27,356)	30,315
December 31, 2024			
Discount rate	+/-1.0%	(P482,293)	P433,834
Salary growth rate	+/-1.0%	456,482	(509,552)
Turn-over rate	+/-20.0%	(91,196)	(23,888)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

- *Asset-liability Matching Strategies*

To efficiently manage the retirement plan, the Group through its Retirement Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets as of December 31, 2025 and 2024 consists of equity securities and bonds, although the Group also invests in bank deposits. The Group believes that equity securities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a diversified portfolio of investments in corporations listed in the PSE.

There has been no change in the Group's strategies to manage its risks from previous periods.

- *Funding Arrangements and Expected Benefit Payment*

There is no minimum funding requirement in the country.



The maturity profile of undiscounted expected benefits payments from the plan follows:

Group

	2025	2024
Less than one year	₱943,706	₱1,598,062
One year to less than five years	3,177,456	2,494,331
Five years to less than ten years	5,245,267	4,681,319
Ten years to less than 15 years	6,323,894	5,844,681
15 years to less than 20 years	7,038,815	7,358,118
20 years and above	11,903,748	14,645,098
	₱34,632,886	₱36,621,609

Parent Bank

	2025	2024
Less than one year	₱851,614	₱1,370,516
One year to less than five years	2,849,818	2,296,031
Five years to less than ten years	4,499,398	4,081,848
Ten years to less than 15 years	5,350,605	4,619,173
15 years to less than 20 years	5,767,239	5,417,069
20 years and above	9,872,531	9,454,176
	₱29,191,205	₱27,238,813

The weighted average duration of the defined benefit obligation is 16 years in 2025 and 17 years in 2024.

Other Long-term Employment benefits

Other long term employment benefits include convertible sick leave benefits. Sick leave is computed and credited on a pro-rata basis and accumulated up to a maximum of certain working days. Any excess sick leave beyond the limit shall be convertible to cash on January 31st of the following year. All earned sick leave is convertible to cash and for inclusion to the employee's separation pay upon resignation. Accordingly, this is considered as other long term employee benefits, calculated using an actuarial valuation. Key actuarial assumptions include expected salary increase rate of 6.00% per annum as of December 31, 2025 and 2024 and discount rate of 6.19% and 6.00% as of December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, accrued sick leave obligation amounted to ₱884.93 million and ₱755.18 million, respectively.



30. Income Taxes

Current and Deferred Income Taxes

The components of income tax expense (benefit) for the years ended December 31, 2025, 2024 and 2023 are as follows:

	Group		
	2025	2024	2023
<i>Reported in profit or loss</i>			
Current tax expense:			
Final tax	₱3,493,730	₱3,253,404	₱3,165,140
Regular corporate income tax (RCIT)	708,935	1,010,096	886,028
MCIT	852,192	2,351	538,492
	5,054,857	4,265,851	4,589,660
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(858,205)	(612,364)	(1,945,435)
	₱4,196,652	₱3,653,487	₱2,644,225
<i>Reported in other comprehensive income</i>			
Deferred tax expense (benefit) relating to origination and reversal of actuarial gains or losses	(₱225,151)	₱1,674	(₱132,286)
	Parent Bank		
	2025	2024	2023
<i>Reported in profit or loss</i>			
Current tax expense:			
Final tax	₱3,058,714	₱2,675,412	₱2,669,179
MCIT	845,847	—	527,838
RCIT	34,289	730,506	26,334
	3,938,850	3,405,918	3,223,351
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(329,878)	282,533	(1,698,002)
	₱3,608,972	₱3,688,451	₱1,525,349
<i>Reported in other comprehensive income</i>			
Deferred tax expense (benefit) relating to origination and reversal of actuarial gains or losses	(₱239,260)	₱75,845	(₱155,309)

The reconciliation of the statutory income tax rate and the effective income tax rate follows:

	Group		
	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Adjustment for income subjected to lower income tax rates	(6.13)	(5.15)	(2.02)
Tax effects of:			
FCDU income before tax	(2.91)	(1.42)	(2.02)
Non-taxable income	(2.73)	(0.71)	(8.48)
Non-deductible expenses	11.89	5.11	10.98
Others	4.44	0.47	(1.14)
Effective income tax rate	29.56%	23.30%	22.32%



	Parent Bank		
	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Adjustment for income subjected to lower income tax rates	(5.50)	(4.18)	(5.36)
Tax effects of:			
FCDU income before tax	(3.01)	(1.40)	(2.32)
Non-taxable income	(2.50)	(0.25)	(6.87)
Non-deductible expenses	11.11	4.11	6.49
Others	1.24	(0.12)	(2.22)
Effective income tax rate	26.34%	23.17%	14.73%

The components of the net deferred tax assets presented under Other resources (see Note 19) as of December 31, 2025 and 2024 follow:

	Group	
	2025	2024
Deferred tax assets:		
Allowance for impairment and credit losses	₱7,991,957	₱5,955,867
Accrued other expenses	1,653,952	1,846,241
Excess MCIT	846,501	1,358
Net operating loss carry over (NOLCO)	503,775	1,588,979
Deferred service fees	478,194	517,442
Investment properties	226,556	66,903
Unrealized foreign exchange loss	9,380	526,124
Others*	635,563	773,977
	12,345,878	11,276,891
Deferred tax liabilities:		
Unrealized foreign exchange gain	268,251	47,903
Capitalized interest	18,304	21,050
Unrealized fair value gain	—	85,369
Others**	517,420	641,333
	803,975	795,655
Net deferred tax assets	₱11,541,903	₱10,481,236

*Others comprise of deferred tax assets on post-employment benefit and non-current assets held for sale.

**Others comprise of deferred tax liabilities on deferred acquisition costs, debt issue costs, and lease liabilities.

As of December 31, 2025, the Group did not recognize deferred tax assets amounting to ₱1.14 billion on UnionDigital's NOLCO, as management believes that it is not probable that the related benefits will be realized in the future. UnionDigital's NOLCO incurred in 2025 and 2024 amounting to ₱2.03 billion and ₱3.98 billion can be carried forward until 2028 and 2027, respectively.



	Parent Bank	
	2025	2024
Deferred tax assets:		
Allowance for impairment and credit losses	₱5,386,882	₱4,464,471
Accrued other expenses	1,473,688	1,600,632
Excess MCIT	845,847	—
Investment properties	156,886	21,014
NOLCO	129,106	601,424
Unrealized foreign exchange loss	8,832	525,438
Others*	588,002	779,984
	8,589,243	7,992,963
Deferred tax liabilities:		
Unrealized foreign exchange gain	268,249	47,902
Capitalized interest	18,304	21,050
Others**	381,607	558,878
	668,160	627,830
Net deferred tax assets	₱7,921,083	₱7,365,133

*Others comprise of deferred tax assets on post-employment benefit and non-current assets held for sale.

**Others comprise of deferred tax liabilities on deferred acquisition costs, debt issue costs, and lease liabilities.

The Parent Bank's NOLCO follows:

Year incurred	Amount	Expired	Applied	Balances	Availment Period
2020	₱2,211,455	₱—	₱2,211,455	₱—	2021-2025*
2021	155,461	—	155,461	—	2022-2026*
2023	2,517,174	—	2,000,749	516,425	2024-2026
	₱4,884,090	₱—	₱4,367,665	₱516,425	

*The NOLCO can be carried over as a deduction from gross income for the next five consecutive taxable years from the year it was incurred pursuant to Revenue Regulations No. 25-2020 (RR 25-2021), implementing Section 4(bbbb) of Republic Act No. 11494 or the Bayanihan to Recover as One Act.

The Parent Bank's MCIT follows:

Year incurred	Amount	Expired	Applied	Balances	Availment Period
2021	₱152,515	₱—	₱152,515	₱—	2022-2024
2023	527,838	—	527,838	—	2024-2026
2025	845,847	—	—	845,847	2024-2026
	₱1,526,200	₱—	₱680,353	₱845,847	

The Parent Bank's MCIT can be applied against regular corporate income tax liability for the next three consecutive years after the MCIT was incurred.

Relevant Tax Regulations

The following are the relevant tax regulations affecting the Group:

Income Tax

- MCIT computed at 1% of gross income (net of allowable deductions as defined under tax regulations) from July 1, 2020 to June 30, 2023 and at 2% from July 1, 2023 onwards, or RCIT of 25%, whichever is higher;
- Uniform 20% final tax on interest income from any currency deposit, regardless of tenor beginning July 1, 2025;
- FCDU transactions with non-residents are tax-exempt, while interest income on foreign currency loans from residents other than depository banks under the expanded system is subject to 10% income tax; and
- Trading gains from long-term bonds issued on or after July 1, 2025 are subject to income tax



Gross Receipts Tax

Banks are subject to gross receipts tax under Sec. 121 of the National Internal Revenue Code as amended.

Documentary Stamp Tax

Documentary stamp taxes (DST) (at varying rates) are imposed on the following:

- (a) Bank checks, drafts, or certificate of deposit not bearing interest, and other instruments;
- (b) Bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the Government of any of its instrumentalities, deposit substitute debt instruments, certificates of deposits bearing interest and other not payable on sight or demand;
- (c) Acceptance of bills of exchange and letters of credit;
- (d) Bills of lading or receipt; and,
- (e) The following instruments, documents and papers shall be exempt from DST:
 - Borrowings and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority;
 - Loan agreements or promissory notes, the aggregate of which does not exceed ₱250,000 or any such amount as may be determined by the Secretary of Finance, executed by an individual for his purchase on installment for his personal use;
 - Sale, barter or exchange of shares of stock listed and traded through the local stock exchange (as amended by RA No. 9648);
 - Fixed income and other securities traded in the secondary market or through an exchange;
 - Derivatives including repurchase agreements and reverse repurchase agreements;
 - Bank deposit accounts without a fixed term or maturity; and,
 - Interbank call loans with maturity of not more than seven days to cover deficiency in reserve against deposit liabilities.

