UnionBank Plaza, Meralco Avenue cor. Onyx
& Sapphire Roads, Ortigas Center, Pasig City 1605

April 15, 2026

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Brgy. Bel-Air, Makati City

Attention : **DIRECTOR OLIVER O. LEONARDO**
Markets and Securities Regulation Department

via PSE EDGE
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

via electronic mail
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 Structured Continuing Disclosure Requirements for Listed Companies of the Exchange, we report herewith SEC Form 17A of Union Bank of the Philippines as of December 31, 2025.

For your information and guidance. Thank you.

Very truly yours,

EDGAR ALLAN G. OBLENA
SVP / Financial Controller

COVER SHEET

3 6 0 7 3

S.E.C. 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 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

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

EDGAR ALLAN G. OBLENA	(632)8667-6388
Contact Person	Company Telephone Number

1 2	3 1	SEC FORM 17A	0 4	2 5
Month	*Day*	FORM TYPE	*Month*	*Day*
Fiscal Year			Annual Meeting	

UNDERWRITER OF SECURITIES

Secondary License Type, If Applicable

C F D	
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

4,942		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 11 OF THE REVISED SECURITIES ACT AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended **December 31, 2025**

2. SEC Identification Number **36073**

3. BIR Tax Identification No. **000-508-271-000**

4. **UNION BANK OF THE PHILIPPINES**
   Exact name of registrant as specified in its charter:

5. **METRO MANILA, PHILIPPINES**
   Province, Country or other jurisdiction or incorporation or organization

6. (SEC Use Only)
   Industry Classification Code

7. **UnionBank Plaza, Meralco Ave. cor. Onyx and Sapphire Streets, 1605 Ortigas Center, Pasig City** Postal Code
   Address of Principal Office

8. **(632) 8841-8600**
   Registrant's telephone number, including area code

9. **Not applicable**
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock P10.00 par value	3,316,405,584 shares

11. Common Stocks are listed at the Philippine Stock Exchange.

12. Check whether the issuer:

    (a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

    Yes [**X**] No [ ]

    (b) Has been subject to such filing requirements for the past ninety (90) days.

    Yes [**X**] No [ ]

13. The aggregate market value as of March 31, 2026 of the voting stock held by non-affiliates **₱79,262,093,457.60**

UNIONBANK OF THE PHILIPPINES
TABLE OF CONTENTS
SEC FORM 17-A

		Page
Part I - BUSINESS AND GENERAL INFORMATION		
Item 1	Business	3
Item 2	Properties	37
Item 3	Legal Proceedings	39
Item 4	Submission of Matters to a Vote of Security Holders	39
Part II - OPERATIONAL AND FINANCIAL INFORMATION		
Item 5	Market for Registrant's Common Equity and Related Stockholder Matters	40
Item 6	Management's Discussion and Analysis or Plan of Operation	45
Item 7	Financial Statements	51
Item 8	Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	51
Part III - CONTROL AND COMPENSATION INFORMATION		
Item 9	Directors and Executive Officers of the Issuer	52
Item 10	Executive Compensation	84
Item 11	Security Ownership of Certain Beneficial Owners and Management	86
Item 12	Certain Relationships and Related Transactions	92
	Undertaking to Provide Copies of the Annual Report and Interim Financial Statements	95
Part IV - EXHIBITS AND SCHEDULES		
Item 13	Exhibits and Reports on SEC Form 17-C	95
SIGNATURES		104
Item 14	Index to Exhibits	105
Index to Financial Statements and Supplementary Schedules		148

PART I – BUSINESS AND GENERAL INFORMATION

Item 1 - Business

A. Description of Business

Union Bank of the Philippines ("UnionBank" or "UBP" or "the Bank" or "the Parent Bank") 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.

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.

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, 2025, 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 Insurance and Financial Agencies, Inc. (FUIFAI), UBX Philippines Corporation (UBX PH), UBX Private Limited (UBX SG), UnionDigital Bank, Inc. (UnionDigital) and UnionBank Financial Services and Insurance Brokerage Philippines, Inc. (formerly Citicorp Financial Services and Insurance Brokerage Philippines, Inc.) (UFSI).

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, UIC[1], 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 First-Agro Industrial Rural Bank, Inc. (FAIRBank), a rural bank that provides banking and microfinance services and loan products to micro, small, and medium enterprises, and micro housing institutions.

In December 2017, CSB signed a Share Purchase Agreement (SPA) 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 Philippine Resources Savings Banking Corporation (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 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. Progressive Bank, Inc. (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 July 2023, the SEC officially approved the tripartite merger between Bangko Kabayan, FAIR Bank and PBI, with Bangko Kabayan being the surviving entity.

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.

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

[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.

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, CSB and UIC executed a SPA 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 ₱99.4 billion in total assets, ₱69.4 billion in gross loans and ₱65.3 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, UnionBank received from the BSP the Certificate of Authority for Unionbank Investment Management and Trust Corporation (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 ₱300.0 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 BSP's 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, 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 ₱40 billion through a stock rights offering, with approximately 617.2 million common shares priced at ₱64.81 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 ₱11.0 billion under its ₱39.0 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 USD358.0 million from a three-year syndicated loan. The proceeds were 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 ₱56.88 each. The proceeds amounting to approximately ₱12.0 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 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 ₱35.3 million to ₱60.3 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 ₱50.0 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 ₱39.0 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 were issued under UnionBank's ₱50.0 billion Bond Program and each tranche was offered with a minimum aggregate principal amount of ₱1.0 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 ₱18.168 billion of Peso denominated fixed rate bonds via a dual tranche offering. This is the largest bond issuance by UnionBank from its ₱50.0 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 ₱2.0 billion for the two tranches.

The l.5Y Series F Bonds due 2025 raised a total of ₱10.3385 billion and carries an interest rate of 6.5625% per annum while the 3Y Series G Bonds due 2026 raised a total of ₱7.8295 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 ₱8.115 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 ₱236.7 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 issued in January 2024, 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 ₱10.0 billion at a price of ₱30.57 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 USD2 billion Medium Term Note ("MTN") Programme. The MTN, with an original size of USD1 billion, was established in November 2017, followed by a maiden Senior Note issuance of USD500 million. The Programme Limit was increased to USD2 billion in October 2020, followed by a successful issuance of USD300 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 ₱6.8 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 ₱16.0 billion of Peso denominated fixed rate bonds via a dual tranche offering under its increased ₱100.0 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 ₱5.0 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 ₱9.2507 billion and carries an interest rate of 5.88% per annum, while the 3Y Series I Bonds due 2028 raised a total of ₱6.7493 billion and carries an interest rate of 6.02% per annum (collectively, the "Bonds"). The minimum investment amount was ₱100,000.00 with increments of ₱50,000.00 thereafter. Proceeds from the issuance were 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 or 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. CitySavings 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. CitySavings 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, 2025 and 2024 have been restated.

Subsidiaries and Affiliates

	Percentage of ownership		
Name of Subsidiary	**2025**	2024	Nature of Business
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.

   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.

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.

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.

Relationship Managers	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.
Branch Network	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 ₱3 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 ₱27.9 trillion, total loan portfolio (inclusive of Interbank Loans and RRPs) of ₱15.8 trillion, and total deposits of ₱20.4 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 it 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

The information required is contained in item 12 on page 92.

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

	Trademark	Registration Date	Expiration
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

	Trademark	Registration Date	Expiration
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

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 though 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

	TITLE
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 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 Controllership 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 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 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.

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	**₱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%

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. Outfows related to derivative exposures (net)	58,244,818	58,244,818
13. Outfows 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 Controllership 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.

Item 2 - Properties

The UnionBank Plaza, which is a bank-owned property, is now the Bank's 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 Aug. 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 the Bank. 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 ₱909.2 million and ₱824.4 million in rentals, respectively, mainly for its branches.

Other properties owned by the bank are as follows:

There are also Bank premises which are being leased as per attached report (Annex 3).

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.

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 - GEN LUNA	General Luna St., Brgy. Villa Anita, Iloilo City
OLONGAPO	87 Magsaysay Drive, East Tapinac, Olongapo City, Zambales
RICHVILLE	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)
MONTERAZZA PROPERTY	#6 Jasmine St. Monterraza Subd. Itogon, Baguio City
ILOILO BUSINESS PARK	Brgy. Tabucan Airport , District of Mandurriao, Iloilo City
UB INNOVATION CAMPUS	Lot 3 Magsaysay Road, Brgy San Antonio, San Pedro Laguna

City Savings Bank, Inc.

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 Jolibee 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 Rd, Brgy Lagao, Gen. Santos City
Parañaque Warehouse	0029 Spratley Island St, Betterliving Subd, Don Bosco, MM/Petnet Inc, 003-BL-011C Swaziland St. Brgy Don Bosco, Betterliving Subd. Paranaque (2 LOTS)

UBP Investments Corporations

Name of Property	Address
Unionbank Centre-Manila	Quintin Paredes St. Corner Dasmarinas St. Binondo Manila

Bangko Kabayan, Inc.

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

Item 3 - 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 4 - Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter covered by this report.

Number of Common Shares as of March 31, 2026:
Number of Issued Common Shares: 3,316,405,584
Number of Outstanding Common Shares: 3,316,405,584

Item 5 - 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 May 21, 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

(2) Holders

The Bank has 4,932 stockholders of record as of March 31, 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 March 31, 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	866,477,026	26.13
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	42,087,063	1.27
7	RAMON ABOITIZ FOUNDATION	FILIPINO	12,695,759	0.38
8	BAUHINIA MANAGEMENT INC.	FILIPINO	9,362,820	0.28
9	ABOITIZ DANEL	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	SANFIL MANAGEMENT CORPORATION	FILIPINO	6,598,681	0.20
13	DOMINUS CAPITAL INC.	FILIPINO	6,105,696	0.18
	FMK CAPITAL PARTNERS INC.	FILIPINO	6,105,696	0.18

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-lodged 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 March 31, 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 17.14%.

The Bank has only common shares with foreign equity ownership of 43,183,119 or 1.30% of the total subscribed capital stock.

(1) 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	₱1.00	3,316,405,584	₱3,316,405,584.00
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 ₱1.00 per share for a total of ₱3,316,405,584.00, 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 ₱6,355,191,330.00 equivalent to 635,519,133 common shares with a par value of ₱10.00 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 ₱87.50 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 ₱10.00 for whole shares and paid ₱0.22 million for 2,550.79 fractional shares in relation to the 27% stock dividends.

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

On June 26, 2025, UnionBank issued and listed on PDEx its ₱16.0 billion of Peso denominated fixed rate bonds via a dual tranche offering under its increased ₱100.0 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 ₱5.0 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 ₱9.2507 billion and carries an interest rate of 5.88% per annum, while the 3Y Series I Bonds due 2028 raised a total of ₱6.7493 billion and carries an interest rate of 6.02% per annum (collectively, the "Bonds"). The minimum investment amount was ₱100,000.00 with increments of ₱50,000.00 thereafter. Proceeds from the issuance were 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 ₱6.8 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 increased 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 PSE a total of 327,118,089 million common shares following the completion of its ₱10.0 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 ₱30.57 each. Total gross proceeds from the SRO amounted to ₱9,999,999,980.73. 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 ₱18.168 billion of Peso denominated fixed rate bonds via a dual tranche offering. This is the largest bond issuance by UnionBank from its ₱50.0 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 ₱2.0 billion for the two tranches.

The 1.5Y Series F Bonds due 2025 raised a total of ₱10.3385 billion and carries an interest rate of 6.5625% per annum while the 3Y Series G Bonds due 2026 raised a total of ₱7.8295 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 ₱8.115 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 ₱236.7 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 PSE, Inc. a total of 210,970,464 million common shares following the completion of its ₱12.0 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 ₱56.88 each. Total gross proceeds from the SRO amounted to ₱12 billion. 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 ₱11.0 billion under its ₱39.0 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 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 ₱40.0 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 ₱64.81 each. Total gross proceeds from the SRO amounted to ₱40 billion. 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.

UNION BANK OF THE PHILIPPINES
SEC FORM 17-A
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

Item 6 - 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 ₱10.0 billion for the year ended December 31, 2025, 16.9% lower than last year's ₱12.0 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 ₱83.2 billion, up 6.9% from ₱77.9 billion last year. Net interest income increased by 10.7% to ₱64.2 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 ₱84.4 billion from ₱83.7 billion. Interest income on loans and other receivables remained steady at ₱62.9 billion. Investment securities at amortized cost and fair value through other comprehensive income increased by 7.0% to ₱17.2 billion, while income from interbank loans and SPURRA grew by 2.6% to ₱1.5 billion. Interest income on financial assets at fair value through profit or loss rose by 51.3% to ₱0.7 billion. These were partially offset by lower income on cash and cash equivalents, which declined by 23.8% to ₱2.0 billion.

Total interest expense declined by 21.8% to ₱20.1 billion, reflecting lower funding costs. Interest expense on deposit liabilities decreased by 24.5% to ₱9.4 billion, while interest expense on bills payable and other liabilities declined by 19.2% to ₱10.7 billion.

Provision for credit losses amounted to ₱21.2 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 ₱18.9 billion. Service charges, fees and commissions increased by 11.0% to ₱15.3 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 ₱1.1 billion, while miscellaneous income decreased by 44.0% to ₱2.5 billion, largely due to non-recurring gains recognized in the prior year.

Total expenses increased by 8.1% to ₱47.9 billion. Salaries and employee benefits rose by 10.5% to ₱15.6 billion due to annual compensation adjustments. Depreciation and amortization increased by 34.9% to ₱3.8 billion, reflecting the Bank's continued investments in premises and technology. Taxes and licenses declined by 2.7% to ₱5.9 billion, while occupancy costs increased by 6.7% to ₱1.3 billion. Miscellaneous expenses rose by 6.1% to ₱21.3 billion.

Profit before tax stood at ₱14.2 billion, down 9.5% from ₱15.7 billion last year. Income tax expense increased by 14.9% to ₱4.2 billion.

Net income attributable to non-controlling interests declined by 38.9% to ₱60.9 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 ₱10.2 billion, lower than the ₱12.5 billion reported last year, primarily driven by lower net profit of ₱10.0 billion versus ₱12.0 billion in 2024.

Other comprehensive income declined to ₱0.2 billion from ₱0.4 billion last year. While unrealized mark-to-market gains on FVOCI investments improved to ₱1.1 billion from ₱0.6 billion, this was more than offset by higher realized losses on the sale of FVOCI securities of ₱0.6 billion, compared to ₱0.2 billion in the prior year. Cumulative translation adjustments posted a modest gain of ₱9.2 million, reversing the ₱5.8 million loss recorded last year.

Remeasurement losses on retirement plans amounted to ₱0.5 billion, compared to a ₱6.7 million gain in 2024, partially mitigated by a related income tax benefit of ₱0.2 billion. Total comprehensive income attributable to non-controlling interests amounted to ₱62.1 million versus ₱102.3 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 ₱1.2 trillion, up 1.2% from ₱1.1 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 ₱40.8 billion as excess liquidity was redeployed into higher-yielding assets. This was reflected in the significant increase in Interbank Loans Receivable and SPURRA to ₱41.2 billion from ₱1.9 billion, alongside continued growth in Loans and other receivables, which rose by 2.9% to ₱537.7 billion.

Cash and other cash items increased by 12.6% to ₱11.4 billion. Due from Bangko Sentral ng Pilipinas declined by 50.3% to ₱40.8 billion, while Due from Other Banks rose by 4.2% to ₱35.3 billion. Interbank loans receivable and SPURRA significantly increased to ₱41.2 billion from ₱1.9 billion last year, reflecting higher placements under reverse repurchase agreements.

Holdings of trading and investment securities decreased by 3.3% to ₱372.0 billion. Financial assets at fair value through profit or loss grew by 132.1% to ₱23.9 billion, while financial assets at amortized cost declined by 4.5% to ₱308.8 billion. Financial assets at fair value through other comprehensive income was relatively flat at ₱39.3 billion from ₱39.5 billion.

Net loans and other receivables increased by 2.9% to ₱537.7 billion, reflecting continued loan expansion during the year.

Bank premises, furniture, fixtures and equipment rose by 5.7% to ₱11.6 billion, mainly due to continued investments in premises and technology. Investment properties increased by 3.1% to ₱10.1 billion.

Investment in associates rose significantly to ₱963.3 million from ₱35.8 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 ₱44.4 billion.

Total liabilities stood at ₱956.6 billion, up 0.8% year-on-year. Deposit liabilities increased by 8.5% to ₱734.0 billion, driven by growth in demand deposits, which rose by 15.4% to

₱267.0 billion, and savings deposits, which increased by 8.1% to ₱233.0 billion. Time deposits grew modestly by 2.0% to ₱234.0 billion.

Bills payable declined by 18.6% to ₱132.0 billion, while notes and bonds payable decreased by 31.1% to ₱39.7 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 ₱50.9 billion.

Total capital funds increased by 3.5% to ₱202.9 billion. Total capital attributable to the Parent Bank's stockholders rose by 3.5% to ₱202.1 billion, driven by a 7.3% increase in surplus free to ₱104.6 billion. This was partially offset by a 14.6% decline in surplus reserves to ₱2.8 billion.

Net unrealized fair value losses on financial assets at fair value through other comprehensive income amounted to ₱1.2 billion, while accumulated remeasurements of retirement plans reflected a loss of ₱1.9 billion. Other reserves improved slightly to ₱267.4 million. Non-controlling interests decreased by 7.9% to ₱792.1 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 ₱12.0 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 ₱79.5 billion, a 12.4% increase from the ₱70.8 billion last year. Net interest income grew 11.6% to ₱58.0 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 ₱20.0 billion from increased fees on consumer-related transactions.

Total interest income improved by 6.6% to ₱83.7 billion compared to the same period last year. Interest income on loans and other receivables increased by 6.5% to ₱63.1 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 ₱18.7 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 ₱1.4 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 ₱0.5 billion for the period.

Total interest expense for the current period was lower by 3.3% at ₱25.7 billion. This is attributed to the decrease in interest expense on deposit liabilities, which reduced by 20.9% to ₱12.5 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 ₱13.2 billion from the higher volume of deposit substitutes.

Provision for credit losses for the year amounted to ₱19.6 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 ₱21.5 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 ₱1.5 billion, and service charges, fees, and commissions which grew by 23.2% to ₱13.4 billion driven by higher recurring transaction-related fees. Meanwhile, miscellaneous income was down by 6.1% to ₱6.6 billion which partially offset the improvement to total other income.

Total expenses amounted to ₱44.3 billion, a 1.4% improvement compared to last year. Salaries and employee benefits increased by 4.1% to ₱14.1 billion, reflective of the yearly compensation and benefit-related adjustments. Taxes and licenses was up by 2.6% to ₱6.1 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 ₱1.2 billion. Depreciation and amortization was higher by 6.6% to ₱2.8 billion, consistent with the additional investments in the Bank's premises, furniture, fixtures, and equipment. Miscellaneous expenses decreased by 7.1% to ₱20.0 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 ₱3.7 billion, a 38.2% increase from ₱2.6 billion last year due to higher overall taxable income for 2024.