Itemized Deduction

The Parent Bank opted to claim itemized deductions in 2025, 2024 and 2023.



31. Related Party Transactions

The Group's and Parent Bank's related parties include subsidiaries, stockholders, key management personnel and others as described below.

The Parent Bank's transactions with related parties, as defined in the Bank's Policy on Related Party Transactions, are reviewed and approved by the Bank's RPT Management Review Committee (for non-material transactions), endorsed by the RPT Board Committee, and ultimately approved or confirmed by the BOD. The terms and prices are benchmarked against market prices, non-RPT transactions and on a cost-plus basis as practiced by the market if market prices are not available. In other instances, valuations are made by appraisers and third party consultants in determining prices.

The summary of the Group's significant transactions with its related parties as of and for the years ended December 31, 2025 and 2024 are as follows:

Related Party Category	2025		2024		Terms and Conditions/Nature
	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance	
Applicable to the Parent Bank					
Subsidiaries					
Lease of properties:					
Lease income	₱36,890	₱–	₱65,694	₱–	Lease renewed every 5 years with 5% escalation rate. Project management fee, management services, commission and service charges paid to/by subsidiaries
Refundable deposits	16,818	17,812	(7,340)	994	
Management services	77,010	–	148,768	–	
Deposit liabilities:					
Outstanding balance	–	1,764,407	–	2,650,643	With interest rate based on average daily bank deposit rate.
Net movements	(886,236)	–	851,395	–	
Interest expense on deposits	217,771	–	53,182	–	
Interbank borrowing					
Availment	–	–	4,000,000	–	Short-term borrowing with annual fixed rate ranging from 6.47% to 6.50% in 2024. No outstanding balances as of 2025 and 2024.
Interest expense	–	–	2,161	–	
Interbank lending					
Availment	–	–	700,000	–	Short-term lending with annual fixed rate of 6.53% and 8.00% in 2024. No outstanding balance as of 2025 and 2024.
Interest income	–	–	839	–	
Advances:					
Outstanding balance	–	9,310	–	96,027	Various expenses advanced by the Bank
Net movements	(86,717)	–	(33,411)	–	
Interest income	7	–	1,836	–	Various expenses and service fees
Other liabilities	–	17,406	–	160,973	
Applicable to the Group and the Parent Bank					
Stockholders and related parties under common ownership					
Deposit liabilities:					
Outstanding balance	–	1,441,841	–	1,951,260	With interest rate based on average daily bank deposit rate
Net movements	(509,419)	–	(523,464)	–	
Interest expense on deposits	3,194	–	20,001	–	
Bills payable:					
Outstanding balance	–	–	–	13,979	Long term liability with annual fixed rate of 4%
Net movements	(13,979)	–	22	–	
Interest expense	522	–	584	–	
(Forward)					



Related Party Category	2025	2024	Amount of Transaction	Outstanding Balance	Terms and Conditions/Nature
	Amount of Transaction	Outstanding Balance			
Income from bancassurance business:					
Commission income	₱1,004,907	₱–	₱627,708	₱–	Income recognized on sale of insurance policies in accordance with the bancassurance agreement Unearned income from Exclusive Access Fees arising from the bancassurance agreement Employee benefits related to key management personnel
Unearned income	–	295,129	–	442,693	
Key Management Personnel Directors, officers and other related interests:	4,450,569	–	4,574,205	–	
Loans receivable					Secured borrowings with annual interest of 6.88% in 2025 and 8.0% in 2024 and employee fringe benefit loans with annual fixed interest rate from 6.0% to 7.0% in 2025 and 2024 Fringe benefits related to employee cars and laptop lease
Outstanding balance	–	811,242	–	747,727	
Net movements	63,515	–	(82,430)	–	
Accounts receivable	146,707	146,707	151,260	151,260	

Lease of Properties

The Parent Bank leases certain properties to UIC, CSB, UBX PH, UnionDigital and UFSI at fixed monthly rental payments with 5% annual escalation rate.

Management Services

The Parent Bank has entered into service agreements with CSB, UIC, PETNET, UBX, UnionDigital and UFSI to perform various services including corporate accounting, human resource, legal, corporate secretarial, operations support, IT-related and data science.

Deposit Liabilities and Interest Expense

The deposit accounts of subsidiaries and stockholders with the Parent Bank generally earn interest based on daily bank deposit rates.

Advances

The Parent Bank also has advances to UnionDigital, UFSI and UBX PH as of December 31, 2025 and 2024. These are generally settled in cash on a monthly basis.

Bills Payable and Interest Expense

In 2020, CSB availed of a loan with Aboitiz Foundation, Inc., amounting to ₱14.00 million which is payable in five years and bears an annual interest rate of 4.0%. This borrowing had an outstanding balance of ₱13.98 million (net of unamortized debt issue costs) as of December 31, 2024.

Bancassurance Agreement

On January 27, 2017, the Parent Bank and its subsidiary, CSB, entered into a bancassurance partnership (the Distribution Agreement) with Insular Life Assurance Company, Ltd. (Insular Life). Under the Agreement, Insular Life paid the Parent Bank an amount representing Exclusive Access Fee (EAF) with a term of 15 years. Under the Distribution Agreement, in the event that the cumulative annualized premium earned (APE) sold during the first five-year period is less than the agreed minimum amount, the Parent Bank shall refund the proportion of EAF that equals the proportion by which the cumulative APE is less the minimum amount. Subsequently in 2023, the Parent Bank and Insular Life signed an addendum to the Distribution Agreement to modify certain provisions in the original contract. The Addendum removed the provision on EAF



refund. Under the new terms of the agreement, the unearned EAF as of January 1, 2023 will be earned evenly each year from 2023 to 2027, provided that the Parent Bank shall not be a defaulting party in a material breach during the EAF Credit Period.

Unearned income arising from this transaction is presented as Unearned Income - bancassurance under Other liabilities account in the statements of financial position (see Note 24). Amortization of EAF recognized for 2025 and 2024 is included in Commission from bancassurance under Service charges, fees and commissions account in the statements of income.

Under the distribution agreement, Insular Life will have exclusive access to the branch network of the Parent Bank and CSB. Additionally, the Parent Bank's sales force, composed of relationship managers and financial advisors, shall be trained and licensed to sell life insurance products. Under the same Agreement, the Parent Bank shall earn commissions on all insurance policies sold by the Parent Bank. Commissions earned in 2025 and 2024 are presented as part of Commissions from bancassurance under Service charges, fees and commissions account in the statements of income (see Note 27).

Key Management Personnel Compensation

The compensation of key management personnel for the Group and Parent Bank follows:

	Group		
	2025	2024	2023
Short-term benefits	₱4,122,906	₱4,245,206	₱3,948,441
Post-employment benefits	207,542	204,996	178,917
Other long-term benefits	120,121	124,003	135,204
	₱4,450,569	₱4,574,205	₱4,262,562

	Parent Bank		
	2025	2024	2023
Short-term benefits	₱3,140,421	₱3,287,581	₱3,074,645
Post-employment benefits	173,698	165,133	161,847
Other long-term benefits	111,437	114,887	128,555
	₱3,425,556	₱3,567,601	₱3,365,047

The Group incurred directors' fees amounting to ₱226.54 million, ₱192.81 million, and ₱159.59 million in 2025, 2024 and 2023, respectively. The Parent Bank incurred fees amounting to ₱170.91 million, ₱105.41 million, and ₱100.69 million in 2025, 2024 and 2023, respectively.

Loans and Other Transactions

In the ordinary course of business, the Group has loans, deposits and other transactions with its related parties and with certain DOSRI. Under the Group's existing policies, these transactions are made substantially on the same terms and conditions as transactions with other individuals and businesses of comparable risks. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of the deposit and book value of their investment in the Group. In the aggregate, loans to DOSRI generally should not exceed the total equity or 15% of the total loan portfolio of the Group, whichever is lower.



The following additional information is presented relative to DOSRI loans:

	Group		Parent Bank	
	2025	2024	2025	2024
Total DOSRI loans	₱811,242	₱747,727	₱660,819	₱606,488
Unsecured DOSRI loans	350,628	354,656	223,442	257,988
% of DOSRI loans to total loan portfolio	0.15%	0.14%	0.16%	0.15%
% of unsecured DOSRI loans to total DOSRI loans	—%	0.08%	—%	0.10%
% of unsecured DOSRI loans inclusive of fringe benefits to total DOSRI loans	43.22%	47.43%	33.81%	42.54%
% of past due DOSRI loans to total DOSRI loans	—%	0.08%	—%	0.10%
% of non-accruing DOSRI accounts to total DOSRI loans	—%	—%	—%	—%

The total unsecured DOSRI loans above include loans extended to employees treated as fringe benefits that are excluded in determining the compliance with the individual ceiling under subsection X330.1 of the MORB.

On January 31, 2007, BSP issued Circular No. 560 which provides the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said circular, the total outstanding exposures to each of the Parent Bank's subsidiaries and affiliates shall not exceed 10% of bank's net worth, the unsecured portion of which shall not exceed 5% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20% of the net worth of the lending bank.

Transactions with the Retirement Plan

The retirement fund of the Group covered under defined benefit post-employment plan maintained for qualified employees is administered by the Retirement Committee. The members of the Retirement Committee are Senior Executives and officers of the Parent Bank as approved by Corporate Governance Committee. Through its Retirement Committee, it has appointed AAMI as one of its trustees for the retirement fund which is covered by trust agreements.

The composition of the retirement plan assets in the actuarial valuation reports of the Parent Bank and its subsidiaries as of December 31, 2025 and 2024 are disclosed in Note 29. As of December 31, 2025 and 2024, total assets of the retirement plan managed by AAMI (formerly, by UBIMTC) as contained in the actuarial valuation reports amounted to ₱6.43 billion and ₱6.72 billion, respectively.

As of December 31, 2025 and 2024, the carrying value of the fund is equivalent to its fair value.



The Parent Bank and its subsidiaries' retirement plans have transactions directly and indirectly with the Parent Bank as of December 31, 2025 and 2024 as follows:

	Group			
	2025		2024	
	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Investment in Parent Bank shares	(₱123,158)	₱340,541	(₱14,699)	₱463,699
Investments in Parent Bank notes payable:				
Outstanding balance	—	—	—	319,260
Net movements	(319,260)	—	7,399	—
Accrued interest income	—	—	—	2,022
Deposit liabilities:				
Outstanding balance	—	29,778	—	11,230
Net movements	18,548	—	(230,541)	—
Interest income on deposits	10,025	—	14,016	—
Dividend income	8,780	—	8,780	—

	Parent Bank			
	2025		2024	
	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
Investment in Parent Bank shares	(₱112,399)	₱337,195	(₱12,258)	₱449,594
Investments in Parent Bank notes payable:				
Outstanding balance	—	—	—	277,537
Net movements	(277,537)	—	6,454	—
Accrued interest income	—	—	—	1,752
Deposit liabilities:				
Outstanding balance	—	22,103	—	10,999
Net movements	11,104	—	(224,177)	—
Interest income on deposits	10,445	—	14,028	—
Dividend income	8,497	—	8,497	—

The investment in Parent Bank shares are primarily held for re-sale and the Group's retirement fund does not intend to exercise its voting rights over those shares. The terms of the investment in notes payable are discussed in Note 23.

Group Health Insurance from a Related Party

The Parent Bank entered into a contract with Insular HealthCare Inc., a related party, for its group health insurance. The group health insurance package totaling ₱367.14 million, providing coverage from October 2024 to November 2025. Subsequently, the Parent Bank entered into a contract with Generali Life Assurance Philippines, Inc. (GLAPI), a related party, for its group health insurance amounted to ₱366.66 million, providing coverage from December 2025 to November 2026.

Receivable from Kingswood Project

UIC acts as the project and fund manager of Kingswood Project. As fund manager, UIC is responsible for the treasury and money management as well as arranging the necessary facilities and accounting for the development of the project. UIC also receives a certain percentage of the sales price related to Kingswood Project as sales commission and to compensate for the marketing expenses incurred. As of December 31, 2025 and 2024, the receivable of UIC from Kingswood Project amounted to ₱15.23 million and ₱35.20 million, respectively.



32. Earnings Per Share

In 2025, 2024 and 2023, the Group and the Parent Bank have no outstanding potentially dilutive securities, hence, basic earnings per share are equal to diluted earnings per share.

As a result of the stock dividends declared by the Parent Bank on April 28, 2023 to stockholders of record as of December 22, 2023 and issued on January 4, 2024 (see Notes 25 and 36), the weighted average number of outstanding common shares have been adjusted retrospectively for the effect of the stock dividends on January 1, 2022, representing the beginning of the earliest prior period presented, as required under PFRS.

The basic and diluted earnings per share were computed as follows:

	Group		
	2025	2024	2023
Net profit attributable to Parent Bank's stockholders	₱9,940,961	₱11,929,971	₱9,072,217
Divided by:			
Weighted average number of outstanding common shares	3,316,406	3,180,090	2,332,962
Adjustment related to stock dividends	—	—	635,519
Weighted average number of outstanding common shares, after adjustment for stock dividends	3,316,406	3,180,090	2,968,481
Basic and diluted earnings per share	₱3.00	₱3.75	₱3.06

	Parent Bank		
	2025	2024	2023
Net profit	₱10,091,632	₱12,232,431	₱8,828,457
Divided by:			
Weighted average number of outstanding common shares	3,316,406	3,180,090	2,332,962
Adjustment related to stock dividend	—	—	635,519
Weighted average number of outstanding common shares, after adjustment for stock dividends	3,316,406	3,180,090	2,968,481
Basic and diluted earnings per share	₱3.04	₱3.85	₱2.97

As of December 31, 2025, 2024 and 2023, there were no outstanding dilutive potential common shares.



33. Commitments and Contingent Liabilities

Leases

Group as Lessee

The Group leases various branch premises for an average period of seven years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Parent Bank's option under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase ranging from 5% to 10%. Some leases include a clause to enable adjustment of the rental charge on an annual basis based on prevailing market rates. As of December 31, 2025 and 2024, the Parent Bank has neither a contingent rent payable nor an asset restoration obligation in relation with these lease agreements.

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2025 and 2024:

	Group		Parent Bank	
	2025	2024	2025	2024
1 year or less	₱505,493	₱444,059	₱473,400	₱415,758
more than 1 year to 2 years	535,172	438,411	403,785	326,516
more than 2 years to 3 years	387,980	351,838	263,848	267,310
more than 3 years to 4 years	264,371	244,261	152,175	165,842
more than 5 years	84,843	83,070	48,180	43,838

The following are the amounts recognized in profit or loss for the years ended December 31, 2025 and 2024:

	Group		Parent Bank	
	2025	2024	2025	2024
Amortization expense of ROU assets (Note 16)	₱665,267	₱625,603	₱491,174	₱489,730
Interest expense on lease liabilities (Note 24)	104,116	68,449	79,625	48,153
Expenses relating to short term - leases	339,957	293,175	240,432	220,433
Total amount recognized in profit or loss	₱1,109,340	₱987,227	₱811,231	₱758,316

Group as Lessor

The Group has entered into commercial property leases on the Group's surplus offices. These non-cancellable leases have remaining non-cancellable lease terms of one to four years.

Total rent income earned included under Miscellaneous income – Others account in the statements of income (see Note 28) by the Group and the Parent Bank for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Group	₱190,515	₱159,384	₱127,739
Parent Bank	199,455	207,913	180,273



The estimated minimum future annual rentals receivable under non-cancellable operating leases follows:

	Group	
	2025	2024
Within one year	₱210,494	₱146,930
Beyond one year but within five years	601,158	334,669
	₱811,652	₱481,599

	Parent Bank	
	2025	2024
Within one year	₱201,344	₱131,807
Beyond one year but within five years	577,374	303,539
	₱778,718	₱435,346

Others

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, which are not reflected in the accompanying financial statements. The Group recognizes in its books any losses and liabilities incurred in the course of its operations as soon as these become determinable and quantifiable. Management believes that, as of December 31, 2025, no additional material losses or liabilities are required to be recognized in the accompanying financial statements as a result of the above commitments and transactions.

There are several suits, assessments or notices and claims that remain unsettled. Management believes, based on the opinion of its legal counsels, that the ultimate outcome of such suits, assessments and claims will not have a material effect on the Group's and the Parent Bank's financial position and results of operations.

34. Notes to the Statements of Cash Flows

Presented below is the supplemental information on the Group's and the Parent Bank's liabilities arising from financing activities:

	Group		
	Bills Payable	Notes and Bonds Payable	Lease Liabilities*
Balances at January 1, 2025	₱162,256,379	₱57,565,582	₱1,625,925
Cash flows from financing activities:			
Additions	613,139,628	21,350,886	—
Repayment of borrowings	(644,401,657)	(40,037,270)	(739,622)
Non-cash financing activities:			
Effects of foreign exchange rate changes	861,056	651,826	—
New lease arrangements	—	—	773,119
Terminated lease arrangements	—	—	(50,910)
Amortization of debt issue costs and accretion of interest	154,500	131,140	104,116
Balances at December 31, 2025	₱132,009,906	₱39,662,164	₱1,712,628

**additions to lease liabilities arising from initial recognition of ROU assets are considered non-cash financing activities*



	Group			
	Bills Payable	Notes and Bonds Payable	Lease Liabilities*	Total
Balances at January 1, 2024	₱155,287,929	₱50,493,627	₱1,551,143	₱207,332,699
Cash flows from financing activities:				
Additions	979,986,263	11,482,520	—	991,468,783
Repayment of borrowings	(975,385,462)	(5,658,904)	(724,806)	(981,769,172)
Non-cash financing activities:				
Effects of foreign exchange rate changes	2,367,649	1,124,866	—	3,492,515
New lease arrangements	—	—	731,139	731,139
Amortization of debt issue costs and accretion of interest	—	123,473	68,449	191,922
Balances at December 31, 2024	₱162,256,379	₱57,565,582	₱1,625,925	₱221,447,886

*additions to lease liabilities arising from initial recognition of ROU assets are considered non-cash financing activities

	Parent Bank			
	Bills Payable	Notes and Bonds Payable	Lease Liabilities*	Total
Balances at January 1, 2025	₱126,169,642	₱51,724,287	₱1,238,395	₱179,132,324
Cash flows from financing activities:				
Additions	599,129,628	15,848,288	—	614,977,916
Repayment of borrowings	(625,790,990)	(34,744,953)	(564,150)	(661,100,093)
Non-cash financing activities:				
Effects of foreign exchange rate changes	861,056	425,279	—	1,286,335
New lease arrangements	—	—	589,276	589,276
Terminated lease arrangements	—	—	(50,767)	(50,767)
Amortization of debt issue costs and accretion of interest	54,937	122,212	79,625	256,774
Balances at December 31, 2025	₱100,424,273	₱33,375,113	₱1,292,379	₱135,091,765