Net income attributable to non-controlling interests decreased by 24.6% to ₱99.8 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 ₱12.5 billion, down from the ₱20.6 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 ₱0.6 billion compared to the gain of ₱12.3 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 ₱0.2 billion for the period lower by 53.7% from last year. Cumulative translation adjustment amounted to a loss of ₱5.8 million, better than the prior period's loss of ₱21.0 million.

Remeasurement gains (losses) on retirement plans, net of tax, improved to ₱5.0 million versus the loss of ₱0.4 billion during the same period last year based on actuarial adjustments. Total comprehensive income attributable to non-controlling interests amounted to ₱102.3 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 ₱1.1 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 ₱10.1 billion, a 2.8% decrease versus the same period last year. Due from Bangko Sentral ng Pilipinas was lower by 0.6% to ₱82.1 billion. Due from other banks increased by 24.3% to ₱33.9 billion from higher working balances with foreign correspondent banks. Interbank loans receivable and SPURRA was lower by 92.6% to ₱1.9 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 ₱373.2 billion due to the build-up of financial assets at FVTPL, which increased by 77.3% to ₱10.3 billion from ₱5.8 billion. Financial assets at FVOCI and financial assets at amortized cost also grew by 6.9% to ₱39.5 billion and by 2.8% to ₱323.4 billion, respectively.

Net loans and other receivables was lower by 0.7% to ₱522.7 billion from ₱526.1 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 ₱11.0 billion, mainly due to an increase in Building assets.

Investment in subsidiaries and associates went down by 5.1% to ₱35.8 million. Meanwhile, other resources grew by 8.2% to ₱46.7 billion, driven by higher deferred tax assets and computer software.

Total liabilities was at ₱949.4 billion as of December 31, 2024, 2.1% lower year-on-year. Deposit liabilities decreased by 5.1% to ₱676.3 billion as time deposit dipped by 19.1% to ₱229.4 billion as the Bank diversifies its sources of funding. Meanwhile, CASA deposits was higher by 4.1% to ₱446.9 billion, increasing the CASA ratio to 66.1% from last year's 60.2%.

Bills payable increased to ₱162.3 billion from ₱155.3 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 ₱57.6 billion from ₱50.5 billion. Other liabilities grew by 4.0% to ₱53.2 billion primarily due to the increase in financial liabilities held for trading.

The Bank's total capital funds rose by 11.6% to ₱196.1 billion as of December 31, 2024, from last year's ₱175.6 billion. This is mainly driven by the increase in common stock (up 40.9% to ₱33.2 billion) and additional paid-in capital (up 11.4% to ₱64.4 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 ₱10.0 billion stock rights offering (SRO) in May 2024, in which the Bank listed 327.1 million common shares at a price of ₱30.57 per share.

In addition, surplus free increased by 9.9% to ₱97.5 billion coming from the Bank's earnings net of Cash Dividend in 2024. Surplus reserves was up by 28.9% to ₱3.3 billion. Net unrealized fair value losses on investment securities amounted to: ₱1.8 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 ₱1.6 billion. Other reserves, meanwhile, improved to ₱0.3 billion from ₱0.1 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 7 - Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A. Said statements were audited by the accounting firm, SyCip Gorres Velayo & Co. (SGV), and signed by Partner Ms. Janeth T. Nuñez-Javier.

Item 8 - 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 ₱23.0 million and ₱25.2 million, respectively, exclusive of VAT and out-of-pocket expenses.

Fees for other special audit, assurance and related services rendered by SGV in 2025 totaled ₱9.9 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 totaled ₱3.0 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 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 approval of the issuance of the same in its February meeting.

PART IIII – CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers of the Issuer

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 Independent Director	July 23, 2021 to present 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.

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
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 Abovant 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 Lyonaisse 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 Tork 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 Charted 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%

[1] Appointed on June 27, 2025, effective July 3, 2025
[2] Regular Member until April 25, 2025
[3] Regular Member effective April 25, 2025
[4] Resigned 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%

[1] Appointed on December 2, 2024
[2] Member until January 31, 2025; resigned on March 26, 2025
[3] Appointed 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%

[1] Regular Member until April 25, 2025
[2] Resigned on June 9, 2025
[3] Resigned on February 1, 2025
[4] Appointed on February 28, 2025
[5] Appointed on April 25, 2025
[6] Appointed on June 27, 2025, effective July 3, 2025

e. *Operations 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 Transaction 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 and 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, *Non-voting Member*	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	January 1, 2025 to present
			Senior Executive Vice President - Institutional Banking Head and Chief Digital Channel Officer and Chief Customer Experience Officer	July 1, 2023 to December 31, 2024
			Senior Executive Vice President – Chief Digital Channel Officer and Chief Customer Experience Officer	June 1, 2022 to June 30, 2023
			Executive Vice President – Chief Digital Channel Officer and Chief Customer Experience Officer	June 1, 2020 to May 31, 2022
			Senior Vice President - Center Head, Consumer Finance and Chief User Experience Officer	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 – Institutional Banking Head and Corporate Banking Center Head Executive Vice President – Institutional Banking Head	February 2, 2026 to present January 1, 2026 to February 1, 2026 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 Senior Vice President – Chief Cross Sell Officer and Chief External Relations Officer Senior Vice President –Chief Cross Sell Officer Senior Vice President – Consumer Finance Center Head Senior Vice President – Head, Cards Business	July 1, 2025 to present April 1, 2025 to June 30, 2025 September 1, 2022 to March 31, 2025 August 28, 2020 to August 31, 2022 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 Senior Vice President – Chief Marketing and Experience Officer Senior Vice President – Chief Marketing Officer	July 1, 2025 to present September 1, 2024 to June 30, 2025 August 16, 2021 to October 31, 2024
Ramon G. Duarte	61	Filipino	Executive Vice President – Senior Advisor - Special Projects Executive Vice President – Transaction Banking Head and Platform Development Head Senior Vice President – Transaction Banking Center Head and Platform Development Head Senior Vice President – Head, Platform Development Group	January 1, 2026 to present July 1, 2021 to December 31, 2025 May 22, 2020 to June 30, 2021 June 23, 2006 to May 21, 2020
Concepcion Perla P. Lontoc	57	Filipino	Executive Vice President – Relationship Banking Center Head Senior Vice President – Relationship Banking Head Senior Vice President – Sales Director and Retail Banking Center Deputy Head Senior Vice President – Sales Director First Vice President – Sales Director	July 1, 2025 to present January 1, 2025 to June 30, 2025 October 27, 2023 to December 31, 2024 May 1, 2020 to October 26, 2023 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 Executive Vice President – Chief Information Officer, and Head, IT Services Group and Operations and Shared Services Group Executive Vice President – Chief Information Officer Senior Vice President – Chief Information Officer	July 28, 2023 to June 9, 2024 March 25, 2019 to July 27, 2023 August 1, 2018 to March 24, 2019 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 Executive Vice President – Chief Human Resource Officer and Head of CSR and Sustainability Senior Vice President - HR Director First Vice President and HR Director	October 1, 2024 to present August 1, 2019 to September 30, 2024 June 1, 2014 to July 31, 2019 June 1, 2012 to May 31, 2014
Raquel N. Sevidal	59	Filipino	Executive Vice President – Commercial Banking Center Head Senior Vice President – Commercial Banking Head Senior Vice President – Deputy Commercial Banking Head Senior Vice President – Chief Wholesale Credit Officer	July 1, 2025 to present January 1, 2025 to June 30, 2025 September 1, 2024 to December 31, 2024 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
Gauraw 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	July 1, 2023 to present

			First Vice President – Corporate Banking Group Head	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 Senior Vice President – Corporate Planning and Investor Relations Head First Vice President - Corporate Planning Group Head Vice President – Planning and Budget Head	July 23, 2025 to present June 1, 2022 to July 22, 2025 August 1, 2018 to May 31, 2022 July 1, 2016 to July 31, 2018
Norman C. Gabriel	46	Filipino	Senior Vice President – Chief Audit Executive Senior Vice President – Deputy Chief Audit Executive First Vice President – Deputy Head of Internal Audit	July 1, 2023 to present February 23, 2021 to June 30, 2023 April 3, 2020 to February 22, 2021
Erika Denise D. Go	39	Filipino	Senior Vice President – Transaction Banking Center Head Senior Vice President – Deputy Head for Transaction Banking Senior Vice President – Corporate Product Management Head Senior Vice President – Fintech Business Head Vice President – Head, Sales and Relationship Management	January 1, 2026 to present September 1, 2024 to December 31, 2025 July 1, 2024 to August 31, 2024 June 1, 2021 to June 30, 2024 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 First Vice President – Head, Customer Service Group	June 1, 2022 to present April 3, 2017 to May 31, 2022
Ana Jania F. Mañalac	48	Filipino	Senior Vice President – Data Science and Analytics Head Senior Vice President – Business Analytics Group Manager	July 1, 2024 to present August 1, 2022 to June 30, 2024
Rear Admiral Donn Anthony L. Miraflor (Ret.)	58	Filipino	Senior Vice President – Chief Security Officer Senior Vice President – Deputy Chief Security Officer	June 1, 2025 to present May 16, 2025 to May 31, 2025
Jose Maria O. Roxas	58	Filipino	Senior Vice President – Sales Director First Vice President – Sales Director	June 1, 2022 to present July 1, 2019 to May 31, 2022
Gautam Sharma	42	Indian	Senior Vice President – Bancassurance and Digital Wealth Head Senior Vice President – Retail Bank Sales Network Head	December 19, 2025 to present 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 Senior Vice President – Solutions Delivery Senior Vice President – Platforms Integration and Management Vice President – Lean Systems Engineering Head	October 27, 2023 to present June 1, 2023 to October 19, 2023 June 1, 2021 to May 31, 2023 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 Senior Vice President – Financial Markets Sales Head First Vice President – Head of Distribution	March 1, 2023 to present June 1, 2021 to February 28, 2023 November 8, 2017 to May 31, 2021
Edgar Allan G. Oblena	43	Filipino	Senior Vice President – Financial Controller Senior Vice President – Officer-in-Charge, Financial Controllership First Vice President - Head of Corporate Accounting Vice President – Head of Corporate Accounting Department	April 1, 2024 to present September 16, 2023 to March 31, 2024 June 1, 2022 to September 15, 2023 April 1, 2020 to May 31, 2022
Jose Paolo G. Rufo	41	Filipino	Senior Vice President – Chief Information Security Officer Senior Vice President – Chief Information Security Officer and Data Protection Officer First Vice President – Chief Information Security Officer Vice President – Chief Information Security Officer	August 1, 2025 to present July 1, 2022 to July 31, 2025 June 1, 2021 to June 30, 2022 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 Assistant Vice President - Data Privacy Office Head and Deputy Data Protection Officer	August 1, 2025 to present 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 9 (A) for the business experience write-up on page 54.*

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 oversights 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.

Gauraw 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, PNOC 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 Trainor 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. Miraflor 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 difference 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.

d) Significant employee

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

e) 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.

Item 10 - 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 Manuel R. Lozano Dennis D. Omila Michaela Sophia E. Rubio Manoj Varma	President and Chief Executive Officer Executive Vice President – Chief Financial Officer Executive Vice President – Chief Transformation Officer Executive Vice President – Chief Human Resource Officer, Head of Corporate Social Responsibility Senior Executive Vice President - Consumer Bank Head	2026	₱138,125,272.11*	₱29,594,190.03*
Ana Maria A. Delgado	President and Chief Executive Officer	2025	₱130,306,860.48	₱27,919,047.20

Manuel R. Lozano Dennis D. Omila Michaela Sophia E. Rubio Manoj Varma	Executive Vice President – Chief Financial Officer Executive Vice President – Chief Technology and Operations Officer Executive Vice President – Chief Human Resource Officer, Head of Corporate Social Responsibility Senior Executive Vice President - Consumer Bank Head			
Edwin R. Bautista** Ana Maria A. Delgado Manuel R. Lozano Dennis D. Omila Manoj Varma	President and Chief Executive Officer Senior Executive Vice President - Institutional Banking Head and Chief Customer Experience and Digital Channel Officer Executive Vice President – Chief Financial Officer Executive Vice President – Chief Technology and Operations Officer Senior Executive Vice President - Consumer Bank Head	2024	₱159,833,655.48	₱35,564,387.53
All other officers & directors as a group unnamed		2026 2025 2024	₱6,481,910,576.54* ₱6,115,009,977.87 ₱5,903,454,822.35	₱1,361,209,705.05* ₱1,284,160,099.11 ₱1,130,531,179.12

**estimated amount*
*** Resigned from the Bank on March 26, 2025*

The non-executive directors each receive a per diem of ₱200,000.00 for attendance in meetings of the Board, except for the Chairman of the Board who receives ₱300,000.00. The executive directors receive a per diem of ₱1,500.00 for attendance at Board meetings and ₱3,000.00 for each committee meeting.

The Chairman of each committee receives a per diem of ₱180,000.00 per meeting attended and a committee member receives a per diem of ₱120,000.00. 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 ₱596,406,682.31. 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 11 - Security Ownership of Certain Beneficial Owners and Management

(a) 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 March 31, 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 corner Makati Avenue, Makati City Minority Shareholders	PCD Nominee Corporation** 37/F Tower 1 Enterprise Center Ayala Avenue corner Makati Avenue, Makati City	Filipino	381,556,619	11.51%

* 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 March 31, 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.

(b) 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 March 31, 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 40,097,230	₱5,050.00 ₱400,972,300.00	(r) (b)	Filipino	0.00% 1.20%
Common	Justo A. Ortiz	2,701 5,636,974	₱27,010.00 ₱56,369,740.00	(r) (b)	Filipino	0.00% 0.17%
Common	Ana Maria A. Delgado	167,131 5,268,449	₱1,671,310.00 ₱52,684,490.00	(r) (b)	Filipino	0.00% 0.16%
Common	Sabin M. Aboitiz	1,611 5,767,050	₱16,110.00 ₱57,670,500.00	(r) (b)	Filipino	0.00% 0.17%
Common	Samel A. Aboitiz	- 2,572,868	- ₱25,728,680.00	(r) (b)	Filipino	- 0.08%
Common	Iker M. Aboitiz	261 2,073,453	₱2,610.00 ₱20,734,530.00	(r) (b)	Filipino	0.00% 0.06%
Common	Jose Emmanuel U. Hilado	307,361 893,109	₱3,073,610.00 ₱8,931,090.00	(r) (b)	Filipino	0.01% 0.03%
Common	Nina Perpetua D. Aguas	1 -	₱10.00 -	(r) (b)	Filipino	0.00% -
Common	Robert Joseph M. De Claro	1 -	₱10.00 -	(r) (b)	Filipino	0.00% -
Common	Victor Alfonso A. Limlingan	1 -	₱10.00 -	(r) (b)	Filipino	0.00% -
Common	Roberto G. Manabat	102 -	₱1,020.00 -	(r) (b)	Filipino	0.00% -
Common	Manuel D. Escueta	102 -	₱1,020.00 -	(r) (b)	Filipino	0.00% -
Common	Josiah L. Go	102 59,562	₱1,020.00 ₱595,620.00	(r) (b)	Filipino	0.00% 0.00%
Common	Honorio G. Poblador IV	102 -	₱1,020.00 -	(r) (b)	Filipino	0.00% -
Common	Peter B. Favila	126 -	₱1,260.00 -	(r) (b)	Filipino	0.00% -
B. Officers						
Common	Ramon G. Duarte	47,052 343,282	₱470,520.00 ₱3,432,820.00	(r) (b)	Filipino	0.00% 0.01%
Common	Manuel R. Lozano	- 69,323	- ₱693,230.00	(r) (b)	Filipino	- 0.00%
Common	Dennis D. Omila	205,376 -	₱2,053,760.00 -	(r) (b)	Filipino	0.01% -
Common	Michaela Sophia E. Rubio	219,972 -	₱2,199,720.00 -	(r) (b)	Filipino	0.01% -

Common	Raymond Anthony B. Acosta	16,766 7,611	₱167,660.00 (r) ₱76,110.00 (b)	Filipino	0.00% 0.00%
Common	Arlene Joan T. Agustin	20,223 11,197	₱202,230.00 (r) ₱111,970.00 (b)	Filipino	0.00% 0.00%
Common	Joselito V. Banaag	14,958 14,512	₱149,580.00 (r) ₱145,120.00 (b)	Filipino	0.00% 0.00%
Common	Antonio Sebastian T. Corro	49,094 5,372	₱490,940.00 (r) ₱53,720.00 (b)	Filipino	0.00% 0.00%
Common	Albert Raymond C. Cuadrante	8,016 2,346	₱80,160.00 (r) ₱23,460.00 (b)	Filipino	0.00% 0.00%
Common	Joebart T. Dator	55,393 -	₱553,930.00 (r) - (b)	Filipino	0.00% -
Common	Montano M. Dimapilis	25,612 13,520	₱256,120.00 (r) ₱135,200.00 (b)	Filipino	0.00% 0.00%
Common	Carlo I. Eñanosa	17,642 54,052	₱176,420.00 (r) ₱540,520.00 (b)	Filipino	0.00% 0.00%
Common	Concepcion Perla P. Lontoc	30,124 12,714	₱301,240.00 (r) ₱127,140.00 (b)	Filipino	0.00% 0.00%
Common	Michael P. Magbanua	8,770 4,453	₱87,700.00 (r) ₱44,530.00 (b)	Filipino	0.00% 0.00%
Common	Raquel P. Palang	77,589 45,054	₱775,890.00 (r) ₱450,540.00 (b)	Filipino	0.00% 0.00%
Common	Ruby Gisela L. Perez	16,351 4,507	₱163,510.00 (r) ₱45,070.00 (b)	Filipino	0.00% 0.00%
Common	Jose Maria O. Roxas	25,872 9,628	₱258,720.00 (r) ₱96,280.00 (b)	Filipino	0.00% 0.00%
Common	Raquel N. Sevidal	3,625 467	₱36,250.00 (r) ₱4,670.00 (b)	Filipino	0.00% 0.00%
Common	Jeannette Yvonne M. Zagala	12,913 15,792	₱129,130.00 (r) ₱157,920.00 (b)	Filipino	0.00% 0.00%
Common	Donald A. Asuncion	2,569 -	₱25,690.00 (r) - (b)	Filipino	0.00% -
Common	Alan Jay C. Avila	1,915 513	₱19,150.00 (r) ₱5,130.00 (b)	Filipino	0.00% 0.00%
Common	Conrad Anthony Dominic L. Banal	9,180 34,467	₱91,800.00 (r) ₱344,670.00 (b)	Filipino	0.00% 0.00%
Common	Ronaldo S. Batisan	965 105	₱9,650.00 (r) ₱1,050.00 (b)	Filipino	0.00% 0.00%
Common	Ma. Cecilia Teresa S. Bernad	70,058 58,076	₱700,580.00 (r) ₱580,760.00 (b)	Filipino	0.00% 0.00%
Common	May G. Buencamino	990 -	₱9,900.00 (r) - (b)	Filipino	0.00% -
Common	Catherine Anne B. Casas	20,638 7,268	₱206,380.00 (r) ₱72,680.00 (b)	Filipino	0.00% 0.00%
Common	Luis Alberto A. Castañeda	23,876 14,864	₱238,760.00 (r) ₱148,640.00 (b)	Filipino	0.00% 0.00%
Common	Efrenilo L. Cayanga, Jr.	9,003 -	₱90,030.00 (r) - (b)	Filipino	0.00% -