*additions to lease liabilities arising from initial recognition of ROU assets are considered non-cash financing activities

	Parent Bank			
	Bills Payable	Notes and Bonds Payable	Lease Liabilities*	Total
Balances at January 1, 2024	₱120,359,136	₱50,493,627	₱1,180,973	₱172,033,736
Cash flows from financing activities:				
Additions	957,473,570	—	—	957,473,570
Repayment of borrowings	(954,030,713)	—	(552,358)	(954,583,071)
Non-cash financing activities:				
Effects of foreign exchange rate changes	2,367,649	1,111,521	—	3,479,170
New lease arrangements	—	—	561,627	561,627
Amortization of debt issue costs and accretion of interest	—	119,139	48,153	167,292
Balances at December 31, 2024	₱126,169,642	₱51,724,287	₱1,238,395	₱179,132,324

*additions to lease liabilities arising from initial recognition of ROU assets are considered non-cash financing activities

Non-cash investing activities of the Group for the years ended December 31, 2025 and 2024 include (1) additions to investment properties in settlement of loans and receivables amounting to ₱577.13 million and ₱807.75 million, respectively, (2) disposals of properties with carrying values of ₱857.80 million and ₱713.01 million, respectively, through sales contracts receivable, and (3) additions to right of use assets amounting to ₱748.31 million and ₱714.28 million, respectively, for the Group and amounting to ₱589.28 million and ₱561.63 million, respectively, for the Parent Bank.



35. Events After the End of the Reporting Period

Capital Infusion to Union Digital

On January 30, 2026, the Parent Bank infused capital amounting to ₱400.00 million out of the approved amount of ₱1.20 billion to UnionDigital to support its ongoing business operations.

Listing of Shares under the Employee Stock Plan

On February 5, 2026, the Bank has listed 697,339 common shares under the last tranche of the Employee Stock Plan which was issued in 2023 (see Note 25).

Dividend Declaration

On February 27, 2026, the Parent Bank's BOD approved the declaration of regular cash dividends at ₱1.00 per common share for a total of ₱3.32 billion, in favor of all stockholders of the Bank, payable from the unrestricted retained earnings of the Bank as of December 31, 2025. The record date for stockholders entitled to the cash dividend is March 16, 2026, and payment is set on March 23, 2026.

36. Supplementary Information Required Under Revenue Regulations 15-2010

Presented below is the supplementary information required by the Bureau of Internal Revenue (BIR) under RR 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

Gross Receipts Tax

In lieu of the value-added tax (VAT), the Parent Bank is subject to the GRT imposed on all banks and non-bank financial intermediaries pursuant to Section 121 of the Tax Code.

The Parent Bank reported total GRT amounting to ₱3.26 billion in 2025 shown under Taxes and Licenses account. Total GRT payable as of December 31, 2025 amounted to ₱0.80 billion and is included in Accrued taxes and other expenses under Other liabilities account in the 2025 statement of financial position.

Documentary Stamp Tax

The Bank is enrolled under the Electronic DST System. In general, the Parent Bank's DST transactions arise from the execution of debt instruments, security documents, and bills of exchange. For the year ended December 31, 2025, DST affixed amounted to ₱1.59 billion.

Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2025 are shown below (amounts in thousands):

Final	₱1,577,875
Expanded	470,558
Compensation and benefits	1,554,415
	<u>₱3,602,848</u>



**Supplementary Information Required Under Revenue Regulations 15-2010
and Supplementary Information Required Under Section 174 of the Manual of
Regulations for Banks (MORB)**

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Taxes and Licenses

The details of taxes and licenses in 2025 of the Parent Bank are as follows (amounts in thousands):

GRT	₱3,261,033
DST	416,736
Real property tax	51,393
Fringe benefit tax (FBT)	66,384
Local and business permits	76,756
Miscellaneous	8,458
Less:	
FBT charged to employee benefits	(66,384)
	<u>₱3,814,376</u>

Excise Taxes

The Parent Bank does not have excise taxes accrued since it did not have any transactions subject to excise tax.

Other Required Tax Information

The Parent Bank has not paid or accrued any excise taxes or customs' duties and tariff fees as it had no importation for the year ended December 31, 2025.

The Parent Bank has no pending deficiency tax assessment with the BIR, the courts or other regulatory bodies outside of the BIR as at December 31, 2025.

37. Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB)

Presented below is the supplementary information required by the BSP under Section 174 of the MORB.

Basic quantitative indicators of financial performance

Group	2025	2024	2023
Return on average capital funds:			
<u>Net profit</u>	5.0%	6.4%	5.6%
Average total capital funds*			
Return on average resources:			
<u>Net profit</u>	0.9%	1.1%	0.8%
Average total resources*			
Net interest margin:			
<u>Net interest income</u>	6.4%	6.0%	5.5%
Average interest-earning resources*			



Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB)

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Group	2025	2024	2023
Liquidity ratio:			
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	53.1%	47.3%	43.5%
Debt-to-equity ratio:			
$\frac{\text{Liabilities}}{\text{Capital Funds}}$	4.7:1	4.8:1	5.5:1
Asset-to-equity ratio:			
$\frac{\text{Asset}}{\text{Capital Funds}}$	5.7:1	5.8:1	6.5:1
Interest rate coverage ratio:			
$\frac{\text{Earnings before interests and taxes}}{\text{Interest expense}}$	1.7:1	1.6:1	1.4:1
<i>*Average amount is calculated based on current year-end and previous year-end balances</i>			
Parent Bank	2025	2024	2023
Return on average capital funds:			
$\frac{\text{Net profit}}{\text{Average total capital funds*}}$	5.1%	6.6%	5.5%
Return on average resources:			
$\frac{\text{Net profit}}{\text{Average total resources*}}$	1.0%	1.2%	0.9%
Net interest margin:			
$\frac{\text{Net interest income}}{\text{Average interest-earning resources*}}$	6.2%	5.6%	4.8%
Liquidity ratio:			
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	52.2%	46.1%	40.0%
Debt-to-equity ratio:			
$\frac{\text{Liabilities}}{\text{Capital Funds}}$	4.0:1	4.1:1	4.7:1
Asset-to-equity ratio:			
$\frac{\text{Asset}}{\text{Capital Funds}}$	5.0:1	5.1:1	5.7:1
Interest rate coverage ratio:			
$\frac{\text{Earnings before interests and taxes}}{\text{Interest expense}}$	2.2:1	2.0:1	1.6:1
<i>*Average amount is calculated based on current year-end and previous year-end balances</i>			



Capital instruments issued

The Parent Bank's capital instruments consist of the following:

Capital stock

As of December 31, 2025 and 2024, the Parent Bank has outstanding capital stock shown below (peso amounts in thousands):

	Shares		Amount	
	2025	2024	2025	2024
Common – ₱10 par value				
Authorized	5,030,785,238	5,030,785,238	₱50,307,852	₱50,307,852
Issued	3,316,405,584	3,316,405,584	33,164,056	33,164,056
Treasury stock	–	–	–	–
Issued and outstanding	3,316,405,584	3,316,405,584	33,164,056	33,164,056
Preferred – ₱100 par value, non-voting				
Authorized	100,000,000	100,000,000	₱10,000,000	₱10,000,000
Issued and outstanding	–	–	–	–

Unsecured Subordinated Tier 2 Notes Due 2030 Callable in 2025

The Basel III-compliant Unsecured Subordinated Tier 2 Notes were issued by the Parent Bank under its BSP-approved issuance of ₱20.0 Billion Unsecured Subordinated Notes Qualifying as Tier 2 Capital.

Unless the Notes are previously redeemed, the Initial Interest Rate will be reset at the equivalent of the Initial Spread per annum plus the Benchmark as of Reset Date as defined in the Terms and Conditions of the Notes. Subject to certain conditions, the BSP Guidelines, and the Terms and Conditions, the Parent Bank may redeem the Notes in whole and not only in part on the Redemption Option Date at 100% of the face value of the Notes, plus accrued and unpaid interest as of but excluding the Redemption Option Date. The Notes were early redeemed on its first call option date last May 24, 2025.

The Notes have a loss absorption feature which means the Notes are subject to a Non-Viability Write-Down in case of a Non-Viability Trigger Event. A Non-Viability Trigger Event is deemed to have occurred when the Issuer is considered non-viable as determined by the BSP.

The Tier II Notes constitute a direct, unconditional, fixed, unsecured and subordinated obligation of the Bank. Claims in respect of the Tier II Notes will rank: (a) junior to the claims of holders of all deposits and general creditors of the Bank; (b) *pari passu* with obligations of the Bank that are, expressly or by applicable laws, subordinated so as to rank *pari passu* with claims in respect of securities constituting “Tier 2” capital of the Bank; and (c) senior to (i) the claims for payment of any obligation that, expressly or by applicable law, is subordinated to the Tier II Notes, (ii) the claims in respect of securities constituting “Tier 1” capital of the Bank, and (iii) the rights and claims of holders of equity shares of the Bank.

Distribution of Stock Dividends

As of December 31, 2023, the Parent Bank has stock dividend distributable amounting to ₱6.36 billion, representing the 27% stock dividends approved by the Bank's BOD and stockholders on February 24, 2023 and April 28, 2023, respectively. Subsequently, on January 4, 2024, the Parent Bank issued the related 635.5 million common shares at par value of ₱10 per share.