Common	Abigail Sarena T. Chua	1,607 588	₱16,070.00 ₱5,880.00	(r) (b)	Filipino	0.00% 0.00%
Common	Luis Martin S. Clemente	953 -	₱9,530.00 -	(r) (b)	Filipino	0.00% -
Common	Hannah Theresa S. Contreras	71,050 -	₱710,500.00 -	(r) (b)	Filipino	0.00% -
Common	Antonio Miguel D. Dans II	967 19,455	₱9,670.00 ₱194,550.00	(r) (b)	Filipino	0.00% 0.00%
Common	Jonathan Jerald V. Deomano	4,706 2,255	₱47,060.00 ₱22,550.00	(r) (b)	Filipino	0.00% 0.00%
Common	Gladys G. Enriquez	801 -	₱8,010.00 -	(r) (b)	Filipino	0.00% -
Common	Edric B. Fernandez	695 3,089	₱6,950.00 ₱30,890.00	(r) (b)	Filipino	0.00% 0.00%
Common	Marilou I. Ferrer	515 -	₱5,150.00 -	(r) (b)	Filipino	0.00% -
Common	Norman C. Gabriel	4,349 2,000	₱43,490.00 ₱20,000.00	(r) (b)	Filipino	0.00% 0.00%
Common	Erika Denise D. Go	2,658 -	₱26,580.00 -	(r) (b)	Filipino	0.00% -
Common	James Morris P. Ileto	1,219 150	₱12,190.00 ₱1,500.00	(r) (b)	Filipino	0.00% 0.00%
Common	Mariano Dominick F. Lacson	20,030 -	₱200,300.00 -	(r) (b)	Filipino	0.00% -
Common	Adrian H. Lim	8,622 3,257	₱86,220.00 ₱32,570.00	(r) (b)	Filipino	0.00% 0.00%
Common	Angelbert D. Macatangay	9,048 23,154	₱90,480.00 ₱231,540.00	(r) (b)	Filipino	0.00% 0.00%
Common	Kenneth C. Mariano	753 -	₱7,530.00 -	(r) (b)	Filipino	0.00% -
Common	Ma. Eloisa Jovita M. Mariano	8,441 6,353	₱84,410.00 ₱63,530.00	(r) (b)	Filipino	0.00% 0.00%
Common	Don Jerico B. Matriano	1,235 -	₱12,350.00 -	(r) (b)	Filipino	0.00% -
Common	Edgar Allan G. Oblena	753 -	₱7,530.00 -	(r) (b)	Filipino	0.00% -
Common	Christopher Patrick G. Ocampo	10,104 3,864	₱101,040.00 ₱38,640.00	(r) (b)	Filipino	0.00% 0.00%
Common	Lauro P. Peralta	5,756 2,964	₱57,560.00 ₱29,640.00	(r) (b)	Filipino	0.00% 0.00%
Common	Maria Iraida B. Recto	1,941 250	₱19,410.00 ₱2,500.00	(r) (b)	Filipino	0.00% 0.00%
Common	Maria Katrina N. Roxas	- 200	- ₱2,000.00	(r) (b)	Filipino	- 0.00%
Common	Jose Paolo G. Rufo	3,820 -	₱38,200.00 -	(r) (b)	Filipino	0.00% -
Common	Quintin C. San Diego, Jr.	5,153 17,494	₱51,530.00 ₱174,940.00	(r) (b)	Filipino	0.00% 0.00%
Common	Christine V. Siapno	8,214 898	₱82,140.00 ₱8,980.00	(r) (b)	Filipino	0.00% 0.00%

Common	Jose Paulo R. Soliman	1,921 -	₱19,210.00 -	(r) (b)	Filipino	0.00% -
Common	Ben P. Sy Chu	2,391 95,312	₱23,910.00 ₱953,120.00	(r) (b)	Filipino	0.00% 0.00%
Common	Leslee May T. Cruz	965 123	₱9,650.00 ₱1,230.00	(r) (b)	Filipino	0.00% 0.00%
Common	Ma. Cristina C. Tismo	3,483 954	₱34,830.00 ₱9,540.00	(r) (b)	Filipino	0.00% 0.00%
Common	Jo-Ann Fatima L. Tolentino	7,363 293,608	₱73,630.00 ₱2,936,080.00	(r) (b)	Filipino	0.00% 0.01%
Common	Menchie M. Tormon	4,582 2,519	₱45,820.00 ₱25,190.00	(r) (b)	Filipino	0.00% 0.00%
Common	Maria Paz B. Urmatam	7,520 1,381	₱75,200.00 ₱13,810.00	(r) (b)	Filipino	0.00% 0.00%
Common	Dominador N. Velasco IV	3,511 -	₱35,110.00 -	(r) (b)	Filipino	0.00% -
Common	Jane Ann C. Vergara	979 -	₱9,790.00 -	(r) (b)	Filipino	0.00% -
Common	Anna Lea O. Axalan	- 11,492	- ₱114,920.00	(r) (b)	Filipino	- 0.00%
Common	Edzel S. Babas	12,707 31,284	₱127,070.00 ₱312,840.00	(r) (b)	Filipino	0.00% 0.00%
Common	Margaret O. Chao	73,810 9,528	₱738,100.00 ₱95,280.00	(r) (b)	Filipino	0.00% 0.00%
Common	Michael Vincent F. Condez	- 56,620	- ₱566,200.00	(r) (b)	Filipino	- 0.00%
Common	Marnita J. Tan	- 1,200	- ₱12,000.00	(r) (b)	Filipino	- 0.00%
Common	Ronald Gerard M. Arceo	- 2	- ₱20.00	(r) (b)	Filipino	- 0.00%
Common	Aaron Jon D. Atienza	957 5,304	₱9,570.00 ₱53,040.00	(r) (b)	Filipino	0.00% 0.00%
Common	Basille Alicesandra L. Avelino	- 1,538	- ₱15,380.00	(r) (b)	Filipino	- 0.00%
Common	Ma. Rowena S. Basconcillo	18,018 9,784	₱180,180.00 ₱97,840.00	(r) (b)	Filipino	0.00% 0.00%
Common	Jenille Stephanie N. Chuan	- 887	- ₱8,870.00	(b) (r)	Filipino	- 0.00%
Common	Enrique Noel L. Yusingco	- 1,400	- ₱14,000.00	(r) (b)	Filipino	- 0.00%
Common	Therese G. Chan	- 19,983	- ₱199,830.00	(r) (b)	Filipino	- 0.00%
Common	Girly G. Magnait	- 736	- ₱7,360.00	(r) (b)	Filipino	- 0.00%
Common	Cheryl L. Patino	1,355 -	₱13,550.00 -	(r) (b)	Filipino	0.00% -
Common	Catherine N. Laniog	- 266	- ₱2,660.00	(r) (b)	Filipino	- 0.00%
Common	Catherine Z. De Guzman	17,505 8,975	₱175,050.00 ₱89,750.00	(r) (b)	Filipino	0.00% 0.00%

Common	Marcelo A. Belleca	20,346 14,501	₱203,460.00 ₱145,010.00	(r) (b)	Filipino	0.00% 0.00%
Common	Camille Frances L. Basilio	- 20,367	- ₱203,670.00	(r) (b)	Filipino	- 0.00%
Common	Tina Marie T. Calderon	- 2,500	- ₱25,000.00	(r) (b)	Filipino	- 0.00%
Common	Elizabeth C. Tang	- 554	- ₱5,540.00	(r) (b)	Filipino	- 0.00%
Common	Julian Michel A. Aboitiz	482 197,426	₱4,820.00 ₱1,974,260.00	(r) (b)	Filipino	0.00% 0.01%
Common	Ann Lilibeth M. Antiquina	505 1,609	₱5,050.00 ₱16,090.00	(r) (b)	Filipino	0.00% 0.00%
Common	Theeex D. Agapito	- 276	- ₱2,760.00	(r) (b)	Filipino	- 0.00%
Common	John Edrian M. Atendido	- 1,723	- ₱17,230.00	(r) (b)	Filipino	- 0.00%
Common	Marco Paulo S. Dumaliang	- 35,000	- ₱350,000.00	(r) (b)	Filipino	- 0.00%
Common	Maria Paz Angelica H. Alvarez	- 1,400	- ₱14,000.00	(r) (b)	Filipino	- 0.00%
Common	Xavier Dominic D. Arroyo	- 77	- ₱770.00	(r) (b)	Filipino	- 0.00%
Common	Ma. Rosario Kristine A. De La Torre	- 20	- ₱200.00	(r) (b)	Filipino	- 0.00%
Common	Jerome T. Guarin	- 63	- Php630.00	(r) (b)	Filipino	- 0.00%
Common	Robert Marco S. Ibarra	- 3,800	- ₱38,000.00	(r) (b)	Filipino	- 0.00%
Common	Agnes Victoria D. Casal	46,416 1,000	₱464,160.00 ₱10,000.00	(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 March 31, 2026 is 65,889,856 shares equivalent to Php658,898,560.00 at Php10.00/share which is approximately 1.94% of the Bank's outstanding capital stock.

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

(c) There is no existing voting trust agreement involving shares of the Bank.
(d) There was no change in control that occurred in the Bank since the beginning of the last fiscal year.

Item 12 - Certain Relationship 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.
(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	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

description of how the evaluation was made; and	approval or confirmation, as applicable. Discussion of pricing is discussed in Note 31, pages 136-140.
(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 of Transactions	Terms and Conditions	Amount / Contract Price	Outstanding Loan Balances*
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	₱16.234B	₱419.872K
Subsidiary	Various Credit Line Facilities / Service & Contract Fees / Card Rates	Standard Terms and Conditions	₱16.418B & USD 20.0MM	₱108,246,363.62

Relationship	Nature of Transactions	Terms and Conditions	Amount / Contract Price	Outstanding Loan Balances*
	/ Capital Infusion / Rental Fees / Foreign Bond Trading Line / Consumer Loans / Corporate Credit Card			
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	₱14.346B	
Other Related Party	TD Swap / Rental Fees / Various Credit Line Facilities / Contract Fees / FX Settlement Line / Syndicated Term Loan	Standard Terms and Conditions	₱21.839B & USD 50.0MM	₱6.931B

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

For the period ended December 31, 2025, there were material self-dealings or related party transactions involving the Bank's directors, as shown below:

Particulars	Type of Transaction	Amount
Director, Director & Officer, Director & Related Interest	TD Swap and Club Share	₱851.704MM

UNDERTAKING TO PROVIDE COPIES OF THE ANNUAL REPORT AND INTERIM FINANCIAL STATEMENTS

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 Ms. Rose Anne I. Villoria 18th Floor, UnionBank Plaza, Meralco Avenue corner Onyx and Sapphire Streets, Ortigas Center, Pasig City.

The Bank likewise undertakes to provide without charge to any stockholder, during the Annual Stockholder's Meeting, a copy of SEC Form 17Q containing UnionBank's Interim Financial Statements, Management Discussion and Analysis of Financial Condition and Results of Operation.

PART IV - EXHIBITS

Item 13 - Exhibits and Reports on SEC Form 17C

a) Exhibits – Please refer to the Index to Exhibits on page 105.

The other exhibits, as indicated in the Exhibit Table of Securities Regulation Code Forms are either not applicable to the Bank or require no answer.

b) Report on SEC Form 17C

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 March 31, 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 Lean 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. Bagadiong, 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 Januszczak 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: 1. Hiring of the following Senior Officers, effective September 1, 2025: a. Ms. Marian Johanna D. Bailon, Corporate Sales Officer and Assistant Vice President b. Ms. Mylene A. Llaneta, Senior Risk Officer - Acquisition Risk and Assistant Vice President 2. 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: 1. Hiring of Senior Officers, effective September 16, 2025: a. Ms. Joanne Christine T. Capal, Risk Governance and Special Projects Head and Vice President b. Ms. Angelica M. Santiago, Digital Delivery Cluster Lead and Assistant Vice President 2. 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: 1. Mr. Gilbert E. Nero, IT Business Senior Analyst and Assistant Vice President 2. Mr. Rafael A. Rodriguez, Digital Delivery Cluster Lead and Assistant Vice President
October 20, 2025	Changes in Senior Officers: 1. Resignations of the following senior officers:

	a. Ms. Maria Louisa S. Doce, ATM Services Manager and Assistant Vice President, effective October 23, 2025 b. Ms. Anna Margarita A. Gapac, Product Development Head - Consumer Banking and Assistant Vice President, effective October 25, 2025 2. 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. Gauraw 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. Garchitorena, 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. Darvin, 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
March 2, 2026	Hiring of senior officers, effective March 2, 2026: 1. Mr. James Steven P. Aguilar, Site Reliability Engineering Head – Journeys and Vice President 2. Ms. Bernice A. Junghan, AML Operations Head and Vice President 3. Ms. Francine Nicole A. Bharwani, SLO Management and Reporting Head
March 9, 2026	Resignation of the following senior officers, effective March 9, 2026: 1. Mr. Ramon M. Del Rosario, Branch and ATM Network Operations Head and Assistant Vice President 2. Mr. Alvin S. Ramos, Network Operations Head and Assistant Vice President
March 12, 2026	Resignation of Mr. Melchor Victor F. David, Senior Organizational Development Manager and Assistant Vice President, effective March 14, 2026
March 16, 2026	Hiring of Mr. Allan Roy L. Calderon, Corporate Solutions Head and Senior Vice President, effective March 16, 2026
March 16, 2026	Resignation of Ms. Maria Theresa R. Aquino, Talent Attraction and Acquisition Head and Assistant Vice President, effective March 16, 2026
March 26, 2026	Resignation of Ms. Norissa C. Libed, Facilities Management Head and Vice President, effective March 26, 2026
March 27, 2026	Results of the Board of Directors' Meeting held on March 27, 2026: 1. Approval of the amendments to Articles V, VII, VIII, and X of the Bank's By-Laws by virtue of the delegated power to the Board of Directors to amend the By-Laws under Article XII thereof. 2. Amended Notice of Annual Stockholders' Meeting and Agenda
March 30, 2026	Resignation of the following senior officers: 1. Ms. Anna Roxane M. Matsuda, Relationship Manager – Corporate Banking and Vice President, effective April 1, 2026 2. Ms. Anna Beatriz G. Gonzalez, Financial Planning and Analytics Officer and Assistant Vice President, effective April 1, 2026 3. Mr. Ralph Sylvester E. Alo, Private Banking Center Lead and Vice President, effective April 4, 2026
March 31, 2026	Amended - Change in the effective date of resignation of Ms. Anna Beatriz G. Gonzalez, Financial Planning and Analytics Officer and Assistant Vice President

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on _____.

By:

ERRAMON I. ABOITIZ
Chairman of the Board

ANA MARIA A. DELGADO
President & Chief Executive Officer

MANUEL R. LOZANO
EVP & Chief Finance Officer

EDGAR ALLAN G. OBLENA
SVP- Financial Controller/
Principal Accounting Officer

ATTY. JOSELITO V. BANAAG
SVP-Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 13 2026 of April 2026 at Pasig City, the following affiants exhibiting to me their competent evidence of identity pursuant to 2004 Rules on Notarial Practice.

Name	TIN No.
Erramon I. Aboitiz	103-715-862
Ana Maria A. Delgado	232-084-562
Manuel R. Lozano	148-773-908
Edgar Allan G. Oblena	300-059-461
Joselito V. Banaag	203-083-372

Notary Public

Doc No. 85;
Page No. 18;
Book No. IV;
Series of 2026

Atty. Joanna Marie G. Robles
Notary Public for Pasig City
Commission Expires on December 31, 2027
IBP No. [illegible] / 12.31.25 / Pasig City
PTR No. [illegible] / 01.05.26 / Pasig City
Roll of Attorneys No. 63401
Appointment No. 029 (2026-2027)
MCLE Compliance No. VIII-0031294
18th Floor, UnionBank Plaza Bldg. Meralco Avenue
corner Onyx and Sapphire Roads, Ortigas Center, Pasig City

Index to Exhibits
Form 17A Item 14

Subsidiaries of the Registrant

Additional Exhibits

Annex 1 - List of ATM Terminal as of December 31, 2025

Annex 2 - List of Bank-Owned Branches as of December 31, 2025

Annex 3 - List of Leased Branches as of December 31, 2025

Subsidiaries of the Registrant

UnionBank of the Philippines subsidiaries and affiliates include:

Subsidiaries:	Percentage of Ownership
City Savings Bank, Inc. (CSB)	99.81%
PetNet Inc. (PETNET)	51.00%
UBP Investments Corporation (UIC)	100.00%
First Union Plans, Inc (FUPI)	100.00%
First Union Insurance and Financial Agencies, Inc. (FUIFAI)	100.00%
UBP Securities, Inc. (UBPSI)	100.00%
Interventure Capital Corporation (IVCC)	60.00%
UBX Philippines Corporation (UBX)	83.33%
UBX Private Ltd. (UBX SG)	83.33%
UBX Remit Pte. Ltd. (UBX Remit)	83.33%
Bangko Kabayan, Inc. (A Private Development Bank) (Bangko Kabayan)	97.75%
Union Digital Bank, Inc. (UnionDigital)	100.00%
Unionbank Financial Services and Insurance Brokerage Philippines, Inc. (UFSI)	100.00%