Concentration of credit exposures

An analysis of concentrations of credit risk for loans and other receivables and investment securities (grossed up for any allowance for credit losses and unearned discounts) of the Group and the Parent Bank by industry and by geographic location as of December 31, 2025 and 2024 is shown below (amounts in thousands):

	Group		Trading and Investment Securities	Total
	2025			
	Loans and Other Receivables			
	Amount	%		
Concentration by industry				
Financial and insurance activities	₱29,155,067	5.18	₱425,581,109	₱454,736,176
Other consumption	280,412,166	49.78	—	280,412,166
Real estate activities	86,904,570	15.43	11,039,587	97,944,157
Electricity, gas steam and air conditioning supply	21,994,580	3.90	22,359,209	44,353,789
Wholesale and retail trade, repair of motor vehicles	28,557,653	5.07	—	28,557,653
Arts, entertainment and recreation	28,165,503	5.00	—	28,165,503
Information and communication	26,371,573	4.68	—	26,371,573
Transportation and storage	15,009,447	2.66	2,505,376	17,514,823
Manufacturing	16,065,060	2.85	—	16,065,060
Construction	9,254,151	1.64	—	9,254,151
Agriculture, forestry and fishing	3,598,678	0.64	—	3,598,678
Activities of households as employers and undifferentiated goods and services	1,934,450	0.34	—	1,934,450
Other service activities	1,767,495	0.31	—	1,767,495
Accommodation and food service activities	1,510,390	0.27	—	1,510,390
Professional, scientific and technical activities	509,058	0.09	—	509,058
Others	12,039,390	2.14	8,655,036	20,694,426
	₱563,249,231	100.0	₱470,140,317	₱1,033,389,548

<i>Concentration by location</i>				
Philippines	₱563,249,231	100.0	₱380,003,524	₱943,252,755
United States	–	–	45,376,466	45,376,466
Others - Asia	–	–	30,137,955	30,137,955
North America	–	–	7,693,163	7,693,163
South America	–	–	6,091,134	6,091,134
Europe	–	–	838,075	838,075
	₱563,249,231	100.0	₱470,140,317	₱1,033,389,548

	Group			
	2024			
	Loans and Other Receivables		Trading and Investment Securities	Total
	Amount	%		
Concentration by industry				
Financial and insurance activities	₱36,287,795	6.66	₱437,848,516	₱474,136,311
Other consumption	236,274,329	43.38	—	236,274,329
Real estate activities	93,720,155	17.21	13,981,886	107,702,041
Electricity, gas steam and air conditioning supply	14,364,514	2.64	25,476,487	39,841,001
Wholesale and retail trade, repair of motor vehicles	31,653,180	5.81	—	31,653,180
Arts, entertainment and recreation	22,784,818	4.18	—	22,784,818
Information and communication	28,378,273	5.21	—	28,378,273
Transportation and storage	15,367,065	2.82	2,486,098	17,853,163
Manufacturing	17,353,646	3.19	—	17,353,646
Construction	7,766,191	1.43	—	7,766,191
Agriculture, forestry and fishing	2,629,485	0.48	—	2,629,485
Activities of households as employers and undifferentiated goods and services	2,461,152	0.45	—	2,461,152
Other service activities	8,711,874	1.60	—	8,711,874
Accommodation and food service activities	1,391,169	0.26	—	1,391,169
Professional, scientific and technical activities	470,575	0.09	—	470,575
Others	24,993,053	4.59	8,537,880	33,530,933
	₱544,607,274	100.0	₱488,330,867	₱1,032,938,141
Concentration by location				
Philippines	₱544,607,274	100.0	₱427,730,677	₱972,337,951
Others – Asia	—	—	28,363,556	28,363,556
United States	—	—	15,717,181	15,717,181
North America	—	—	7,661,426	7,661,426
South America	—	—	6,095,184	6,095,184
	₱544,607,274	100.0	₱485,568,024	₱1,030,175,298



	Parent Bank			
	2025			
	Loans and Other Receivables		Trading and Investment Securities	Total
	Amount	%		
<i>Concentration by industry</i>				
Financial and insurance activities	P28,842,966	6.67	P365,486,700	P394,329,666
Other consumption	154,527,291	35.73	—	154,527,291
Real estate activities	85,882,244	19.86	11,039,587	96,921,831
Electricity, gas steam and air conditioning supply	21,993,971	5.09	22,359,209	44,353,180
Arts, entertainment and recreation	28,145,229	6.51	—	28,145,229
Wholesale and retail trade, repair of motor vehicles	27,598,935	6.38	—	27,598,935
Information and communication	26,360,112	6.09	—	26,360,112
Transportation and storage	14,863,690	3.44	2,505,376	17,369,066
Manufacturing	15,756,095	3.64	—	15,756,095
Construction	9,032,424	2.09	—	9,032,424
Agriculture, forestry and fishing	2,556,893	0.59	—	2,556,893
Activities of households as employers and undifferentiated goods and services	1,933,678	0.45	—	1,933,678
Other service activities	1,476,162	0.34	—	1,476,162
Accommodation and food service activities	1,229,950	0.28	—	1,229,950
Professional, scientific and technical activities	499,619	0.12	—	499,619
Others	11,804,945	2.73	8,655,036	20,459,981
	P432,504,204	100.0	P410,045,908	P842,550,112
<i>Concentration by location</i>				
Philippines	P432,504,204	100.0	P319,909,115	P752,413,319
United States	—	—	45,376,466	45,376,466
Others - Asia	—	—	30,137,955	30,137,955
North America	—	—	7,693,163	7,693,163
South America	—	—	6,091,134	6,091,134
Europe	—	—	838,075	838,075
	P432,504,204	100.0	P410,045,908	P842,550,112

	Parent Bank			
	2024			
	Loans and Other Receivables		Trading and Investment Securities	Total
	Amount	%		
<i>Concentration by industry</i>				
Financial and insurance activities	P36,281,742	8.65	P387,491,606	P423,773,348
Other consumption	129,874,819	30.95	—	129,874,819
Real estate activities	93,053,635	22.17	13,981,886	107,035,521
Electricity, gas steam and air conditioning supply	14,364,300	3.42	25,476,487	39,840,787
Arts, entertainment and recreation	22,784,046	5.43	—	22,784,046
Wholesale and retail trade, repair of motor vehicles	30,753,351	7.33	—	30,753,351
Information and communication	28,375,439	6.76	—	28,375,439
Transportation and storage	15,028,998	3.58	2,486,098	17,515,096
Manufacturing	17,148,485	4.09	—	17,148,485
Construction	7,651,879	1.82	—	7,651,879
Agriculture, forestry and fishing	1,818,990	0.43	—	1,818,990
Activities of households as employers and undifferentiated goods and services	2,372,507	0.57	—	2,372,507
Other service activities	8,523,609	2.03	—	8,523,609
Accommodation and food service activities	1,391,169	0.33	—	1,391,169
Professional, scientific and technical activities	469,695	0.11	—	469,695
Others	9,783,266	2.33	8,537,880	18,321,146
	P419,675,930	100.0	P437,973,957	P857,649,887
<i>Concentration by location</i>				
Philippines	P419,675,930	100.0	P380,136,610	P799,812,540
United States	—	—	15,717,181	15,717,181
Others - Asia	—	—	28,363,556	28,363,556
North America	—	—	7,661,426	7,661,426
South America	—	—	6,095,184	6,095,184
	P419,675,930	100.0	P437,973,957	P857,649,887

The BSP considers significant credit concentration when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio or 10.00% of Tier 1 capital (see Note 5).



Breakdown of total loans as to security and status*As to security*

The breakdown of total loans and other receivables (gross of allowance for credit losses, net of unearned discounts) as to secured, with corresponding collateral types, and unsecured loans follows (amounts in thousands):

	Group		Parent Bank	
	2025	2024	2025	2024
Secured:				
Real estate	₱10,387,495	₱8,818,878	₱7,414,816	₱6,110,887
Deposit hold-out	706,833	560,408	603,008	488,506
Chattel mortgage	5,902,374	6,677,423	—	—
Others	70,317,554	60,750,589	70,306,054	60,721,759
	87,314,256	76,807,298	78,323,878	67,321,152
Unsecured	478,678,052	469,927,766	358,831,143	356,835,151
	₱565,992,308	₱546,735,064	₱437,155,021	₱424,156,303

The breakdown as to secured and unsecured of non-accruing loans (gross of unearned discounts and allowance for credit losses) of the Group and the Parent Bank as of December 31 follows:

	Group		Parent Bank	
	2025	2024	2025	2024
Secured	₱8,356,317	₱8,384,920	₱5,607,614	₱6,024,801
Unsecured	31,629,727	29,265,459	20,094,247	18,144,023
	₱39,986,044	₱37,650,379	₱25,701,861	₱24,168,824

As to status

As of December 31, 2025 and 2024, the Group's and Parent Bank's non-performing loans (NPLs) (gross of unearned discounts) and related specific allowance for credit losses in compliance with BSP Circular No. 855 are presented below (amounts in thousands):

	Group		Parent Bank	
	2025	2024	2025	2024
Gross NPLs	₱39,986,044	₱37,650,379	₱25,701,861	₱24,168,824
Specific allowance for credit losses on NPLs	(22,178,720)	(16,774,674)	(14,839,484)	(11,846,563)
	₱17,807,324	₱20,875,705	₱10,862,377	₱12,322,261

Under BSP Circular No. 941, an account or exposure is considered non-performing, even without any missed contractual payments, when it is deemed impaired under existing applicable accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, in the case of secured accounts. All other accounts, even if not considered impaired, shall be considered non-performing if any contractual principal and/or interest are past due for more than ninety (90) days, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.



Non-performing loans, investment, receivables, or any financial asset (and/or any replacement loan) shall remain classified as such until (a) there is a sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least six (6) months; or (b) written-off.

Information on the amounts of performing and non-performing loans (gross of unearned discounts and allowance for impairment and credit losses) per product line of the Group and Parent Bank as reported in the Group's BSP financial reporting package are as follows:

	Group					
	2025			2024		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Consumer products*	₱150,938,222	₱8,047,168	₱158,985,390	₱130,770,258	₱6,671,292	₱137,441,550
Corporate loans	134,091,002	263,299	134,354,301	128,229,764	229,962	128,459,726
CSB salary loans	84,786,002	7,889,525	92,675,527	81,827,132	6,976,454	88,803,586
Home loans	47,709,831	6,142,196	53,852,027	60,884,072	7,234,432	68,118,504
Commercial loans	55,107,952	10,907,054	66,015,006	55,051,794	9,596,380	64,648,174
Other receivables from customers**	35,053,126	6,736,802	41,789,928	32,166,922	6,941,860	39,108,782
Total receivables from customers	₱507,686,155	₱39,986,044	₱547,672,199	₱488,929,942	₱37,650,379	₱526,580,321

*Comprised of the Parent Bank's Small and Medium Enterprise (SME) Financial Products, Auto Loans, Credit Cards and Personal Loans

** Comprised primarily of High-net-worth-individuals loans, Corporate retail loans, HR loans, personal loans of Union Digital, and motorcycle loans of CSB

	Parent Bank					
	2025			2024		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Consumer products*	₱150,938,222	₱8,047,168	₱158,985,390	₱130,770,258	₱6,671,292	₱137,441,550
Corporate loans	134,091,022	263,299	134,354,321	128,229,763	229,962	128,459,725
Home loans	47,709,831	6,142,196	53,852,027	60,884,072	7,234,432	68,118,504
Commercial loans	55,107,952	10,907,054	66,015,006	55,051,795	9,596,379	64,648,174
Other receivables from customers**	9,444,335	342,144	9,786,479	9,897,114	436,759	10,333,873
Total receivables from customers	₱397,291,362	₱25,701,861	₱422,993,223	₱384,833,002	₱24,168,824	₱409,001,826

*Comprised of Small and Medium Enterprise (SME) Financial Products, Auto Loans, Credit Cards and Personal Loans

** Comprised primarily of High-net-worth-individuals loans, Corporate retail loans, and HR loans



Related party loans

As of December 31, 2025 and 2024, the Group's and the Parent Bank's related party loans solely consist of DOSRI loans, as shown below (peso amounts in thousands):

	Group		Parent Bank	
	2025	2024	2025	2024
Total DOSRI loans	₱811,242	₱747,727	₱660,819	₱606,488
Unsecured DOSRI loans	350,628	354,656	223,442	257,988
Total related party loans (including DOSRI loans)	811,242	747,727	660,819	606,488
Unsecured related party loans (including DOSRI loans)	350,628	354,656	223,442	257,988
% of DOSRI/related party loans to total loan portfolio	0.15%	0.14%	0.16%	0.15%
% of unsecured DOSRI/related party loans to total DOSRI loans	—%	0.08%	—%	0.10%
% of unsecured DOSRI loans inclusive of fringe benefit loans to total DOSRI loans	43.22%	47.43%	33.81%	42.54%
% of past due DOSRI/related party loans to total DOSRI loans	—%	0.08%	—%	0.10%
% of non-accruing DOSRI/related party accounts to total DOSRI loans	—%	—%	—%	—%

The total unsecured DOSRI loans above include loans extended to employees treated as fringe benefits that are excluded in determining the compliance with the individual ceiling under subsection X330.1 of the MORB.

Secured liability and assets pledged as security

The Group's and the Parent Bank's bills payable under repurchase agreements amounted to ₱80.19 billion and ₱104.73 billion as of December 31, 2025 and 2024, respectively.

The Group's and the Parent Bank's investment securities at amortized cost with carrying values of ₱95.25 billion and ₱115.73 billion as of December 31, 2025 and 2024, respectively, were pledged as collaterals against bills payable under repurchase agreement.

Commitments and contingencies

Following is a summary of the Group and Parent Bank's commitments and contingent accounts (amounts in thousands):

	Group		Parent Bank	
	2025	2024	2025	2024
Commitments	₱547,546,423	₱510,778,231	₱547,436,603	₱510,674,959
Forward exchange bought	74,945,703	84,778,570	74,945,703	84,778,570
Forward exchange sold	40,861,069	23,326,152	40,861,069	23,326,152
Other derivatives	35,603,487	30,532,781	35,603,487	30,532,781
Inward bills for collections	34,151,966	19,042,984	34,151,966	19,042,984
Unused standby letters of credit	5,389,057	5,958,221	5,389,057	5,958,221
Spot exchange bought	3,911,446	5,860,221	3,911,446	5,860,221
Spot exchange sold	3,904,537	4,912,824	3,904,537	4,912,824
Outstanding guarantees issued	1,234,426	888,228	1,234,349	888,221
Other commitment and contingent accounts	76,963	91,454	76,948	91,442
Trust department accounts	—	101,121,266	—	—



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Union Bank of the Philippines
Union Bank Plaza, Meralco Avenue corner
Onyx Street and Sapphire Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Union Bank of the Philippines and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 27, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Janeth T. Nuñez-Javier

Janeth T. Nuñez-Javier

Partner

CPA Certificate No. 111092

Tax Identification No. 900-322-673

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 111092-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

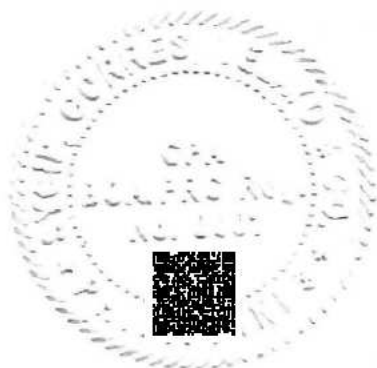
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-069-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765098, January 2, 2026, Makati City

February 27, 2026

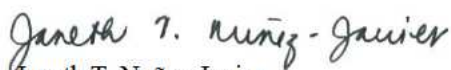


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Union Bank of the Philippines
Union Bank Plaza, Meralco Avenue corner
Onyx Street and Sapphire Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Union Bank of the Philippines and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 27, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Janeth T. Nuñez-Javier
Partner

CPA Certificate No. 111092

Tax Identification No. 900-322-673

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 111092-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

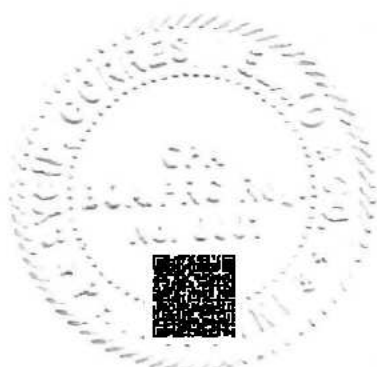
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-069-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765098, January 2, 2026, Makati City

February 27, 2026



UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

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Filed Separately from the Basic Financial Statements**

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* These schedules and supplementary information are not included as these are not applicable to Group.

Union Bank of the Philippines and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule A - Financial Assets
December 31, 2025
(Amounts in Thousands of Philippine Pesos)

COUNTERPARTY/ISSUER	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement Financial Position	Value Based on Market Quotation at Statement of Condition Date	Income Received and Accrued
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Debt Securities				
Bureau of Treasury	P 18,006,081	P 17,554,241	P 17,554,241	P 106,239
Banco De Oro	576,142	577,986	577,986 (	881)
Bank of the Philippine Islands	495,776	510,976	510,976	1,385
Indonesian Government	2,527,970	2,525,366	2,525,366 (	1,857)
International Container Terminal Services Inc.	10,582	10,676	10,676	1,070
Metropolitan Bank and Trust Company	88,185	87,926	87,926 (	1,416)
Philippine National Bank	563,385	570,692	570,692 (	4,155)
Power Sector Asset and Liabilities Management Corp	163,671	184,201	184,201	56,222
Republic of Philippines	305,708	265,501	265,501 (	17,948)
Rizal Commercial Banking Corporation	227,106	233,601	233,601 (	664)
Total Debt Securities		P 22,521,166	P 22,521,166	P 137,995
Equity Securities				
Abacore Capital (Abacus)	256,000	P 67	P 67 (	82)
Araneta Property, Inc. - A	544	-	-	-
Asiabest Group International, Inc.	4	-	-	-
Benguet Corporation - A	355	2	2	-
Benguet Corporation - B	1,702	8	8 (	2)
BDO Unibank, Inc.	72	10	10	1
Cosco Capital, Inc.	99,000	692	692	75
Imperial Resources, Inc.	30	-	-	-
Keppel Philippines Properties, Inc. - A	593	1	1 (	1)
Mabuhay Holdings Corporation	170,000	20	20	8
Omico Corporation Formerly Omico Mining & Industrial Corp.	800	-	-	-
Philippine Depository & Trust Corp.	5,228	959	959	-
Prime Media Holdings, Inc.	939	2	2 (	1)
Project Quest	8,750,000	32,920	32,920	2,078
Shiptek Solutions Corp PH	-	23,250	23,250	-
The Philodrill Corporation	280,554	2	2	-
Wellex Industries, Inc.	333	-	-	-
Alta Vista Golf & Country Club	1	500	500	-
Cebu Country Club (certified true copy only)	2	36,000	36,000	-
Celebrity (Sports) Plaza, Inc.	1	300	300	-
Club Strata	1	-	-	-
Green Valley Country Club	1	-	-	-
Green Valley Country Club of Baguio	1	-	-	-
Manila Polo Club	9	306,000	306,000	-
The Metropolitan Club, Inc. A	10	2,500	2,500	-
The Metropolitan Club, Inc. B	13	4,550	4,550	-
Total Equity Securities		P 407,783	P 407,783	P 2,076