Annex 1

UNION BANK OF THE PHILIPPINES
LIST OF ATM TERMINALS
As of December 31, 2025

Union Bank of the Philippines

	Branch Name	Address
1	C CUBE	19F Zeta Tower Robinson'S Bridgetowne, Eulogio Rodriguez Jr. Ave, Bagumbayan, Quezon City
2	GSIS COMPLEX	GSIS Financial Complex, Roxas Blvd.,Pasay City
3	GSIS COMPLEX2	GSIS Financial Complex, Roxas Blvd.,Pasay City
4	LA SALLE ZOBEL	Gate 5, La Salle Zobel,University Avenue, Ayala-Alabang Village.,Muntinlupa City
5	CT - STA. MESA	4166 GP Ramon Magsaysay Blvd., Sta Mesa, Manila
6	CT - LAS PINAS	VIP Arcade, Ltd. Alabang – Zapote Rd., Las Piñas
7	STARTEK MAKATI	Ground Floor, SM Makati CyberZone, Sen. Gil Puyat Ave., Makati City
8	STARTEK ORTIGAS2	Startek Ortigas Tiendesitas Ugong Pasig City
9	SL BGC	12/F Philplans Corporate Center,Triangle Drive cor. Bonifacio Triangle, Bonifacio Global City, Taguig, Philippines
10	SOLAIRE1	In front Kiwa restaurant GF Solaire Resort and Casino Hotel Macapagal Ave Bagong Nayon Pasay GF
11	SOLAIRE2	Pit7 Grand ballroom (beside Chinabank ATM) GFSolaire Resort and Casino Hotel Macapagal Ave Bagong Nayon Pasay Pit7
12	ABOITIZ ATG TWR 2 (AEV)	32nd floor of Ayala Triangle Gardens Tower 2 Makati
13	EXTREME BINGO	Extreme Bingo 94 timog avenue, Quezon City
14	FOTON BALINTAWAK	728 A. Bonifacio Ave. Balintawak QC
15	SITEL ETON	Eton CyberPod, Corinthians Business Center, Along Ortigas Avenue (infront of Robinsons Galleria)
16	IBEX PARANAQUE	6th Floor (Pantry area) SM City, BF Parañaque Sucat Road corner President's Avenue, Parañaque City
17	IBEX SHAW	5/F Shaw IT Center 360 Shaw Blvd., cor. 9 de Pebrero St., Brgy. Addition Hills, Mandaluyong City
18	MD CENTER TAGUIG	Medical Center Taguig Levi B. Mariano Ave, Taguig, Metro Manila
19	SL SHAW	9F, Shaw IT Center 360 Shaw Blvd corner 9 de Pebrero Street, Barangay Addition Hills San Felipe Neri, Mandaluyong City
20	MONOCRETE CONSTR	No. 888 Cayetano Ave. C5 Ext. Diversion Rd. Brgy, Palingon Tipas Taguig
21	HO 14TH FLR.	Plaza Headoffice Meralco Ave cor Onyx Street Pasig
22	ALLIANCE GLOBAL	20/F Alliance Global Tower, 36th Street cor 11th Avenue Uptown Bonfacio Global City Taguig (Near Great Hall)
23	GRAND WING	G/F Casino floor, Hilton Grand Wing, Newport Boulevard, Newport City, Pasay 1309
24	TQMP PASIG	AGC Flat Glass Philippines, Inc. compound 730 M.H. del Pilar St, Pasig, Metro Manila

	Branch Name	Address
25	ARMSCOR	ARMSCOR Avenue Brgy Fortune Marikina City
26	TELE. VERTIS NORTH	Teleperformance Vertis North 18F Tower A Vertis North, Mindanao Ave , Q.C.
27	CATS	1008 Epifanio de los Santos Ave, San Juan, Metro Manila
28	ANDOKS	Corazon Tierro-Javier Building, 24 West Avenue, Barangay Bungad, Quezon City
29	SITEL TECHNOHUB	4/F technohub Bldg Ortigas Home Depot # 1 Dona Julia Vargas Avenue Bgy. Ugong Pasig City
30	ABOITIZ NAC CRM	8th floor NAC building 32nd street BGC near at the football field
31	SL CLARK	2nd floor, Two West Aeropark Building, Clark Global City, Clark Civil Aviation Complex, Clark Freeport Zone 2023
32	SL CLARK SITE 4	GF Site 4 Clark Center 6 Jose Abad Santos Highway Clark Field Pampanga
33	SL TARLAC1	GF Tarlac IT Park II, Ninoy Aquino Highway, San Isidro, Tarlac City
34	PELCO	GF Pampanga I Electric Coop Inc, Sto Domingo Mexico Pampanga
35	PHILEX OFFSITE1	Philex Mining Corp, Padcal, Tuba, Benquet
36	PHILEX OFFSITE2	Philex Mining Corp, Padcal, Tuba, Benquet
37	SITEL TARLAC	Level 2 Robinsons Place Tarlac
38	SL TARLAC2	GF Tarlac IT Park II, Ninoy Aquino Highway, San Isidro, Tarlac City
39	AIA	GF Subic Bay Metropolitan Authority Argonaut Hwy, Olongapo, Zambales
40	PILMICO TARLAC	GF Santo Domingo II,, Capas, Tarlac
41	SUBIC PORT GRAIN T.	GF Bldg. 8008 Leyte Wharf, Cubi Point, SBMA, Subic, Zambales 2209
42	BATAAN 2020	Roman Superhighway, Samal, Bataan
43	SL CARMONA	Warehouse Phase 1 and Phase 2, lot 562-B-3, Governor's Dr., Poblacion,Carmona, Cavite
44	SL CAMSUR1	Camarines Sur IT Center, IT Park, Provincial Capitol Complex, Cadlan, Pili 4418 Camarines Sur
45	SL LEGASPI	Ground Flr.Building ,Embarcadero de Legazpi,Legazpi port Site,Victory Village, Legaspi City
46	SL CAMSUR2	Camarines Sur IT Center, IT Park, Provincial Capitol Complex, Cadlan, Pili 4418 Camarines Sur
47	DLSU ADG BLDG	Ayuntamiento De Gonzales Bldg. DLSU-Dasmariñas Brgy. Fatima 1, Congressional Ave. Dasmariñas City, Cavite (GF cashier area)
48	TWINLAKES T.	Twin Lakes Tagaytay Vineyard Resort Community, Tagaytay-Nasugbu Highway, Alfonso, Cavite (near Canyon Cove)
49	CEBU LEXMARK1 (Funai Electric)	Mactan Economic Zone II, Basak, Lapu-Lapu City
50	CEBU LEXMARK2	Lexmark Building, Cardinal Rosales Ave, Cebu City
51	CEBU ACO ATM	Aboitiz & Co. Building Archbishop Reyes Avenue Banilad, Cebu City

	Branch Name	Address
52	QUALFON CEBU	Cardinal Rosales Avenue., Cor. Samar Loop Cebu Business Park., Cebu City
53	QLFN DUMAGUETE1	LinkSy I.T. Park, North National Highway Bantayan, Dumaguete City 6200, Philippines.
54	QLFN DUMAGUETE2	LinkSy I.T. Park, North National Highway Bantayan, Dumaguete City 6200, Philippines.
55	MD CITY ILOILO	Locsin Street, Molo, Iloilo City, Iloilo
56	CEBU VELEZ	Cebu Velez General Hospital F. Ramos St, Cebu City, Cebu
57	CEBU VECO	Visayan Electric Company (VECO) J. Panis St., Banilad, Cebu City
58	CMA T2 ARRIVAL	Lapu-Lapu Airport Rd, Lapu-Lapu City, 6016 Cebu, T2 Arrival
59	CMA T2 DEPARTURE	Lapu-Lapu Airport Rd, Lapu-Lapu City, 6016 Cebu, T2 Departure
60	CEBU TOWN CENTER	G/F, Banilad Town Center, Gov. M. Cuenco Ave., Banilad, Cebu City
61	HGS ILOILO	HGS SM Strata 19F SM Strata Benigno Aquino Avenue Mandurriao, Iloilo City 5000 Philippines
62	SL DAVAO	R. Magsaysay Ave. cor. E. Jacinto St., Davao City
63	IBEX DAVAO	Ground Floor, Fountain Court, SM Lanang Premier JP Laurel Avenue, Brgy. San Antonio Davao City
64	DLPC	163 - 165 C. Bangoy Sr. St. Davao City, 8000
65	PILMICO ILIGAN	Kiwalan Cove, Dalipuga, Iligan City, Lanao del Norte
66	DLPC BAJADA	Rondez Engineering Center, JP Laurel Ave., Bajada, Davao City
67	DAVAO OFFSOURCING	Ayala Business Center,Matina Town Square
68	BELMONT HOTEL	Newport Blvd, Newport City 1309 Pasay City
69	INSULAR LIFE	G/F Filinvest Corporate City, Alabang 1781, Alabang, Muntinlupa, 1781
70	LIMA OFFSITE 1 (ADMIN)	Satellite Office inside The Outlets at Lipa, Special Economic Zone, Malvar, Batangas, 4233
71	WIDUS 1	MA Roxas Highway, Clark Freeport Zone 2023 (near cage)
72	WIDUS 2	MA Roxas Highway, Clark Freeport Zone 2023 (inside H circle)
73	WIDUS 3	5398 Manuel A. Roxas Highway, Clark Freeport Zone, Pampanga, Philippines 2023 (inside Marriot Hotel)
74	WIDUS 4	MA Roxas Highway, Clark Freeport Zone 2023 (inside H club)
75	WIDUS 5	MA Roxas Highway, Clark Freeport Zone 2023 (Inside Hann Casino Near Lobby, Carpeted, Behind Car Display)
76	ACC	G/F Alabang Country Club, Acacia Drive, Ayala Alabang Village, Muntinlupa City
77	ATC	Commerce Ave., Makati Supermart Alabang, Alabang Town Center, Muntinlupa, 1780 Metro Manila
78	BAESA ATM	G/F, Baesa Town Center, 232 Quirino Highway, Baesa, Quezon City

	Branch Name	Address
79	DR SANTOS LLANAS	G/F, MTF Bldg., Kabesang Segundo corner Dr. A. Santos, San Isidro, Sucat Road, Paranaque City
80	JULIA VARGAS CRM	Centerpoint Condominium, Doña Julia Vargas Ave. cor. Garnet St. Ortigas Center, Pasig City
81	RICHVILLE	Upper G/F Richville Corporate Tower, Alabang-Zapote Rd., Madrigal Bus. Park, Muntinlupa City
82	SHAW PASIG	Chipeco Bldg., Shaw Blvd. corner Meralco Ave., Pasig City
83	VALERO ATM	Ground Floor, Le Grand Condominium, 130 Valero St., Makati City
84	ACROPOLIS	171 Bridgeview Bldg., E. Rodriguez Jr. Ave, Bagumbayan, Quezon City
85	ALIMALL	Ali Mall Financial Center, Level 2, Ali Mall, Araneta Center, Cubao, Quezon City
86	E. RODRIGUEZ	G/F Megacenter Bldg., E. Rodriguez Ave., Quezon City
87	KALOOKAN	357 Rizal Ave. Ext. Grace Park, Kalookan City
88	MEDICAL CITY	B1 Medical Arts Tower The Medical City Hospital Ortigas Avenue Pasig City
89	MUNTINLUPA	12 Jason's Bldg., National Road Putatan, Muntinlupa
90	PASAY	2528 ERL Building, Taft Ave., Pasay City
91	TIMOG ATM	Cabrera Building II. 64 Timog Ave, Quezon City
92	VITO CRUZ	G/F Kingswood Arcade Vito Cruz Ext. cor Pasong Tamo, Makati City
93	SSS AYALA CRM	SSS Bldg., Ayala Avenue, Makati City
94	SALCEDO ATM	G/F Golden Rock Bldg., 168 Salcedo St., Legaspi Vill., Makati City
95	ANNAPOLIS	G/F, Unit 133, Promenade Missouri, Greenhills Shopping Center, Missouri cor. Annapolis Sts., Greenhills, San Juan
96	PEREA ATM	G/F Greenbelt Mansion Bldg., 106 Perea St., Legaspi Village, Makati City
97	SSS AYALA ATM	SSS Bldg., Ayala Avenue, Makati City
98	ARK ATM2	Insular Building Ayala Avenue., corner Paseo de Roxas Makati City
99	ARK ATM1	Insular Building Ayala Avenue., corner Paseo de Roxas Makati City
100	ARK CRM3	Insular Building Ayala Avenue., corner Paseo de Roxas Makati City
101	T. ALONZO	625 T. Alonzo St., Sta Cruz,Manila
102	AURORA ATM	677 Aurora Blvd., near cor. Broadway St., Bgy. Mariana, New Manila , Quezon City
103	AYALA MADRIGAL ATM	G/F, Don Vicente Madrigal Building, 6793 Ayala Avenue, Makati City
104	AYALA MADRIGAL CRM 2	G/F, Don Vicente Madrigal Building, 6793 Ayala Avenue, Makati City
105	AYALA RUFINO ATM	Rufino Bldg. Ayala Ave. corner Herrera St., Makati City
106	AYALA RUFINO CRM	Rufino Bldg. Ayala Ave. corner Herrera St., Makati City
107	STO. DOMINGO	Ground Floor Unit-103 Elements Building 560 Quezon Avenue Brgy. Tatalon Quezon City

	Branch Name	Address
108	BF HOMES CRM 1	55 President Avenue, BF Homes, Parañaque City
109	BF HOMES CRM 2	55 President Avenue, BF Homes, Parañaque City
110	BICUTAN	28 Doña Soledad Ave., Better Living, Parañaque City
111	BONI AVENUE	Boni Avenue cor. Ligaya St., Mandaluyong City
112	CUBAO ATM	7th Avenue cor P. Tuazon, Cubao, Quezon City
113	DEL MONTE	G/F 345 Del Monte Avenue corner Banawe Street, Brgy. Manresa, Quezon City
114	EDSA KALOOKAN	512 EDSA corner Urbano Plata Street,Kalookan City
115	INTRAMUROS	G/F BF Condo Bldg. A. Soriano Sr. Ave. Intramuros, Manila
116	JP RIZAL ATM	731 J.P. Rizal St., Makati City
117	KAMIAS	Gr. Floor, TDS Bldg., No. 72 Kamias Road, Quezon City
118	KATIPUNAN ATM1	Elizabeth Hall, Katipunan Avenue, Loyola Heights, QC
119	KATIPUNAN CRM	Elizabeth Hall, Katipunan Avenue, Loyola Heights, QC
120	LP PAMPLONA	Alabang Zapote Rd. cor. Crispina Ave., Pamplona, Las Piñas City
121	MAKATI AVENUE	7824 Durban St. corner Makati Avenue, Makati City
122	MALABON ATM	Gov. Pascual Avenue cor. River St., Malabon City, Metro Manila
123	MALATE	G/F Marioco Bldg. 1945 M. Adriatico St. Malate, Manila
124	ORTIGAS ATM	21 San Miguel Ave., Ortigas Center, Pasig City
125	PASAY ROAD ATM	Gemland Commercial Bldg., San Lorenzo Village, Makati City 1200
126	PASONG TAMO JTKC	G/F, JTKC Center 2155 Pasong Tamo street., Makati City
127	RADA ATM	Prince Bldg., 117 Rada St, Legaspi Village, Makati City
128	ROOSEVELT	244 Roosevelt Avenue, San Francusco del Monte, Quezon City
129	SHAW MANDALUYONG	PICPA Bldg., 700 Shaw Blvd., Mandaluyong City
130	YUCHENGCO	Escolta corner Yuchengco Sts., Binondo
131	SOUTH TRIANGLE ATM	Quezon Ave. cor. Sct. Albano St., Quezon City
132	SOUTH TRIANGLE CRM	Quezon Ave. cor. Sct. Albano St., Quezon City
133	TAFT AVENUE	2625 G/F Kassel Condominium, Taft Avenue near cor.P. Ocampo St., Malate, Manila
134	TEKTITE	G/F PSE Center, Ortigas Complex, Pasig City
135	TOMAS MORATO ATM	Tomas Morato cor. Sct. Lozano, Quezon City
136	PLAZA2	UBP Plaza Meralco Avenue., Ortigas Center, Pasig City
137	VALENZUELA	Km 12 McArthur Hi-way, Marulas, Valenzuela City
138	W. SERVICE RD	Rodeo Bldg. Km 18 West Service Road South Luzon Expressway, Parañaque City
139	W. AVENUE BALER	91-A Barangay Bungad, West Avenue, Quezon City
140	ESCOLTA CRM	G/F Regina Building, Escolta, Manila
141	ESCOLTA ATM	G/F Regina Building, Escolta, Manila
142	MARIKINA	WRC2 Bldg., No. 47 Gil Fernando Avenue (formerly A. Tuazon St), Midtown Subd. II Brgy. San Roque, Marikina City
143	NAVOTAS	807-817 M.Naval St., Navotas City
144	NOVALICHES GULOD	854 Quirino Highway, Gulod, Novaliches, Quezon City

	Branch Name	Address
145	AYALA ALABANG	G/F Nol Bldg. Commerce Ave., Madrigal Business Park, Alabang, Muntinlupa City
146	EMERALD AVENUE1	G/F Wynsum Corp. Plaza, Ortigas Center, Pasig City
147	GREENHILLS	Ortigas Ave near cor Wilson St., San Juan City
148	GREENHILLS CRM	Ortigas Ave near cor Wilson St., San Juan City
149	LIBIS ATM	184-B E. Rodriguez Jr. Avenue., Bagumbayan, Quezon City
150	PASONG TAMO EXT.	G/F BCS Building, 2297 Pasong Tamo Extension, Makati City
151	PASONG TAMO EXT. ATM2	G/F BCS Building, 2297 Pasong Tamo Extension, Makati City
152	PASONG TAMO EXT. CRM	G/F BCS Building, 2297 Pasong Tamo Extension, Makati City
153	MAYON	G/F, ACI Bldg., 178 Mayon Street, SMH, Brgy Maharlika, Quezon City
154	SHAW PASIG BLVD.	131-133 Shaw Boulevard, Pasig City
155	STO. CRISTO	LG01 and LG02 Burke Plaza, Sto Cristo St., Binondo, Manila
156	WACK WACK	6 Shaw Blvd. corner Laurel St., Mandaluyong City
157	PSO DE MAGALLANES ATM	Ground Floor, Maga Center Building, Paseo de Magallanes, Makati City
158	MCKINLEY HILLS CRM	Units 1A & 1B Two World Square Upper McKinley Road McKinley Hill Drive Fort Bonifacio, Taguig City
159	MCKINLEY HILLS ATM	Units 1A & 1B Two World Square Upper McKinley Road McKinley Hill Drive Fort Bonifacio, Taguig City
160	LIBERTAD MANDA.	Unit A2 Cluster El Dorado, California Garden Square, Libertad Street, Mandaluyong City
161	EDSA PIONEER	Upper Ground Floor 07 Robinsons Cybergate Plaza, Pioneer St., Mandaluyong City
162	NEW PORT CITY ATM	G/F Star Cruises Building, Newport City, Andrews Avenue, Pasay City
163	5TH AVENUE BGC ATM	Unit 3 Ground Floor, One Global Place, 5th Avenue corner 25th Street, BGC, Taguig City
164	SHANG TOWER 1 ATM	The St. Francis Shangri-La Place, Tower 1 G/F Retail Internal Road corner St. Francis Street, Mandaluyong City
165	EASTWOOD CITY	G/F LGR1-6, Le Grand Tower 1, Palm Tree Avenue, Eastwood City, Brgy. Bagumbayan, Quezon City
166	VERTEX ONE	G/F Space 12 & 13 Vertex One Building, San Lazaro, Manila
167	LRT 2 AURORA ATM	G/F Marsk Building, Aurora Boulevard corner Balete Drive, Quezon City
168	2ND AVENUE BGC	G/F Blue Sapphire Building, 2nd Avenue corner 30th Street, Bonifacio Global City, Taguig
169	ICTSI PORT AREA	G/F, ICTSI Admin Bldg. Manila International Container Terminal, MICT South Road, Port Area, Manila
170	RENNAISANCE TWR.	G/F Renaissance Center, Meralco Ave., Pasig City

	Branch Name	Address
171	CITY PL SQUARE	3/F Lucky Chinatown-Cityplace Square, Calle Felipe corner La Chambre St., Binondo,Manila
172	32ND BGC CRM1	G/F The Trade & Financial Tower, 7th ave. cor. 32nd St., Fort Bonifacio, Taguig
173	ANTEL RESIDENCES ATM	Ground Floor, Best Western Antel Hotel 7829, Makati Avenue cor. Salamanca St., Makati City
174	MAYHALIGUE	Ground Floor, One Masangkay Place, No. 1420 Masangkay near cor. Mayhaligue St., Sta. Cruz, Manila
175	MASANGKAY	911-913 Masangkay St., Binondo, Manila
176	CARDINAL SANTOS	Ground Floor Cardinal Santos Medical Center, 10 Wilson St., Greenhills West San Juan City
177	AYALA MULTINATIONAL ATM	G/F Multinational Bancorporation Center, Ayala Ave., Makati City
178	PLAZA1	UBP Plaza Meralco Avenue., Ortigas Center, Pasig City
179	DELA ROSA ATM	G/F Insular Health Care Building, 167 Dela Rosa corner Legazpi St., Legazpi Village, Makati City
180	BONIFACIO HIGH ST ATM	W Global Center cor 30th and 9th Ave. BGC, Taguig City
181	TRIANGLE DRIVE ATM	Shop 3, G/F Philplans Building Corporate Center, 1012 North Triangle Drive, BGC, Taguig
182	ADB Avenue ATM	Ground floor Unit 101 AIC Burgundy Empire Tower, ADB Ave., Ortigas Pasig City
183	GMA TIMOG ATM	Cabrera Bldg. 1, 103 Timog Avenue, Quezon City
184	FRONTERA VERDE	G/F Transcom Bldg., Frontera Verde, E. Rodriguez Jr. Avenue., Brgy. Ugong Pasig City
185	SSS E. AVENUE1	G/F SSS Main Bldg., East Ave., Quezon City
186	SSS E. AVENUE2	G/F SSS Main Bldg., East Ave., Quezon City
187	EMERALD AVENUE2	G/F Wynsum Corp. Plaza, Ortigas Center, Pasig City
188	GSIS MAIN ATM	GSIS Main Office Financial Center, Pasay City
189	34TH ST. BGC ATM	G/F, Shop 2, Panorama Bldg., 34TH St. Corner Lane A, Bonifacio Global City, Taguig
190	MCKINLEY RD. BGC ATM	G/F, Unit 2, Fairways Towers, 5th Avenue, Bonifacio Global City, Taguig
191	38TH UPTOWN BGC ATM	G/F, Orion Building, 11th Ave corner 38th St., Bonifacio Global City, Taguig City
192	7TH AVENUE BGC ATM	G/F, Twenty-Four Seven Mckinley Building, 7th Ave. cor. 24th St., Bonifacio Global City, Brgy Fort Bonifacio, Taguig City
193	UPTOWN MALL BGC ATM	Unit B106 Lower Ground Floor Uptown Place Mall 9th Ave Cor. 36th St Bonifacio Global City, Brgy Fort Bonifacio, Taguig City
194	LUXE RESIDENCES ATM	G/F, Shop 3, The Luxe Residences, 28th St. corner 4th Avenue, Bonifacio Global City, Taguig City
195	PASCOR DRIVE	G/F, SkyFreight Center, Ninoy Aquino Avenue, corner Pascor Drive, Paranaque City
196	3RD AVENUE BGC ATM	G/F, The Net Square Building, 3rd Avenue corner 28th Street, Bonifacio Global City, Taguig City

	Branch Name	Address
197	MCKINLEY W. LOWER ATM	G/F Robinson Cyber Sigma Bldg. Lawton Ave. Bonifacio South Taguig City
198	CMW LUZON1	UGF, Kayumanggi Center Bldg., Commonwealth Avenue corner Luzon Avenue, Brgy Matandang Balara, Quezon City
199	CMW LUZON CRM	UGF, Kayumanggi Center Bldg., Commonwealth Avenue corner Luzon Avenue, Brgy Matandang Balara, Quezon City
200	KALOOKAN CRM	357 Rizal Ave. Ext. Grace Park, Kalookan City
201	PLAZA CRM3	UBP Plaza Meralco Avenue., Ortigas Center, Pasig City
202	PSO DE ROXAS1	Ground Floor Tower II Paseo De Roxas Building 111 Paseo De Roxas Corner Legazpi Street Legaspi Village Makati City
203	PSO DE ROXAS CRM	Ground Floor Tower II Paseo De Roxas Building 111 Paseo De Roxas Corner Legazpi Street Legaspi Village Makati City
204	32ND BGC CRM2	G/F The Trade & Financial Tower, 7th ave. cor. 32nd St., Fort Bonifacio, Taguig
205	STO. DOMINGO CRM	Ground Floor Unit-103 Elements Building 560 Quezon Avenue Brgy. Tatalon Quezon City
206	COMMONWEALTH AVE1	12-13 Upper, G/F, Diliman Commercial Center; Commonwealth Ave., Diliman Quezon City
207	COMMONWEALTH AVE2	12-13 Upper, G/F, Diliman Commercial Center; Commonwealth Ave., Diliman Quezon City
208	KALOOKAN2	357 Rizal Ave. Ext. Grace Park, Kalookan City
209	DASMA. BINONDO	G.A.Cu-Unjieng Bldg., Q. Paredes St. corner Dasmarinas St., Binondo, Manila
210	DASMA. BINONDO CRM	G.A.Cu-Unjieng Bldg., Q. Paredes St. corner Dasmarinas St., Binondo, Manila
211	PLAZA CRM	UBP Plaza Meralco Avenue., Ortigas Center, Pasig City
212	MACAPAGAL CRM	G/F Unit 106 Y Tower Blk 04, Lot 01, corner Coral Way St., Macapagal Blvd., MOA Complex Pasay City
213	MACAPAGAL ATM	G/F Unit 106 Y Tower Blk 04, Lot 01, corner Coral Way St., Macapagal Blvd., MOA Complex Pasay City
214	UN AVENUE ATM	U.N. ave., Cor. M.H. Del Pilar and M. Guerrero Streets, Ermita Manila
215	UN AVENUE CRM	U.N. ave., Cor. M.H. Del Pilar and M. Guerrero Streets, Ermita Manila
216	PANDACAN ATM	1763 Paz M. Guazon St., Paco,Manila
217	PANDACAN CRM	1763 Paz M. Guazon St., Paco,Manila
218	DELA COSTA ATM	G/F Global Enterprise Bldg. No. 138 HV dela Costa Salcedo Village, Makati City
219	DELA COSTA CRM	G/F Global Enterprise Bldg. No. 138 HV dela Costa Salcedo Village, Makati City
220	SANTIAGO	Maharlika Highway, Santiago City, Isabela
221	LAOAG	G/F 365 Plaza Bldg. Brgy., 1, San Nicolas, Ilocos Norte.
222	VIGAN	Jose Singson St., Vigan City, Ilocos Sur

	Branch Name	Address
223	ANGELES ATM	G/F, Building 1, Unit 1 & 2, Central Town Mall, 263 Fil Am Friendship Highway, Brgy Cutcut, Angeles City, Pampanga
224	SAN FDO. CONSUNJI CRM	3M Bldg., MacArthur Highway, San Agustin, San Fernando, Pampanga
225	BAGUIO	PF Floor, Cedar Peak Building, Corner General Luna Road and Mabini Street, Baguio City 2600
226	BALIWAG ATM	G/F, 3006 St Augustine Square, Dona Remedios Trinidad Highway, Pinagbarilan Baliuag, Bulacan
227	MEYCAUAYAN	Gr. Floor, Marian Bldg., McArthur Hi-way, Calvario, Meycauayan City, Bulacan
228	CABANATUAN	P. Burgos Street, Cabanatuan City
229	DAGUPAN	Perez Blvd Bry Pogo Chico Dagupan City
230	DAGUPAN2	Perez Blvd Bry Pogo Chico Dagupan City
231	DAGUPAN CRM	Perez Blvd Bry Pogo Chico Dagupan City
232	TARLAC ATM	Jaral Bldg. McArthur Ave. cor. Juan Luna St., Tarlac City
233	TARLAC CRM 1	Jaral Bldg. McArthur Ave. cor. Juan Luna St., Tarlac City
234	TARLAC CRM 2	Jaral Bldg. McArthur Ave. cor. Juan Luna St., Tarlac City
235	SUBIC	19B Manila Avenue cor. Canal Street, Subic Bay Freeport Zone
236	SAN FDO. LA UNION	Ground Floor of Shania Tower, Quezon Avenue, San Fernando City, La Union
237	CAUAYAN ISABELA	G/F ITC Bldg., National Highway, Cauayan City, Isabela
238	CLARK ATM 1	M. Roxas Highway, Philexcel Business Park Clark Freeport zone, Pampanga
239	CLARK ATM 2	M. Roxas Highway, Philexcel Business Park Clark Freeport zone, Pampanga
240	BAGUIO2	PF Floor, Cedar Peak Building, Corner General Luna Road and Mabini Street, Baguio City 2600
241	OLONGAPO	87 Magsaysay Drive Olongapo City
242	VIGAN2	Jose Singson St., Vigan City, Ilocos Sur
243	LAOAG CRM	G/F 365 Plaza Bldg. Brgy., 1, San Nicolas, Ilocos Norte.
244	MEYCAUAYAN2	Gr. Floor, Marian Bldg., McArthur Hi-way, Calvario, Meycauayan City, Bulacan
245	CABANATUAN2	P. Burgos Street, Cabanatuan City
246	SANTIAGO2	Maharlika Highway, Santiago City, Isabela
247	CAUAYAN ISABELA 2	G/F ITC Bldg., National Highway, Cauayan City, Isabela
248	SUBIC CRM	19B Manila Avenue cor. Canal Street, Subic Bay Freeport Zone
249	SAN FDO. LA UNION2	Ground Floor of Shania Tower, Quezon Avenue, San Fernando City, La Union
250	TUGUEGARAO1	G/F 2 Storey Bldg., Bagay Rd., Andrews St., Andrews Vill., Caritan Centro, Tuguegarao City, Cagayan
251	TUGUEGARAO CRM	G/F 2 Storey Bldg., Bagay Rd., Andrews St., Andrews Vill., Caritan Centro, Tuguegarao City, Cagayan
252	TUGUEGARAO CQM	G/F 2 Storey Bldg., Bagay Rd., Andrews St., Andrews Vill., Caritan Centro, Tuguegarao City, Cagayan

	Branch Name	Address
253	PAMPANGA ATM	GF Mel-Vi Bldg., Olongapo-Gapan Road, Dolores, City of San Fernando, Pampanga
254	PAMPANGA CRM	GF Mel-Vi Bldg., Olongapo-Gapan Road, Dolores, City of San Fernando, Pampanga
255	PAMPANGA CQM	GF Mel-Vi Bldg., Olongapo-Gapan Road, Dolores, City of San Fernando, Pampanga
256	NAGA	G/F Prime Days Hotel Bldg., Panganiban Drive, Naga City
257	STA. ROSA	Rizal Blvd., Corner Zavalla Street, Brgy Malusak, Sta Rosa City, Laguna
258	BATANGAS	G/F, Insular Life Bldg., Highway Hills, Hilltop, Batangas City
259	LEGASPI	G/F, Unit 1, SMC Bldg., Landco Business Park, Brgy Capantawan, Legazpi City
260	NAGA2	G/F Prime Days Hotel Bldg., Panganiban Drive, Naga City
261	CALAMBA PARIAN	Anderson Bldg. 1, Barangay Parian, Calamba City, Laguna
262	LIPA	B. Morada Avenue, Lipa City
263	LUCENA	G/F One People Square, M.L. Tagarao corner Granja Street, Lucena City
264	SAN PEDRO LAGUNA	Manila South Road corner Cataquiz Avenue, Brgy. Landayan, San Pedro, Laguna
265	DASMARINAS CAVITE	Congressional Road corner Gov. D Mangubat Ave. Aguinaldo Hi-way, Dasmariñas City, Cavite
266	IMUS CAVITE	G/F Melta Building, Aguinaldo Highway,corner Sampaguita Village, Imus, Cavite
267	BACOOR	Addio building, aguinaldo H-way talaba bacoor., Cavite
268	CAINTA	F. Felix Ave. corner Karangalan Drive, Cainta, Rizal
269	PUERTO PRINCESA1	Rizal Avenue, Brgy. Maningning, Puerto Princesa City, Palawan
270	PUERTO PRINCESA2	Rizal Avenue, Brgy. Maningning, Puerto Princesa City, Palawan
271	TAGAYTAY	G/F Tagaytay Prime Residences, Tagytay-Calamba Road, Tagaytay Prime Rotonda, Barangay San Jose, Tagaytay City
272	CAINTA2	F. Felix Ave. corner Karangalan Drive, Cainta, Rizal
273	IMUS CAVITE2	G/F Melta Building, Aguinaldo Highway,corner Sampaguita Village, Imus, Cavite
274	BACOOR2	Addio building, aguinaldo H-way talaba bacoor., Cavite
275	STA. ROSA2	Rizal Blvd., Corner Zavalla Street, Brgy Malusak, Sta Rosa City, Laguna
276	LEGASPI2	G/F, Unit 1, SMC Bldg., Landco Business Park, Brgy Capantawan, Legazpi City
277	LIPA2	B. Morada Avenue, Lipa City
278	LUCENA2	G/F One People Square, M.L. Tagarao corner Granja Street, Lucena City

	Branch Name	Address
279	LIMA TECH.1	Units 04 - 05, Block C, The Outlets at Lipa, LIMA Technology Center, Lipa, Batangas
280	LIMA TECH.2	Units 04 - 05, Block C, The Outlets at Lipa, LIMA Technology Center, Lipa, Batangas
281	LIMA TECH. CRM	Units 04 - 05, Block C, The Outlets at Lipa, LIMA Technology Center, Lipa, Batangas
282	BINAN CARMONA ATM	National Highway, Brgy. Maduya, Carmona, Cavite
283	BINAN CARMONA CRM	National Highway, Brgy. Maduya, Carmona, Cavite
284	BINAN CARMONA CQM	National Highway, Brgy. Maduya, Carmona, Cavite
285	CEBU BORROMEO	Door 8 Plaza Borromeo Bldg., Borromeo Street, Kalubihan, Cebu City
286	CEBU MANDAUE	Kentredder Bldg., A. Cortes St., Mandaue City, Cebu
287	TAGBILARAN2	J.S. Torralba St. corner CPG Avenue, Tagbilaran City, Bohol
288	CEBU LAPU-LAPU	Lot 2, Block 1, Phase 1, MEPZ II, SEPZ, Lapu-Lapu City, Cebu
289	CEBU LAPU-LAPU2	Lot 2, Block 1, Phase 1, MEPZ II, SEPZ, Lapu-Lapu City, Cebu
290	CEBU TIME SQUARE	G/F, Times Square 2 Bldg, Mantawe Avenue, Brgy Tipolo, North Reclamation Area, Mandaue City, Cebu
291	BACOLOD LACSON	G/F PhilAm Bldg., Lacson cor. Galo St., Bacolod City
292	CEBU BANILAD	G/F, Banilad Town Center, Gov. M. Cuenco Ave., Banilad, Cebu City
293	CEBU CTR MAXILOM	G/F Ong Tiak Bldg., Gen Maxilom Ave., Cebu City
294	ILOILO GEN. LUNA	Brgy Villa Anita General Luna, Iloilo City
295	ILOILO GEN. LUNA2	Brgy Villa Anita General Luna, Iloilo City
296	TACLOBAN2	Josmar Bldg., M.H. del Pilar St. corner Zamora St., Tacloban City
297	TACLOBAN3	Josmar Bldg., M.H. del Pilar St. corner Zamora St., Tacloban City
298	BACOLOD NORTH CRM	Cor. Villa Valderrama, Lacson St., Mandalagan, Bacolod City
299	BACOLOD NORTH ATM	Cor. Villa Valderrama, Lacson St., Mandalagan, Bacolod City
300	CEBU NORTH ROAD	Gr. Floor, Khuz'ns Bldg., North Hi-way, Estancia, Mandaue City
301	DUMAGUETE	UnionBank Building, Ramon Pastor Sr. Street corner San Juan Street Dumaguete City 6200, Negros Oriental
302	DUMAGUETE2	UnionBank Building, Ramon Pastor Sr. Street corner San Juan Street Dumaguete City 6200, Negros Oriental
303	CEBU MACTAN NT.	G/F, Retail 2 & 3, Plaza Magellan Tower 1, Mactan Newtown, Lapu Lapu City
304	CEBU AS FORTUNA	GF The Space, A.S. Fortuna Corner P. Remedies st., Brgy Banilad, Mandaue City
305	CEBU SUBANGDAKU	G/F, AD Gothong IT Center, Subangdaku, Mandaue City
306	NORTH DRIVE	G/F, North Drive, Ouano Avenue, North Reclamation Area, Mandaue City
307	CEBU MINGLANILLA	G/F, FCT Commercial Bldg., Poblacion Ward-II, Minglanilla, Cebu