Derivative Assets

ANZ Banking Group Ltd Melbourne	P	158	P	158	P	-
ANZ Banking Manila		3,187		3,187		-
AU and Sons Merchandising, Inc		135		135		-
Australia and New Zealand Banking Group		89		89		-
Bank of the Philippine Islands		5,093		5,093		-
BDO Prive Bank Incorporated		23,999		23,999		-
BDO Unibank Inc. Manila		17,634		17,634		-
Cats Motors Inc.		990		990		-
China Banking Corporation		8,951		8,951		-
Citibank		101		101		-
Individual Client		541,603		541,603		-
Credit Access Philippines Financing Company Inc.		489		489		-
Deutsche Bank		59		59		-
EastWest Bank		104		104		-
EPL Propack Philippines Inc.		70		70		-
Foodsphere Inc.		20,685		20,685		-
Goldman Sach		193		193		-
Henley Resources Corp		451		451		-
Hong Kong and Shanghai Banking Corporation Manila		1,126		1,126		-
ING Bank N.V.		405		405		-
Insular Oil Corp		1,167		1,167		-
JPMorgan Chase & Co.		60		60		-
JPMorgan Chase & Co. Manila		2,138		2,138		-
JPMorgan Chase & Co. Singapore		728		728		-
JPMorgan Chase Bank		55		55		-
Land Bank of the Philippines		38,660		38,660		-
Malayan Savings Bank		18		18		-
Mandarin Securities Corporation		5		5		-
MDLD Interchemical Industries		1,547		1,547		-
Metropolitan Bank & Trust Company (Metrobank)		55		55		-
Metropolitan Bank and Trust Company Inc.		20,467		20,467		-
Micro-Mechanics Technology International Inc.		1		1		-
Nitro Asia Company, Inc.		240		240		-
Odyssey Foundation, Inc.		361		361		-
Our Lady of Fatima University		1,273		1,273		-
Pagasa Philippines Finance Corporation		542		542		-
Philflex Wires and Cables Corporation		4,206		4,206		-
Philippine National Bank		18,340		18,340		-
Philippine Resins Industries, Inc.		194		194		-
Ramas-Uypitching Sons, Inc.		41,506		41,506		-
Rizal Commercial Banking Corporation		9,165		9,165		-
Rockheart Realty and Development		499		499		-
Rudolf Lietz Inc		6		6		-
Security Bank Corporation		37		37		-
Security Bank Philippines		22,278		22,278		-
Sherlo Trading Corporation		117		117		-
Standard Chartered Bank		318		318		-
Standard Chartered Bank London		478		478		-
Sutherland Global Services		47,181		47,181		-
The Bank of Tokyo-Mitsubishi UFJ Limited. Singapore		192		192		-
Transcom Worldwide (Philippines), Inc.		7,500		7,500		-
Union Bank of Switzerland		108		108		-
Various		67,551		67,551		-
Credit Suisse International Group		55,557		55,557		-
Total Derivative Assets	P	968,072	P	968,072	P	-

Total - Financial Assets at Fair Value through Profit or Loss

P	23,897,021	P	23,897,021	P	140,071
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FINANCIAL ASSETS AT AMORTIZED COST**Government bonds and other debt securities**

Bureau of Treasury	200,356,679,226	P	203,978,179	P	200,199,477	P	10,841,860
Bharat Petroleum Corp. Ltd.	2,586,760,000		2,567,900		2,576,492		139,812
Brazil Sovereign Group	1,763,700,000		2,018,734		1,931,946		107,773
Colombia Sovereign Group	1,058,220,000		1,317,707		1,079,839		60,450
Indonesian Government	11,604,264,150		12,442,474		12,069,078		546,506
NTPC Limited	293,950,000		292,762		294,353		13,444
Peru Sovereign Group	1,881,280,000		2,506,894		2,361,629		95,873
Perusahaan Perseroan(Persero) PT Perusahaan Listrik Negara	881,850,000		872,459		873,808		40,225
Petroleos Mexicanos	7,330,360,488		7,251,854		6,317,467		464,778
Power Finance Corporation Ltd.	1,822,490,000		1,825,550		1,702,485		59,325
Power Sector Asset and Liabilities Management Corp	4,886,154,480		5,752,313		5,486,023		114,234
PT Indonesia Asahan Aluminium (Persero)	707,243,700		698,273		725,548		57,032
PT Pertamina(Persero)	176,370,000		176,341		174,729		2,680
Qatar Sovereign Group	293,950,000		293,974		290,176		9,295
Republic of Philippines	18,838,432,440		19,172,129		18,135,625		188,929
Saudi Arabia Sovereign Group	3,480,368,000		3,578,198		3,371,857		73,388
Saudi Arabian Oil Company	1,469,750,000		1,477,275		1,389,296		54,399
Sultanate of Oman Sovereign Group	1,297,377,720		1,347,808		1,350,967		76,505
Turkey Sovereign Group	2,351,600,000		2,348,135		1,937,325		134,009
Uruguay Sovereign Group	117,580,000		146,119		139,184		5,682
US Treasury/Sovereign Group	15,873,300,000		15,879,974		10,643,758		300,505
Total Government bonds and other debt securities		P	285,945,052	P	273,051,062	P	13,386,704

Private bonds and commercial papers

Vista Land and Lifescapes Inc.(Vista Land)	7,348,750,000	P	7,358,322	P	3,976,659	P	651,249
STI Education Services Group Inc.	45,370,000		45,370		45,065		2,893
Manila Water Company Inc.	3,500,474,180		3,484,210		3,442,849		153,123
Megaworld Corporation	3,334,157,270		3,339,002		3,280,155		131,799
Metropolitan Bank and Trust Company	470,320,000		470,292		468,009		10,440
JG Summit Holdings	3,045,968,690		3,133,349		2,978,612		105,853
First Pacific Company Ltd.	1,830,191,490		1,843,310		1,811,638		71,185
San Miguel Corporation	40,000,000		40,000		39,438		461
Aboitiz Power Corporation	50,000,000		50,000		49,834		382
Perusahaan Perseroan(Persero) PT Perusahaan Listrik Negara	881,850,000		872,458		1,066,912		55,329
International Container Terminal Services Inc.	2,445,664,000		2,497,143		2,362,280		85,542

Total Private bonds and commercial papers **P** 23,133,456 **P** 19,521,451 **P** 1,268,256

Less: Allowance for Credit Loss (**P** 326,633) -

Total - Financial Assets at Amortized Cost **P** 308,751,875 **P** 292,572,513 **P** 14,654,960

**FINANCIAL ASSETS AT FAIR VALUE THROUGH
OTHER COMPREHENSIVE INCOME****Government and private bonds and other debt securities**

Aboitiz Power Corporation	10,000.00	P	9,979	P	9,979	P	106
Bureau of Treasury	39,912,620		39,026,773		39,026,773		1,355,145

Total Government and private bonds and other debt securities **P** 39,036,752 **P** 39,036,752 **P** 1,355,251

Equity Securities

BANCNET	50,000		5,000		5,000	P	-
BAP Consulting, Inc.	12,500		1,250		1,250		-
BAP-Credit Bureau	-		50		50		-
Coop Society Swift	-		3		3		-
Cruztelco	90		9		9		-
Eastern Visayas Tel Co.	100		5		5		-
Fixed Income Exchange	125,000		1,250		1,250		-
Local Government Unit Guaranty Corporation	50,000		5,000		5,000		-
Local Govt. Unit Guaranty Corp.	50,000		5,000		5,000		-
Makati Executive Center	1		32		32		-
Meralco	21,934		219		219		-
Metropolitan Threater	1		40		40		-
NAWASA	-		-		-		-
Phil. Clearing House Corp.	21,000		5,000		5,000		-
PhilAm	2		1,000		1,000		-
Philam Properties Corp.	-		500		500		-
Philippine Dealing System Holdings Corporation (formerly Philippine Central Depository I	31,690		3,169		3,169		-
PILTEL	75		6		6		-
Rockwell Land Corporation	4		700		700		-
Steel Asia	-		13,440		13,440		-
Integra Fund LLP	-		63,532		63,532		-
NYK Ventures Pte. Ltd.	4,459		78,366		78,366		-
Consensys Software Inc.	29,240		99,700		99,700		-
Transunion Information Solutions Inc	28,800		16,400		16,400		-
Others			90		90		-

Total Equity Securities **P** 299,761 **P** 299,761 **P** -

Total - Financial Assets at Fair value through OCI **P** 39,336,513 **P** 39,336,513 **P** 1,355,251

GRAND TOTAL **P** 371,985,409 **P** 355,806,047 **P** 16,150,282

Union Bank of the Philippines and Subsidiaries

SEC Released Amended SRC Rule 68

Annex 68-J

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

December 31, 2025

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Ending Balance		Balance at End of Year
			Amounts Collected	Amounts Written-off	Current	Not Current	

**RECEIVABLES FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
ARE WITHIN THE ORDINARY COURSE OF BUSINESS OF THE BANK**

Union Bank of the Philippines and Subsidiaries

SEC Released Amended SRC Rule 68

Annex 68-J

Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

December 31, 2025

(Amounts in Thousands of Philippine Pesos)