	Branch Name	Address
308	CEBU SUMILON ATM	G/F, Buildcomm Center, Sumilon Road, Cebu Business Park, Cebu City
309	CEBU BANILAD CRM	G/F, Banilad Town Center, Gov. M. Cuenco Ave., Banilad, Cebu City
310	CEBU BANILAD CQM	G/F, Banilad Town Center, Gov. M. Cuenco Ave., Banilad, Cebu City
311	ASIATOWN IT PARK ATM	G/F TGU Tower, Asiatown I.T. Park, Lahug, Cebu
312	CEBU BUS. PARK	G/F Insular Bldg., Mindanao Ave., cor Biliran Road, Cebu Business Park, Cebu City
313	CEBU BUS. PARK CRM	G/F Insular Bldg., Mindanao Ave., cor Biliran Road, Cebu Business Park, Cebu City
314	CEBU BUS. PARK CRM2	G/F Insular Bldg., Mindanao Ave., cor Biliran Road, Cebu Business Park, Cebu City
315	CEBU BUS. PARK CQM	G/F Insular Bldg., Mindanao Ave., cor Biliran Road, Cebu Business Park, Cebu City
316	CEBU PLARIDEL ATM	No. 104 Plaridel St., Brgy. Sto. Niño, Cebu City
317	ILOILO IZNART CQM	Villanueva Bldg., Iznart St.,Iloilo City
318	ILOILO IZNART CRM	Villanueva Bldg., Iznart St.,Iloilo City
319	ILOILO IZNART	Villanueva Bldg., Iznart St.,Iloilo City
320	CEBU PUSOK	M.L Quezon National Highway Pusok, Lapu-Lapu City 6015
321	CDO LAPASAN	Lapasan National Highway, Cagayan de Oro City
322	CDO LAPASAN2	Lapasan National Highway, Cagayan de Oro City
323	DAVAO CABAGUIO ATM	G/F, DMIRIE Bldg., JP Cabaguio Avenue, Brgy. Paciano Bangoy, Davao City
324	GENERAL SANTOS 2	G/F Laiz Building, Pioneer Avenue, General Santos City
325	ILIGAN	Manuel L. Quezon Ave, Iligan City, 9200 Lanao del Norte
326	PAGADIAN	Rizal Ave, City of Pagadian, Zamboanga Del Sur, Philippines
327	PAGADIAN2	Rizal Ave, City of Pagadian, Zamboanga Del Sur, Philippines
328	DAVAO MONTEVERDE ATM	G/F Mintrade Bldg. Monteverde Ave. cor. Sales St., Davao City
329	DAVAO QUIRINO	Quirino Avenue cor San Pedro St., Davao City
330	DAVAO RIZAL ATM	G/F Quibod Commercial Center, Rizal Avenue, Davao City
331	GENERAL SANTOS	G/F Laiz Building, Pioneer Avenue, General Santos City
332	ILIGAN2	Manuel L. Quezon Ave, Iligan City, 9200 Lanao del Norte
333	ZAMBOANGA JALDON2	G/F ZAEC Bldg., Mayor Jaldon cor. Gov. Alavarez, Zamboanga City
334	ZAMBOANGA JALDON	G/F ZAEC Bldg., Mayor Jaldon cor. Gov. Alavarez, Zamboanga City
335	BUTUAN	G/F CAP Bldg. J. Rosales Avenue corner JC Aquino St., Butuan City
336	BUTUAN2	G/F CAP Bldg. J. Rosales Avenue corner JC Aquino St., Butuan City

	Branch Name	Address
337	DAVAO MAGSAYSAY	R. Magsaysay Ave. cor. E. Jacinto St., Davao City
338	DAVAO MAGSAYSAY CRM	R. Magsaysay Ave. cor. E. Jacinto St., Davao City
339	DAVAO MAGSAYSAY CRM2	R. Magsaysay Ave. cor. E. Jacinto St., Davao City
340	SAN AGUSTIN DELA COSTA ATM (LIBERTY CENTER)	G/F Liberty Center 102 HV Dela Costa corner San Agustin Streets, Salcedo Village, Makati City
341	DOUBLE DRAGON CRM	G/F Double Dragon Center West Tower, Macapagal Avenue corner EDSA Extension, Bay Area, Pasay City
342	PLAZA CRM2	UBP Plaza Meralco Avenue., Ortigas Center, Pasig City
343	BAGUIO CRM 2	PF Floor, Cedar Peak Building, Corner General Luna Road and Mabini Street, Baguio City 2600
344	JP RIZAL CRM	731 J.P. Rizal St., Makati City
345	CEBU MANDAUE CRM	Kentredder Bldg., A. Cortes St., Mandaue City, Cebu
346	COMMONWEALTH AVE CRM	12-13 Upper, G/F, Diliman Commercial Center; Commonwealth Ave., Diliman Quezon City
347	ASIATOWN IT PARK CRM	G/F TGU Tower, Asiatown I.T. Park, Lahug, Cebu
348	SAN AGUSTIN DELA COSTA CRM (LIBERTY CENTER)	G/F Liberty Center 102 HV Dela Costa corner San Agustin Streets, Salcedo Village, Makati City
349	AYALA MADRIGAL CRM 1	G/F, Don Vicente Madrigal Building, 6793 Ayala Avenue, Makati City
350	TAGBILARAN CRM	J.S. Torralba St. corner CPG Avenue, Tagbilaran City, Bohol
351	BACOLOD LACSON CRM	G/F PhilAm Bldg., Lacson cor. Galo St., Bacolod City
352	NOVALICHES GULOD ATM	854 Quirino Highway, Gulod, Novaliches, Quezon City
353	SAN FDO. CONSUNJI ATM	3M Bldg., MacArthur Highway, San Agustin, San Fernando, Pampanga
354	SHAW PASIG CRM	Chipeco Bldg., Shaw Blvd. corner Meralco Ave., Pasig City
355	SAN PEDRO LAGUNA 2	Manila South Road corner Cataquiz Avenue, Brgy. Landayan, San Pedro, Laguna
356	FOTON CLARK	Lot 1A, Lot 1B and Lot 2 Prince Balagtas Avenue, Clark Freeport Zone
357	VISAYAS CONGRE ATM1	G/F, Unit 101, WMG Bldg., 47 Visayas Ave., Brgy Culiat
358	VISAYAS CONGRE ATM2	G/F, Unit 101, WMG Bldg., 47 Visayas Ave., Brgy Culiat
359	VISAYAS CONGRE CRM	G/F, Unit 101, WMG Bldg., 47 Visayas Ave., Brgy Culiat
360	UNITED AUCTIONEER	United Auctioneers Inc. Bldg.1455 Argonaut Highway Subicbay Freeportzone, Olongapo
361	MEDICAL CENTER PQUE CRM	G/F, Medical Center Paranaque, Dr. A Santos Avenue, Brgy San Antonio, Paranque
362	AFPMBAI	AFPSLA Building, EDSA corner Colonel Bonny Serrano, Camp Aguinaldo, Quezon City, Metro Manila
363	YUCHENGCO CRM	Escolta corner Yuchengco Sts., Binondo
364	GENERAL SANTOS CRM	G/F Laiz Building, Pioneer Avenue, General Santos City
365	NEWPORT WORLD RESORTS	Newport World Resorts Manila, Newport Boulevard, Newport City Pasay 1309, Metro Manila (Garden Wing Ground Floor (near Cage A) near rest room)
366	RAFI	35 Eduardo Aboitiz St. Tinago, Cebu City, 6000

	Branch Name	Address
367	ST DOMINIC	St. Dominic Medical Center, Aguinaldo Highway, Talaba, Bacoor Cavite
368	MABUHAY FILCEMENT	San Fernando, Cebu
369	EMPIRE EAST	6th Floor The Paddington Place, Shaw Boulevard, Mandaluyong City.
370	GERI	9/F Eastwood Global Plaza, Bagumbayan Eastwood City
371	CEBU EXCHANGE ATM	Cebu Exchange Arthaland Retail 1D and 1E Cebu Exchange, Salinas Dr. Lahug, Cebu City
372	CEBU EXCHANGE CRM 1	Cebu Exchange Arthaland Retail 1D and 1E Cebu Exchange, Salinas Dr. Lahug, Cebu City
373	CEBU EXCHANGE CRM 2	Cebu Exchange Arthaland Retail 1D and 1E Cebu Exchange, Salinas Dr. Lahug, Cebu City
374	MILLENIAL RESORTS	Calatagan South Beach Leisure Toursim Estate Brgy. Santa Ana, Batangas City
375	UNIVERSITY OF BAGIUO CRM	University of Baguio General Luna Road, Baguio City
376	SAVOY HOTEL	Newport blvd, Andrew Ave. Pasay City 1309
377	MALINTA	No. 295, Mirjan Building, Maysan Road, Paso de Blas, Valenzuela City
378	MALINTA2	No. 295, Mirjan Building, Maysan Road, Paso de Blas, Valenzuela City
379	ELECTROLINE CORP	Masagana St. Pinagbarilan, Baliuag Bulacan
380	SITEL BAGUIO ATM1 SITE2	Standard factory bldg 2 SFB Compound, BCEZ, Loakan Road, Baguio City Benguet.
381	BETAINE ATM1	15 Zeta Tower E Rodriguez Jr., Ave. cor Ortigas Ave., bridgestowne, West Ugong Norte, QC.
382	ACEA SUBIC RESORTS	ACEA Subic Beach Resort, The Dungaree Beach, San Bernardino Road, Subic Bay Freeport Zone
383	BUILDNET ATM	Sitio Narra, Barangay Akle, San Ildefonso, Bulacan
384	BUKIDNON	BCC COMMERCIAL BUILDING- DAMILAG HI-WAY MANOLO FORTICH, BUKIDNON
385	UBIC ATM	Ynion Drive, Magsaysay Road, San Antonio, San Pedro, Laguna
386	UBIC CRM	Ynion Drive, Magsaysay Road, San Antonio, San Pedro, Laguna
387	CEBU AUTOLIV	3rd St. Cor. 3rd Ave. Mepz-1, MEPZ 1, Lapu-Lapu City, 6015 Cebu
388	MARY MEDIATRIX	JP Laurel Highway, Mataas na Lupa Lipa City Batangas
389	JP MORGAN BGC ATM	6th floor 9th Avenue corner 38th Street, Uptown Bonifacio, Taguig City, Philippines 1635
390	JP MORGAN BGC ATM2	6th floor 9th Avenue corner 38th Street, Uptown Bonifacio, Taguig City, Philippines 1635
391	JP MORGAN CEBU ATM	7th Floor E-bloc Tower, Jose Ma. Del Mar Avenue, Asiatown IT Park, Apas, Cebu City, Philippines 6000
392	LOURDES HOSPITAL CRM	Our Lady of Lourdes Hospital 46P Sanchez St. Sta. Mesa Manila

	Branch Name	Address
393	BETAINE ATM2 - Iloilo	4th Floor, Recreational Area, Cybergate Tower 3, Senator Benigno Aquino Jr. Avenue, Brgy. Ungka III, Pavia, Iloilo
394	UBP 6754 AYALA CRM1	G/F PNB Makati Center, 6754 Ayala Avenue, Brgy. San Lorenzo, Makati City
395	UBP 6754 AYALA ATM1	G/F PNB Makati Center, 6754 Ayala Avenue, Brgy. San Lorenzo, Makati City
396	BAGUIO CRM	PF Floor, Cedar Peak Building, Corner General Luna Road and Mabini Street, Baguio City 2600
397	MUZON TERMINAL CRM	Muzon Central Terminal And Market, Villarica Road, Brgy Muzon, San Jose Del Monte Bulacan
398	STOTSENBERG ATM	Gil Puyat Avenue Cor. Andres Soriano St. Clark Freeport Zone Pampanga (lobby main entrance casino, ground floor Stotsenberg Hotel)
399	NORTH STAR BULACAN	9001 Dona Feliza Village Tierra Dayao Santa Cruz, Guiguinto, Bulacan 3015
400	CEBU AFGU1	Ground Floor, Ayala Life-FGU Center, Mindanao Avenue corner
401	ADB	No.6 ADB Avenue, Ortigas Center, Mandaluyong City, Metro Manila
402	ARK3	G/F, Insular Life Bldg., Ayala Avenue corner Paseo De Roxas, Salcedo Village, Makati City
403	EDSA SHANG MALL	Lower Ground Floor, Shangri-La Plaza, EDSA corner Shaw Boulevard, Mandaluyong City
404	CGS PLASTICS	272 General Luis Street Caybiga Caloocan City (Don Dave Litson Manok) (Caybiga Bazaar)
405	GULLAS COLLEGE CRM	Gov. M. Cuenco Ave. Banilad, Mandaue City Cebu
406	LAMCO PASIG	Alva Business Center 259 C. Raymundo Ave. Maybunga, Pasig City (2nd Floor)
407	BEAWESOME DAVAO	Cybergate Delta 2 6th Floor Robinson Cybergate DVO, Governor Paciano Brgy, Agdao District, Davao City 8000
408	VALLEY BREAD	AE 220 Poblacion La Trinidad Benguet
409	MNL POLO CLUB	Manila Polo Club, McKinley Road, Makati City
410	NAIA T3	Ground Floor, NAIA Terminal 3, Andrews Avenue, Pasay City
411	UAA GROUP INC	Lot24 Blk.11 Commonwealth Holy Spirit Quezon City (Chery Commonwealth)
412	KINGSFORD MANILA	Bagong Nayong Pilipino Entertainment City, Tambo Paranaque City
413	MANILA PEN	Lower Ground Floor, Manila Peninsula Hotel, Makati City
414	TRANSGLOBAL CRM	PK Bldg. Ninoy Aquino Ave. Pascor Drive Brgy. Sto Nino Paranaque City
415	IBEX TIENDESITAS	Unit 301 Silver City Building, Tiendesitas, Frontera Verde, Ugong, Pasig City, Metro Manila, Philippines, 1604
416	IBEX ALABANG	8th Flr. CTP Asean Tower 2409 Asean Drive, Spectrum District, Filinvest City, Alabang, Muntinlupa City 1781

	Branch Name	Address
417	FRABELLE CORP	1051 Northbay Boulevard, Navotas City 3rd District NCR
418	IBEX CUBAO	22nd flr. Cyberpark Tower 2 Cubao, Quezon City, Metro Manila Philippines
419	NETSEC TECH INC	47 East Business Hub, 47 Esteban Abada St. Loyola Heights Quezon City
420	SOUTHWOODS MALL	2F, ATM 203 Southwoods Mall, Southwoods City, Biñan Laguna
421	UB SQUARE 1	Ground Floor, Citibank Square, 1 Eastwood Aveue, Eastwood City, Barangay Bagumbayan, Quezon City
422	UB SQUARE 2	Ground Floor, Citibank Square, 1 Eastwood Aveue, Eastwood City, Barangay Bagumbayan, Quezon City
423	US EMBASSY	2nd Floor, US Embassy, Roxas Boulevard, Manila City
424	CT PLAZA 17F 1	17F 34th Street, Taguig City
425	CT PLAZA 17F 2	17F 34th Street, Taguig City
426	NE GREENHILLS 2	Ground Floor, 22 Fort & Ester Building, Missouri Street, Northeast Greenhills, San Juan City
427	INSULAR WB1	Ground Floor, Insular Life Corporate Centre, Insular Drive, Filinvest Corporate City, Alabang, Muntinlupa City
428	INSULAR WB2	Ground Floor, Insular Life Corporate Centre, Insular Drive, Filinvest Corporate City, Alabang, Muntinlupa City
429	CEBU AFGU2	Ground Floor, Ayala Life-FGU Center, Mindanao Avenue corner
430	CEBU AFGU CRM1	Ground Floor, Ayala Life-FGU Center, Mindanao Avenue corner
431	CEBU AFGU CRM2	Ground Floor, Ayala Life-FGU Center, Mindanao Avenue corner
432	ARK ATM4	G/F, Insular Life Bldg., Ayala Avenue corner Paseo De Roxas, Salcedo Village, Makati City
433	GREENBELT 5	2F Greenbelt 5, Phase 2 legaspi st. Legaspi Village Makati City
434	BGC CSM	Basement 1, Central Square, BGC High Street, Taguig City
435	ADB2	No.6 ADB Avenue, Ortigas Center, Mandaluyong City, Metro Manila
436	CDE DE CEBU	107, 109 V. Ranudo St, Cebu City
437	AAVA ATM	Cuenca Field Park And Soccer Field, Ayala Alabang Village Muntinlupa
438	UB SQUARE CRM	Ground Floor, Citibank Square, 1 Eastwood Aveue, Eastwood City, Barangay Bagumbayan, Quezon City
439	NEGH CRM2	Ground Floor, 22 Fort & Ester Building, Missouri Street, Northeast Greenhills, San Juan City
440	INSULAR WB CRM	Ground Floor, Insular Life Corporate Centre, Insular Drive, Filinvest Corporate City, Alabang, Muntinlupa City
441	THE RITZ TOWER	The Ritz Towers Condominium, Apartment Drive, 6745 Ayala Avenue Makati City

	Branch Name	Address
442	CMA T1 DEPARTURE	Terminal 1 South Wing Departure (Slot U) of Mactan-Cebu International Airport
443	ADB CRM	No.6 ADB Avenue, Ortigas Center, Mandaluyong City, Metro Manila
444	ARK CRM4	G/F, Insular Life Bldg., Ayala Avenue corner Paseo De Roxas, Salcedo Village, Makati City
445	ARK CRM1 (MEZZANINE)	Insular Building Ayala Avenue., corner Paseo de Roxas Makati City
446	NEW COAST1	3F Casino near entrance New Coast Hotel Manila 1588 M.H Del Pilar St Cor Pedro Gil St Zone 76 Barangay 699 1004 Malate
447	NEW COAST2	3F Gaming area near escalator New Coast Hotel Manila 1588 M.H Del Pilar St Cor Pedro Gil St Zone 76 Barangay 699 1004 Malate
448	SITEL ATC	Alabang Town Center (ATC) - 9th Floor Pantry Area, ATC Corporate Center BPO 1 Building, Access Road, Alabang,Muntinlupa City
449	CMA T1 ARRIVAL	South Wing Arrival (Slot K) of Mactan-Cebu International Airport
450	GRAND WESTSIDE1	Main Lobby South Tower Bagong Nayong Pilipino, Entertainment City, Tambo, Paranaque, Philippines
451	GRAND WESTSIDE2	Employee Entrance Loading Dock Bagong Nayong Pilipino, Entertainment City, Tambo, Paranaque, Philippines
452	SOLAIRE NORTH 1	1 Solaire Way, Vertis North, Bagong Pag-asa., Quezon City. 1105 Philippines (L2 ATM 4)
453	SOLAIRE NORTH 2	1 Solaire Way, Vertis North, Bagong Pag-asa., Quezon City. 1105 Philippines (L3 ATM 5)
454	SITEL GLORIETTA	Glorietta 1 Makati (5F beside BDO ATM machine in front of recruitment hub.) Glorietta BPO 1 Office Tower, Hotel Drive, Ayala Center, Makati City, 1224 Philippines
455	MACTAN SHANGRI-LA	Punta Engano Road, Lapu Lapu City, Cebu
456	FOUNDEVER MABOLO	Synergis – Cebu, 3F Lobby or 5F Lobby, F. Cabahug St., Mabolo, Cebu City
457	FOUNDEVER MAX HUB	RGC - Cebu, 3rd Floor Pantry Area,, Robinson's Galleria Cebu BPO Offices, Gen. Maxilom Ave., Cebu City
458	FOUNDEVER BENEDICTO	Robinsons Cybergate Galleria Cebu Commerce corner Benedicto Sts. Cebu City 6000
459	HANN MARRIOTT	Basement employee Marriott Bldg 5398, M.A. Roxas Highway corner C.M. Recto, Zone, Clark Freeport, Mabalacat, 2023 Pampanga
460	CT PLAZA 17F 3	17F 34th Street, Taguig City
461	HANN SWISSOTEL	Level 3 Swissotel Bldg 5399, M.A. Roxas Highway corner C.M. Recto, Zone, Clark Freeport, Mabalacat, 2023 Pampanga
462	GRAB MARIKINA CRM	#56&#58 Bonifacio Avenue, Barangay Barangka, Marikina City
463	UBIQUITY CDO	Cagayan De Oro Site - 3F Limketkai Mall, Module 2, BPO & Cyberpark Bldg., Cagayan De Oro

	Branch Name	Address
464	EPERFORMAX CEBU	JY Square IT Center 1 & 3, Salinas Drive, Lahug, Cebu City
465	ARK ATM MEZZANINE	G/F, Insular Life Bldg., Ayala Avenue corner Paseo De Roxas, Salcedo Village, Makati City
466	AB LEISURE BGC ATM	36th floor Ecoprime Building, 32nd St. corner 9th Avenue, Bonifacio Global City
467	AB LEISURE BGC CRM	36th floor Ecoprime Building, 32nd St. corner 9th Avenue, Bonifacio Global City
468	JETOUR QC	33 Quezon Ave. Santo Domingo (Matalahib) Quezon City
469	COMMONWEALTH AVE3	12-13 Upper, G/F, Diliman Commercial Center; Commonwealth Ave., Diliman Quezon City
470	ATC CRM	Commerce Ave., Makati Supermart Alabang, Alabang Town Center, Muntinlupa, 1780 Metro Manila
471	CEBU MACTAN NT. ATM2	G/F, Retail 2 & 3, Plaza Magellan Tower 1, Mactan Newtown, Lapu Lapu City
472	FOUNDEVER AYALA 30TH	10th floor Foundever, Ayala 30th corporate center, 30 Meralco AVE., Ugong , Pasig City
473	DASMARINAS CAVITE CRM	Congressional Road corner Gov. D Mangubat Ave. Aguinaldo Hi-way, Dasmariñas City, Cavite
474	STOTSENBERG ATM2	Gil Puyat Avenue Cor. Andres Soriano St. Clark Freeport Zone Pampanga (lobby main entrance casino, ground floor Stotsenberg Hotel)
475	JP MORGAN BGC ATM3	7th floor 9th Avenue corner 38th Street, Uptown Bonifacio, Taguig City, Philippines 1635
476	JP MORGAN BGC ATM4	7th floor 9th Avenue corner 38th Street, Uptown Bonifacio, Taguig City, Philippines 1635
477	LAGUINDINGAN CRM	Laguindingan, Misamis Oriental, Mindanao
478	BEATITUDE AIC BALIUAG ATM	DRT Highway Sabang, Baliuag Bulacan Region III Central Luzon 3006
479	HANN RESORT CRM	8th Avenue Lifestyle Mall - M.A. Roxas Highway cor C.M. Recto, Zone, Clark Freeport Mabalacat Pampanga
480	ABOITIZ POWER	11F Ayala Triangle Gardens Tower 2, Paseo De Roxas Corner Makati Avenue, Bel-Air 1209, City Of Makati, NCR, Second District, Philippines
481	UBIQUITY BACOLOD	3rd Floor Bacolod Cuber Center - Pantry Area, Phase 5, Negros First Cybercentre, Lacson cor. Hernaez St., Bacolod City
482	NEW ZEALAND CREAMERY ATM	CIP 1, Carmeltown, Canlubang, Calamba, Laguna
483	BAESA CRM	G/F, Baesa Town Center, 232 Quirino Highway, Baesa, Quezon City
484	ROBOMATRIX TECH INC ATM	Lower Ground Floor, College Point, Estrada St., cor. Arellano Ave. San Andres Manila
485	BEATITUDE AIC NORTH EDSA ATM	931 & 933 Edsa Philam Quezon City
486	E-BOW ATM	Ynion Drive, Magsaysay Road, San Antonio, San Pedro, Laguna
487	STRONGFORTH LC BULACAN	533 Cagayan Valley Road Sampaloc San Rafael Bulacan

	Branch Name	Address
488	HANN RESORT ATM1	Level 1 Gaming & Car Ext. Bldg. Rewards Area M.A. Roxas Highway cor C.M. Recto, Zone, Clark Freeport Mabalacat Pampanga
489	URDANETA ATM	G/F, Wheels and Wonder Square, MacArthur Highway, Brgy Nancayasan, Urdaneta City, Pangasinan

City Savings Bank, Inc.

	Branch Name	Address
1	Abulug	Java Commercial Center National Road, Libertad, Abulug, Cagayan
2	Alaminos	Quezon Avenue, Poblacion Alaminos City, Pangasinan
3	Alicia	Nick Hotel Bldg.,Maharlika Highway, Antonino, Alicia Isabela
4	Angeles	Diamond Spring Hotel,192 McArthur Highway, Barangay Balibago, Angeles City, Pampanga
5	Anonas	Ground Floor Belmont Place Building, No. 5 Anonas Street, Project 3, Quezon City
6	Antipolo	Unit 105 Rikland Center Marcos Highway Mayamot Antipolo City, Rizal
7	Antique	C.R. Building, T.A. Fornier St., San Jose, Antique
8	Aparri	Maharlika Highway, Macanaya, Aparri, Cagayan
9	Aurora	National Highway, San Jose, Aurora, Isabela
10	Bacolod	Unit 4 - 6 G/F 722 Metropolis Tower, Lacson St., Mandalagan, Bacolod City, Negros Occidental
11	Bacoor	G/F San Miguel Bldg, Panapaan I, Aguinaldo Hi-way Bacoor Cavite
12	Baguio	Ground Floor Insular Life Building, Abanao Extension, Corner Legarda Street, Baguio City, Benguet
13	Balamban (2 ATMs)	E.S. Binghay Street. Brgy. Santa Cruz-Santo Nino-(POB), Balamban, Cebu
14	Balanga	Arzadon Bldg Don Manuel Banzon Avenue, Dona Francisca, Balanga City Bataan
15	Baler	Ground Floor Etcubanez Bldg., M.L Quezon Highway, Brgy. Suklayin, Baler, Aurora
16	Baliuag	Unit 5 & 6 R-Building DRT Hi-way, Pinagbarilan, Baliwag, Bulacan
17	Bantay	Zone 2 National Highway Corner Real St. Brgy. 2 Bantay, Ilocos Sur
18	Batangas	Junction Commercial Complex Zone 12 Padre Burgos Batangas City Batangas
19	Bayambang	EPAY Building, Juan Luna Street, Poblacion Sur, Bayambang, Pangasinan
20	Bogo	Sim Bldg. P. Rodriguez St., Bogo, Cebu City
21	Borongan	JRC Bldg., Songco, Borongan, Eastern Samar
22	Butuan	Imadejas Triangle, JC Aquino Avenue, Imadejas Subdivision, Butuan City

	Branch Name	Address
23	Cabanatuan	701 Paco Roman St., Dimasalang, Cabanatuan City, Nueva Ecija
24	Cabatuan	Purok 2, Centro, Cabatuan, Isabela
25	Cadiz	Laura Hotel, Villena St., Cadiz, Negros, Occidental
26	Cagayan de Oro	TS Fashion Building, Corrales Ave. (between J. Ramonal & R. Chaves Sts., Cagayan de Oro City
27	Calamba	Unit #1EF G/F Margimel Bldg., National Highway, Brgy. Halang, Calamba City, Laguna
28	Calapan	Pure Gold - Calapan, J.P. Rizal Street, Barangay Camilmil, Calapan City, Oriental Mindoro
29	Calbayog	Youxiu Bldg., Maharlika Highway, P1 Brgy. Obrero, Calbayog City, Western Samar
30	Caloocan	Dianne Building No. 746 Rizal Avenue Extension, Grace Park, Caloocan City
31	Carcar	Units 1-4, Dr. Paulino H. Lopez Building Poblacion 1, Rotunda, Carcar City, Cebu
32	Catarman	Camara Building 1305 Bonifacio corner Garcia Sts., Barangay Mabolo, Catarman, Northern Samar
33	Cauayan	National Highway, Brgy. Cabaruan, Cauayan City, Isabela
34	Daet	Ground Floor Central Plaza Mall, Central Plaza Complex, Barangay Lag-on, Daet, Camarines Norte
35	Dagupan	Rudel Building Perez Boulevard, Corner Guilig Street, Dagupan City, Pangasinan
36	Dasmariñas	Lot 5 & 6, Block 94, Governor's Drive, Metrogate Subdivision, Dasmarinas City, Cavite
37	Davao	Doors 1-4 Red Cross Bldg., M. Roxas Avenue, Davao City
38	Diffun	Purok 7 National Highway Andres Bonifacio, Diffun, Quirino
39	Digos	Door 6,7,8 USPD Bldg.,Rizal Avenue, Digos City, Davao Del Sur
40	Dipolog	Bolusan Bldg., Sergio Osmena Street, Central Barangay, Dipolog City
41	Dumaguete	Corner Dr. V. Locsin & Real Streets., Dumaguete CIty, Negros Oriental, Philippines
42	Echague	R&J Building, Maharlika Highway, Ipil Junction, Echague, Isabela
43	Gapan	Primark Towncenter, Gapan City; Nueva Ecija
44	General Santos	DIMDI Bldg Santiago Boulevard Dadiangas South, General Santos City South Cotabato
45	Gumaca	#19 A Bonifacio Street, Barangay Tabing Dagat, Gumaca, Quezon
46	Ilagan	4J Commercial, Baligatan, City of Ilagan, Isabela
47	Iloilo	Ground Floor 143 Esperanza Building, General Luna Street, Iloilo City
48	Infanta	General Luna Street, Publacion 39, Infanta Quezon Province

	Branch Name	Address
49	Iriga	Ground Floor Everest Plaza, Zone 5, Highway 1, Brgy. San Miguel, Iriga City Camarines Sur
50	Kabankalan	CM Bldg., Corner Guanzon & Azcona Sts., Kabankalan City
51	Kalibo	G/F Cruzadel Bldg, Archbishop Reyes St. Poblacion, Kalibo, Aklan
52	Kidapawan	Ground Floor - Aspilla Bldg. Quirino Drive, North Cotabato, Kidapawan City.
53	Koronadal	Villa Amor Hotel, Door 14, General Santos Drive corner Arellano Street, Koronadal City
54	La Union	Kenny Plaza, Quezon Ave., Catbangen, San Fernando City, La Union
55	Laoag	National Highway Brgy 51A, Nangalisan East Laoag City, Ilocos Norte
56	Las Pinas	Alabang - Zapote Road Corner Crispina Avenue, Pamplona, Las Pinas City
57	Leganes	Pestaño Bldg., Gustilo St., Poblacion, Leganes, Iloilo
58	Legazpi	Tower Mall 4, LandCo Business Park, Capantawan, Legazpi City, Albay
59	Lemery	NVS Bldg, Barangay Malinis 4209, Lemery, Batangas
60	Lipa	G/F 1NK Centre, General Luna St., Barangay Sabang, Lipa City, Batangas
61	Lucena	Ground Floor ML Tagarao Street, Barangay 5, Lucena City, Quezon
62	Malolos	Unit 109B to 111 GF. Vista Mall, Malolos, Bulacan
63	Mandaue	Doors 3 And 4 Citybridge Plaza A.C. Cortes cor. P. Burgos St. Mandaue (City) Cebu
64	Marikina	#3 G. Fernando Avenue, San Roque, Marikina City
65	Marilao	Ground Floor RL Building, McArthur Highway Abangan Norte Marilao, Bulacan
66	Masbate	Upper Ground Floor, Gaisano Capital Mall, National Highway, Masbate City
67	Mati	Door 5-6 Andrada Bldg, Rizal Street, Barangay Central,Mati City, Davao Oriental, 8200
68	Naga	Door #44-45 CBD II Terminal, Triangulo, Naga City, Camarines Sur
69	Naguilian	Maharlika Highway, Purok 4, Upi, Gamu, Isabela
70	Navotas	M. Naval Street, Navotas City
71	North Caloocan	Door 1-4 R-V Sabangan Building, 500 Susano Road, Hillcrest Village, Camarin, Caloocan City
72	Olongapo	Ground Floor PNRC Building, Magsaysay Drive, Olongapo City, Zambales
73	Ormoc	1st & 2nd STP Bldg, Aviles St., Ormoc City
74	Ortigas	G/F. UnionBank Plaza, Meralco Avenue, cor. Sapphire St. and Onyx St., Ortigas Center, Brgy. San Antonio, Pasig City
75	Pagadian	F&N Building, San Francisco District, Pagadian City, Zamboanga del Sur

	Branch Name	Address
76	Palawan	UnionBank Bldg. Unit 1 A, Bgy. Maningning, Puerto Princesa City, Palawan
77	Pampanga	Unit 102 Suburbia Commercial Center, Brgy. Maimpis, San Fernando City, Pampanga
78	Paniqui	228 MH Del Pilar St., Brgy Estacion Panique, Tarlac
79	Ramon	Purok 1, National Highway, Bugallon Proper, Ramon, Isabela
80	Roxas Capiz	Bonifacio (McKinley) St., Roxas City, Capiz
81	Roxas Isabela	Don Mariano Marcos Avenue Bantug Roxas Isabela
82	Sampaloc	1880 G. Tuazon St. Corner Algeciras St., Sampaloc, Manila City
83	San Carlos	Doors 2-4 Heritage Bldg. , F.C. Ledesma Ave., San Carlos City
84	San Jose Del Monte	RECH B1 Quirino Highway Brgy. Sto. Cristo San Jose del Monte, Bulacan
85	San Jose Nueva Ecija	Mario Salvador Building, Maharlika Highway, Barangay Malasin, San Jose City, Nueva Ecija
86	San Jose Occidental Mindoro	Lebrilla Ang Building, Burgos Corner Rizal Street, Barangay Poblacion 1, San Jose Occidental Mindoro
87	San Mateo	Alicia Road Barangay 1, San Mateo, Isabela
88	San Miguel	R Building Daang Maharlika Highway Sta Rita Matanda, San Miguel Bulacan
89	Santiago	Ground Floor Insular Life Building, Maharlika Highway, Santiago City, Isabela
90	Sogod	Corner Concepcion and Mangkaw Streets, Barangay Zone 1 Sogod, Southern Leyte
91	Solano	Ground Floor Ongtao Building, J.P. Rizal Avenue corner Burgos Street, Quirino, Solano, Nueva Vizcaya
92	Sorsogon	WCI Building, Unit number 7-8, National Highway, Brgy. Cabid-an, Sorsogon City
93	Sta. Ana	National Highway Centro, Sta Ana, Cagayan
94	Sta. Cruz	P. Guevarra Street, Poblacion, Barangay IV, Sta. Cruz, Laguna
95	Sta. Rosa	G/F Unitop Mall, Balibago Commercial Complex, Balibago Sta Rosa City, Laguna
96	Sto Nino	City Savings Financial Plaza, Corner Osmeña Blvd. & P. Burgos St., Cebu City
97	Surigao	Ground Floor Parkway Mall Km 3, Barangay Luna, National Highway, Surigao City
98	Tacloban	YPL Bldg., Door #3 Salazar St., Tacloban City
99	Tagaytay	Lot I2 E. Aguinaldo Highway, Brgy. San Jose, Tagaytay City, Cavite
100	Tagbilaran	0186 C.P. Garcia Avenue, Poblacion II, Tagbilaran City, Bohol
101	Taguig	48 Gen Alfredo Santos Avenue, Lower Bicutan, Taguig City
102	Tagum	Ground Floor PLJ Building, Apokon Road, Tagum City, Davao del Norte

	Branch Name	Address
103	Tanjay	Door 2-5, Sweet Lady Bldg., Legaspi St., Brgy. Poblacion 8, Tanjay, Negros Oriental
104	Tarlac	Plaza de Oro Arcade, MacArthur Highway, Sto. Cristo, Tarlac City Tarlac
105	Taytay	National Road, Sitio Ilog Pugad, Barangay San Juan, Taytay, Rizal
106	Tondo	Unit 10 & 11 Ushio Plaza V. Honorio Lopez Boulevard, Barangay 148, Tondo, Manila
107	Tuguegarao	Unit 3 & 4 DR Asuncion Bldg Mabini St, Ugac Norte, Tuguegarao City 3500
108	Ubay	Ground Floor Rogelio Inn Building, Colonel Marciano Garces Street, Poblacion, Ubay, Bohol
109	Urdaneta	Honaco Commercial Building, National Highway, Urdaneta City, Pangasinan
110	Valencia	CitySavings Bank- Purok 17 Poblacion Hagkol Valencia
111	Valenzuela	389 Mc Arthur Highway, Malinta, Valenzuela City
112	Zamboanga	RHW Bldg., Mayor Jaldon St., Brgy. Canelar, Zamboanga City, Zamboanga del Sur

Annex 2

UNION BANK OF THE PHILIPPINES
LIST OF BANK-OWNED BRANCHES
As of December 31, 2025

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
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 - GEN LUNA	General Luna St., Brgy. Villa Anita, Iloilo City
OLONGAPO	87 Magsaysay Drive, East Tapinac, Olongapo City, Zambales
RICHVILLE	G/F, Richville Corporate Tower, Madrigal Business Park, Alabang Zapote Rd., Alabang, Muntinlupa 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 - 338 sqm (T-021-2012000001)
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.

Branch Name	Address
Executive Office And Ibaan Branch	Santiago St. Poblacion Ibaan Batangas
Calaca City	Marasigan St., Poblacion 5, Calaca, Batangas

Branch Name	Address
Cuenca	National Road, Poblacion, Cuenca, Batangas
Mabini	Poblacion, Mabini, Batangas
Nasugbu	Mulingbayan St., Brgy. 9, 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	Rizal Avenue, Poblacion 2, Nagcarlan, Laguna
Pagsanjan	Gen. Taiño St., Brgy. Poblacion 1, Pagsanjan, Laguna
Balasan	Del Rosario St., Poblacion Sur, Balasan, Iloilo
Kabulig(branch lite)	Del Rosario St., Poblacion Sur, Balasan, Iloilo

Annex 3

UNION BANK OF THE PHILIPPINES
LIST OF LEASED BRANCHES
As of December 31, 2025

Union Bank of the Philippines

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
2ND AVENUE - GLOBAL CITY	G/F, Unit 1, Blue Sapphire Bldg., 2nd Avenue, Bonfacio 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
BACOOR	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. Kabayanihan , 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, Bonifcaio 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
CAUAYAN - ISABELA	G/F Isabela Trade Center Bldg., 135 Pan-Philippine Highway, Cauayan, Isabela	122,971.27	November 14, 2028	5
CEBU ACO	LGF, AboitizCorporate 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
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, Dasmarinas, 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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 Hway., 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
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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
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 Antoniio, Sucat, Parañaque City	193,410.00	February 28, 2028	3
MEYCAUAYAN	G/F Marian Bldg., MacArthur Highway, Calvario, Meycauayan, 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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 Sct. 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 WackWack, 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 Sct. Lozano St., Quezon City	249,713.42	November 30, 2029	5
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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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. Culiat, 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
FORMER CITI GREENHILLS / UNIONBANK NORTHEAST	22 Missouri St., Northeast Greenhills, San Juan City	1,769,510.73	November 30, 2029	5
FORMER CITI CEBU / UNIONBANK CEBU AYALA - FGU	G/F Ayala Life-FGU Center, Biliran Rd, Cebu City	366,240.00	June 30, 2025	5
FORMER CITI ADB / UNIONBANK ADB	G/F ADB Bldg., 6 ADB Avenue, Mandaluyong City			-

City Savings Bank, Inc.