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		Ending Balance		Balance at End of Year
			Amounts Collected/ Paid	Amounts Written-off	Current	Not Current	
<i>Accounts Receivable (Accounts Payable) from Related Parties</i>							
UnionDigital Bank, Inc. (Subsidiary)	P 3,181	P 15,280	P 31,283	P -	(P 12,822)	P -	(P 12,822)
UBX Philippines Corporation (Subsidiary)	(68,276)	104,504	36,228	-	-	-	-
Unionbank Financial Services and Insurance Brokerage Philippines, Inc. (Subsidiary)	149	56,718	52,141	-	4,726	-	4,726
	(P 64,946)	P 176,502	P 119,652	P -	(8,096)	P -	(P 8,096)

Union Bank of the Philippines and Subsidiaries

SEC Released Amended SRC Rule 68

Annex 68-J

Schedule D - Long-term Debt

December 31, 2025

(Amounts in Thousands)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position	Amount Shown Under Caption "Long-term Debt" in related Statement of Financial Condition
Peso Senior Series G Bonds Due 2026	P 50,000,000	P 7,806,659	P -
Peso Senior Series H Bonds Due 2026	P 100,000,000	9,192,036	-
Peso Senior Series I Bonds Due 2028		-	6,695,887
USD Social Bonds Due 2028	USD 150,000	-	P 8,797,880
Peso Social Bond Due 2027	P 5,864,500	-	5,850,224
Peso Senior Series D Bonds Due 2026	P 39,000,000	882,651	-
Loans payable**	P 436,827	436,827	-
Bills Payable***	P 132,009,906	55,779,665	76,230,241

Details:

	<u>Maturity Date</u>	<u>Interest Rate</u>
Peso Senior Series G Bonds Due 2026	December 5, 2026	6.680%
Peso Senior Series H Bonds Due 2026	December 26, 2026	5.880%
Peso Senior Series I Bonds Due 2028	June 26, 2028	6.020%
USD Social Bonds Due 2028	July 23, 2028	5.619%*
Peso Social Bond Due 2027	June 21, 2027	6.535%
Peso Senior Series D Bonds Due 2026	March 9, 2026	3.375%

**floating rate*

***Loans payable comprise of various bank loans of PETNET which bear annual interest rates ranging from 6.15% to 6.75% and a short-term loan availed by UBX on November 7, 2025 with a fixed interest rate of 6.70%*

****Range of annual interest for peso and foreign currencies is 4.90% to 6.05% and 0.07% to 5.38% in 2025, respectively*

Union Bank of the Philippines and Subsidiaries

SEC Released Amended SRC Rule 68

Annex 68-J

Schedule G - Capital Stock

December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under the Related Statement of Condition	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common Stock	<u>5,030,785,238</u>	<u>3,316,405,584</u>	<u>-</u>	<u>2,678,286,144</u>	<u>70,108,585</u>	<u>568,010,855</u>
Preferred Stock	<u>100,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

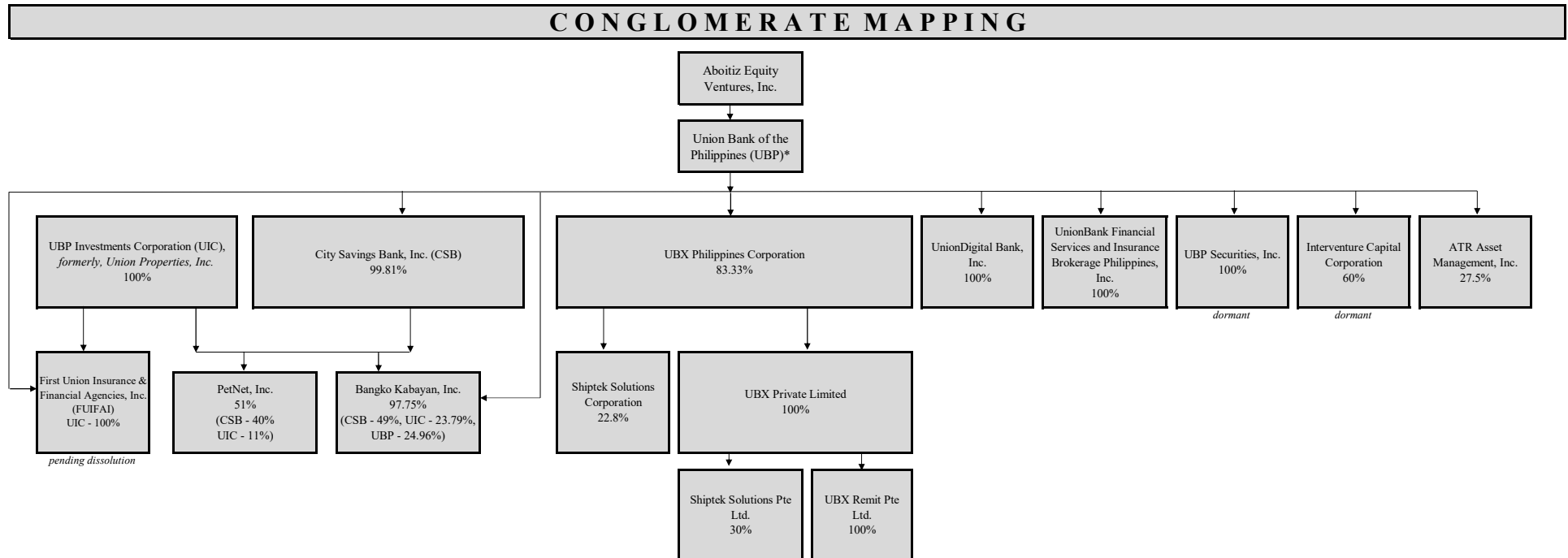
Reconciliation of Retained Earnings Available for Dividend Declaration
For the Reporting Period Ended December 31, 2025
(Amounts in Thousands of Philippine Pesos)

UNION BANK OF THE PHILIPPINES
UnionBank Plaza, Meralco Avenue corner Onyx Street and Sapphire Road
Ortigas Center, Pasig City

Unappropriated Retained Earnings, beginning of reporting period	P	70,135,724
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declarations during the period	3,316,406	
Retained Earnings Net Reversal of Appropriation during the period	(561,203)	2,755,203
Unappropriated Retained Earnings, as adjusted		67,380,521
Net Income for the current year		10,091,632
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Excess of fair value over cost of acquisition of an associate	590,918	
Unrealized fair value gains on financial assets at fair value through profit or loss (FVTPL)	737,481	
Unrealized gain on foreclosure/initial recognition	612,262	
Sub-total		1,940,661
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized fair value gains on trading financial assets at FVTPL	227,403	
Realized gain on foreclosure through sale	246,713	
Sub-total		474,116
Adjusted Net Income		76,005,608
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on unrealized gain on foreclosure		173,534
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Movements in deferred tax asset	142,982	142,982
Total Retained Earnings, end of the reporting period		
Available for Dividend Declaration	P	76,322,124

UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES
 UnionBank Plaza, Meralco Avenue corner Onyx Street and Sapphire Road,
 Ortigas Center, Pasig City

**Map Showing the Relationship Between and Among the Bank
 and its Related Entities
 December 31, 2025**



* Union Bank of the Philippines (UBP) is effectively 49.99% owned by Aboitiz Equity Ventures, Inc. (AEVI); hence, UBP is an associate of AEVI in accordance with PAS 28, *Investments in Associates*.

Annex 68 -E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Union Bank of the Philippines and Subsidiaries

As of December 31, 2025

Ratio	Formula	Current Year	Prior Year
Current ratio	Current Assets/ Current Liabilities	53.1%	47.3%
Acid test ratio	Liquid Assets/ Liquid Liabilities	52.8%	47.0%
Solvency ratios	Net Profit After Tax, Before Non-cash Expenses/ Liabilities	4.1%	3.8%
Debt-to-equity ratio	Liabilities/ Capital Funds	4.7:1	4.8:1
Asset-to-equity ratio	Assets/ Capital Funds	5.7:1	5.8:1
Interest rate coverage ratio	Earnings before interests and taxes/ Interest expense	1.7:1	1.6:1
Return on equity	Net Profit/ Average Total Capital Funds*	5.0%	6.4%
Return on assets	Net Profit/ Average Total Resources*	0.9%	1.1%
Net interest margin	Net Interest Income/ Average Interest-earning Resources*	6.4%	6.0%

**Average amount is calculated based on average daily balances*

ANNEX 68-I

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

**Union Bank of the Philippines
For the Period Ended December 31, 2025**

1. Gross and net proceeds as disclosed in the final prospectus

UBP Bond Offering:	
Gross Proceeds	16,000,000,000
Net Proceeds	15,848,288,489

2. Actual gross and net proceeds

UBP Bond Offering:	
Gross Proceeds	16,000,000,000
Total Offer Expenses	151,711,511
Net Proceeds	15,848,288,489

3. Each expenditure item where the proceeds were used

The net proceeds of the Bond Offering in the amount of Php15.85 billion has been fully disbursed. Total Offer Expenditures amounting to Php151.71 million include Documentary Stamp Tax, Legal and Professional Fees, and Other Miscellaneous Expenses.

4. Balance of the proceeds as of end of reporting period

Nil. Proceeds has been fully utilized as of end of reporting period.

UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION

December 31, 2025

(Amounts in Thousands)

	2025	2024
Total Audit Fees	P 22,974.5	P 25,193.3
Non-audit services fees:		
Other assurance services	3,800.0	2,750.0
Tax services	-	-
All other services	6,278.2	275.0
Total Non-audit Fees	10,078.2	3,025.0
Total Audit and Non-audit Fees	P 33,052.7	P 28,218.3

Audit and Non-audit fees of other related entities

	2025	2024
Audit Fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	-	-
Total Audit and Non-audit fees of other related entities	-	-

Fee Dependency

-	-
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