Branch Name	Address	Monthly Rental	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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
ANONAS	Ground Floor Belmont Place Building, No. 5 Anonas Street, Project 3, Quezon City	82,000.00	July 22, 2030	5
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	Rodriquez Building Rental (Formely 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
BACOOR	San Miguel Commercial Building situated at E. Aguinaldo Highway, Panapaan I, Baccor 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. Binghay 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
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 Bgry. 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, Dasmarinas 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	Unit 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 Osmena 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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
GOA	#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, Publacion 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 Aspilla 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., Catbangen, San Fernando City, La Union	88,421.05	February 28, 2027	5

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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
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	#3 Gil Fernando Avenue, San Roque, Marikina City	136,914.52	June 04, 2029	5
MARILAO	RICHLANE Building McArthur Hi-way, 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, #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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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 St. and Onyx St., 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
PANIQUI	228 MH Del Pilar St., Estancion, Paniqui Tarlac	54,000.00	August 14, 2030	5
PLARIDEL	RBuilding, 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
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

Branch Name	Address	Monthly Rental	Expiration of Lease	Term of Renewal
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 #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
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	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. Tabing 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
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 Philippines	60,000.00	August 31, 2030	every 5 years

UNION BANK OF THE PHILIPPINES
Index to Financial Statements and Supplementary Schedules
Form 17-A Item 7
December 31, 2025

Statement of Management's Responsibility for Financial Statements

Independent Auditors' Report
--- SyCip Gorres Velayo & Co.

Statements of Financial Position
As of December 31, 2025, and 2024

Statements of Income
For the years ended December 31, 2025, 2024 and 2023

Statements of Comprehensive Income
For the years ended December 31, 2025, 2024 and 2023

Statements of Changes in Capital Funds
For the years ended December 31, 2025, 2024 and 2023

Statements of Cash Flows
For the years ended December 31, 2025, 2024 and 2023

Notes to Financial Statements

Supplementary Information

Sustainability Report

Outlook

Fw: Your BIR AFS eSubmission uploads were received

From Ana Estela G. Marcelino <aegmarcelino@unionbankph.com>
Date Tue 4/14/2026 5:40 PM
To Aellen L. Valenzuela <alvalenzuela@unionbankph.com>

Thank you.

Regards,

Estela

Ana Estela Marcelino

Financial Controllership Group | Financial Reporting and Accounting Standards Team
M: 0917 822 0824 | 0939 936 3574
18F UnionBank Plaza Bldg. Meralco Ave. cor. Onyx Road, Ortigas Center, Pasig City 1605

From: Arminda M. Cabacoy <aamaquiran@unionbankph.com>
Sent: Monday, April 13, 2026 3:52 PM
To: Ana Estela G. Marcelino <aegmarcelino@unionbankph.com>
Subject: Fw: Your BIR AFS eSubmission uploads were received

Hi Ms Estela,

Please see bir email confirmation on ITR and AFS submission.

Thank you.

Amy

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Monday, April 13, 2026 3:04 PM
To: Menchie M. Tormon <mmtormon@unionbankph.com>
Cc: Arminda M. Cabacoy <aamaquiran@unionbankph.com>
Subject: Your BIR AFS eSubmission uploads were received

CAUTION: This message was sent from outside of UnionBank of the Philippines. Please do not click links or open attachments unless you recognize the source of this email and know the content is safe. Please report all suspicious emails to Cybersecurity as an attachment.

Hi UNION BANK OF THE PHILIPPINES,

Valid files

- EAFS000508271ITRTY122025.pdf
- EAFS000508271AFSTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-C8DBL6B607EE69J98NPVZ1S2Q079F668G**
Submission Date/Time: **Apr 13, 2026 03:04 PM**
Company TIN: **000-508-271**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.
For Encrypted Emails click here for instructions ========== DISCLAIMER ========== This email and its attachments may be confidential and are intended solely for the use of the individual or entity to whom it is addressed. If you are not the intended recipient of this email and its attachments, you must take no action based upon them, nor must you disseminate, distribute or copy this e-mail. Please contact the sender immediately if you believe you have received this email in error. E-mail transmission cannot be guaranteed to be secure or error-free. The recipient should check this email and any attachments for the presence of viruses. The Bureau of Internal Revenue does not accept liability for any errors or omissions in the contents of this message which arise as a result of e-mail transmission. For Encrypted Emails click here for instructions

========== DISCLAIMER ========== This email and its attachments may be confidential and are intended solely for the use of the individual or entity to whom it is addressed. If you are not the intended recipient of this email and its attachments, you must take no action based upon them, nor must you disseminate, distribute or copy this e-mail. Please contact the sender immediately if you believe you have received this email in error. E-mail transmission cannot be guaranteed to be secure

or error-free. The recipient should check this email and any attachments for the presence of viruses. The Bureau of Internal Revenue does not accept liability for any errors or omissions in the contents of this message which arise as a result of e-mail transmission.
For any concerns, you can contact us through our Customer Service Hotline at (+632) 8841-8600 or you may visit www.unionbankph.com. Union Bank of the Philippines is regulated by the Bangko Sentral ng Pilipinas (BSP) https://www.bsp.gov.ph.
DISCLAIMER : This message (and any attachment hereto) may contain privileged and/or confidential information and is meant solely for the perusal and use of the intended recipient. If you are not the addressee of this message, you may not copy, disclose, distribute or disseminate this message (and any attachment hereto) to anyone. Instead, please destroy this message (and any attachment hereto), delete the same from your computer, and notify the sender by reply e-mail. Unauthorized access, reproduction, disclosure and circulation of this e-mail and/or any of its attachments or any information contained therein by any unauthorized persons is strictly prohibited and is punishable under R.A. No. 8792, otherwise known as E-Commerce Act, and other related laws. DISCLOSURE: Pursuant to BSP Circular 957 (Examination & Records of BSP Supervised Financial Institution), please be advised that the content of this communication and your reply thereto will form part of the formal documentation of UBP's transactions and may be disclosed to regulators.

UnionBank Plaza, Meralco Avenue cor. Onyx
& Sapphire Roads, Ortigas Center, Pasig City 1605

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.

Erramon I. Aboitiz
Chairman of the Board

Ana Maria A. Delgado
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 2026 of _____, 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
Erramon I. Aboitiz	103-715-862
Ana A. Delgado	232-084-562
Manuel R. Lozano	148-773-908
Edgar Allan G. Oblena	300-059-461

Notary Public

Doc No. 145
Page No. 30
Book No. VI
Series of 2026

Nikki Neil Santos
Notary Public for Pasig City
Appointment No. 030 (2026-2027)
Commission Expires on 12-31-2027
PTR No. A-3919303/ 1-5-2026/ Pasig City
IBP No. OR [illegible]583709 for CY 2026/ 1-2-2026 / RSM
Roll of Attorneys No. 57961
MCLE Compliance No. VIII-0015409/ 11-6-2024/ Valid until 4-14-2028
18th Floor, Union Bank Plaza, Meralco Avenue, Ortigas, Pasig City

C O V E R S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3	6	0	7	3						

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	Department requiring the report	Secondary License Type, If Applicable
A A F S		

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	**eagoblena@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.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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
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											
	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, 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	**(₱644,401,657)**	(₱975,385,462)	(₱1,291,332,050)	**(₱625,790,990)**	(₱954,030,713)	(₱1,268,901,574)
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
	₱128,705,235	₱128,059,882	₱145,757,241	**₱88,013,363**	₱89,801,103	₱99,606,133
OPERATIONAL CASH FLOWS FROM INTERESTS AND DIVIDENDS						
Interest received	**₱88,961,271**	₱85,600,470	₱77,075,696	**₱63,915,092**	₱61,232,614	₱54,692,669
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.

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:

	Percentage of ownership		
Name of Subsidiary	**2025**	2024	Nature of Business
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 unlikeliness 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 unlikeliness 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 Controllership 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. Futhermore, 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**	
	Amount	**%**	**Securities**	**Total**
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**
Concentration by location				
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	
	Amount	%	Securities	Total
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	
	Amount	%	Securities	Total
Concentration by industry				
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**
Concentration by location				
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**
Concentration by industry				
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**
Concentration by location				
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:

		December 31, 2025			
		Amounts			
Credit Score	**Masterscale**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High Quality Grade					
AAA to A-	1	**₱–**	**₱–**	**₱–**	**₱–**
BBB+	2	**1,379,506**	**–**	**–**	**1,379,506**
BBB	3	**–**	**–**	**–**	**–**
BBB- to BB+	4	**17,291,791**	**–**	**–**	**17,291,791**
Standard Grade					
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**
Substandard Grade					
Lower than CCC	9	**754,253**	**124,719**	**–**	**878,972**
Non-Performing					
Default	10	**–**	**–**	**256,678**	**256,678**
		₱111,322,444	**₱24,001,765**	**₱256,678**	**₱135,580,887**

		December 31, 2024			
		Amounts			
Credit Score	Masterscale	Stage 1	Stage 2	Stage 3	Total
High Quality Grade					
AAA to A-	1	₱–	₱–	₱–	₱–
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
Standard Grade					
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
Substandard Grade					
Lower than CCC	9	2,438,518	194,029	–	2,632,547
Non-Performing					
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

		December 31, 2025			
		Amounts			
Credit Score	Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High Quality Grade					
AAA to A-	1	**₱–**	**₱–**	**₱–**	**₱–**
BBB+	2	**–**	**–**	**–**	**–**
BBB-	3	**–**	**–**	**–**	**–**
BBB- to BB+	4	**1,045,943**	**–**	**–**	**1,045,943**
Standard Grade					
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**
Substandard Grade					
Lower than CCC	9	**–**	**30,158**	**–**	**30,158**
Non-Performing					
Default	10	**–**	**–**	**28,172**	**28,172**
		₱9,108,748	**₱136,506**	**₱28,172**	**₱9,273,426**

		December 31, 2024			
		Amounts			
Credit Score	Masterscale	Stage 1	Stage 2	Stage 3	Total
High Quality Grade					
AAA to A-	1	₱–	₱–	₱–	₱–
BBB+	2	–	–	–	–
BBB-	3	–	–	–	–
BBB- to BB+	4	–	–	–	–
Standard Grade					
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
Substandard Grade					
Lower than CCC	9	–	75,439	–	75,439
Non-Performing					
Default	10	–	–	28,172	28,172
		₱10,217,486	₱196,142	₱28,172	₱10,441,800

Non-financial Institutions

	December 31, 2025			
	Amounts			
Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	**₱–**	**₱–**	**₱–**	**₱–**
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**
	₱46,921,853	**₱1,015,418**	**₱9,175,856**	**₱57,113,127**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
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
	₱42,266,285	₱2,768,001	₱9,653,329	₱54,687,615

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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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:

	December 31, 2025			
	Amounts			
Credit Score	**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**

	December 31, 2024			
	Amounts			
Credit Score	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	**₱284,347,099**	**₱–**	**₱–**	**₱284,347,099**
10	**–**	**–**	**–**	**–**
11	**4,792,627**	**–**	**–**	**4,792,627**
12	**–**	**2,369,855**	**–**	**2,369,855**
13	**–**	**–**	**–**	**–**
14	**–**	**–**	**–**	**–**
15	**–**	**–**	**–**	**–**
16	**–**	**–**	**–**	**–**
Default	**–**	**–**	**–**	**–**
	₱309,025,793	**₱2,369,855**	**–**	**₱311,395,648**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
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	–	–	–	–
	₱319,091,995	₱3,688,300	₱–	₱322,780,295

Corporate – Group

	December 31, 2025			
	Amounts			
Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	**₱24,255,033**	**₱–**	**₱-**	**₱24,255,033**
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	**–**	**–**	**–**	**–**
	₱151,101,772	**₱7,642,897**	**₱–**	**₱158,744,669**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱21,881,403	₱–	₱–	₱21,881,403
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	–	–	–	–
	₱165,550,572	₱–	₱–	₱165,550,572

Sovereign – Parent Bank

	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	**–**	**–**	**–**	**–**
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	**–**	**–**	**–**	**–**
	₱298,813,098	**₱2,369,855**	**₱–**	**₱301,182,953**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
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	–	–	–	–
	₱309,157,831	₱3,688,300	₱–	₱312,846,131

Corporate – Parent Bank

	December 31, 2025			
	Amounts			
Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	**₱24,255,033**	**₱–**	**₱–**	**₱24,255,033**
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	**–**	**–**	**–**	**–**
	₱111,220,058	**₱7,642,897**	**₱-**	**₱118,862,955**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱21,881,403	₱–	₱–	₱21,881,403
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	–	–	–	–
	₱125,127,826	₱–	₱–	₱125,127,826

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	**₱466,914,321**	**₱27,515,621**	**₱39,195,204**	**₱533,625,146**
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	**₱474,862,650**	**₱38,214,562**	**₱39,890,898**	**₱552,968,110**

**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	₱467,904,474	₱27,293,424	₱34,077,834	₱529,275,732
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	₱466,914,321	₱27,515,621	₱39,195,204	₱533,625,146

**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						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Financial assets							
Cash and other cash items	₱11,419	₱–	₱–	₱–	₱–	₱–	₱11,419
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	₱80,027	₱157,729	₱73,097	₱59,523	₱93,556	₱761,574	₱1,096,772
Non-derivative liabilities							
Deposit liabilities							
Demand	₱267,019	₱–	₱–	₱–	₱–	₱–	₱267,019
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
Derivative Liabilities	1	1,438	151	287	595	25	2,497
Total liabilities	₱507,489	₱181,757	₱79,733	₱18,669	₱40,487	₱138,202	₱966,337

	Group						
	2024						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Financial assets							
Cash and other cash items	₱10,144	₱–	₱–	₱–	₱–	₱–	₱10,144
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	₱74,973	₱146,414	₱79,638	₱63,505	₱102,930	₱779,562	₱1,247,022
Non-derivative liabilities							
Deposit liabilities							
Demand	₱231,378	₱–	₱–	₱–	₱–	₱–	₱231,378
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
Derivative Liabilities	–	472	299	350	640	1,875	3,636
Total liabilities	₱455,995	₱211,283	₱85,285	₱36,009	₱68,917	₱106,474	₱963,963

	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**
Financial assets							
Cash and other cash items	**₱10,359**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱10,359**
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	**₱–**	**₱137**	**₱–**	**₱–**	**₱–**	**₱–**	**₱137**
Sundry debits	**–**	**266**	**–**	**–**	**–**	**–**	**266**
	–	**403**	**–**	**–**	**–**	**–**	**403**
Total assets	**₱75,798**	**₱115,500**	**₱65,853**	**₱49,093**	**₱75,061**	**₱649,567**	**₱1,030,872**
Non-derivative liabilities							
Deposit liabilities							
Demand	**₱267,585**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱267,585**
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	**₱499,482**	**₱139,122**	**₱55,785**	**₱7,639**	**₱22,074**	**₱72,517**	**₱796,619**

	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
Financial assets							
Cash and other cash items	₱9,270	₱–	₱–	₱–	₱–	₱–	₱9,270
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
Financial assets at FVTPL							
Derivative assets	–	430	21	66	237	838	1,592
Debt securities	–	7,494	–	–	–	–	7,494
Equity securities	–	–	–	–	–	1,074	1,074
Financial assets at FVOCI							
Debt securities	–	373	143	351	1,041	52,576	54,484
Equity securities	–	–	–	–	–	58	58
Financial assets at amortized cost	–	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
Other receivables							
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
Other financial assets							
Returned checks and other cash items	–	53	–	–	–	–	53
Sundry debits	–	1,602	–	–	–	–	1,602
	–	1,988	–	–	–	–	1,988
Total assets	₱69,622	₱106,273	₱71,660	₱53,850	₱86,970	₱662,792	₱1,051,167
Non-derivative liabilities							
Deposit liabilities							
Demand	₱232,683	₱–	₱–	₱–	₱–	₱–	₱232,683
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
Derivative liabilities	–	472	299	350	640	1,875	3,636
Total liabilities	₱449,701	₱169,390	₱58,595	₱27,020	₱49,482	₱44,196	₱798,384

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**
Resources				
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**
Liabilities				
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
Resources				
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
Liabilities				
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**
Resources				
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**
Liabilities				
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
Resources				
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
Liabilities				
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):

	Group		Parent Bank	
Increase (decrease) in interest rates (in basis points)	**100**	**(100)**	**100**	**(100)**
2025				
Change in annualized net interest income	**(₱783)**	**₱783**	**(₱611)**	**₱611**
As a percentage of net interest income	**(1.2%)**	**1.2%**	**(1.2%)**	**1.2%**
2024				
Change in annualized net interest income	(₱1,168)	₱1,168	(₱922)	₱922
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**
Resources:			
Cash and other cash items	**₱71,221**	**₱143,912**	**₱215,133**
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**
Liabilities:			
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	**(₱4,717,156)**	**₱227,902**	**(₱4,489,254)**

	Group		
	2024		
	U.S. Dollars	Other Foreign Currencies	Total
Resources:			
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
Liabilities:			
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**
Resources:			
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**
Liabilities:			
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
Resources:			
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
Liabilities:			
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 Controllership 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:

(a) Common Equity Tier 1 (CET1) of at least 6.0% of risk-weighted assets;
(b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
(c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets; and,
(d) 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:

(a) Capital conservation buffer (CCB) of 2.5%; and
(b) 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 Tier 1 capital	**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	**120,791**	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					
	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	**₱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, warrantees 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, warrantees 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, warrantees 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	₱9,270	₱9,270	₱9,270	₱ –	₱ –	₱ –
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
	₱880,167	₱880,167	₱477,428	₱389,141	₱13,598	₱462,066
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, warrantees 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
	₱18,789	₱–	₱–	₱7,122	₱–	₱7,122
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

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**

	Consumer Banking	Mass Market/ Digital	Institutional	Treasury	Trust/ Insurance and Brokerage	Headquarters	Total
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**
Resources				
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**
Liabilities				
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	₱7,693,772	₱–	₱–	₱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
Liabilities				
Derivative liabilities	–	3,088,312	–	3,088,312

Parent Bank

	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Resources				
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**
Liabilities				
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
Resources					
Financial Assets					
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
Nonfinancial Assets					
Investment properties	8,564,812	–	–	18,697,704	18,697,704
Liabilities					
Financial Liabilities					
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 amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		
		Financial Instruments	**Collateral Received**	**Net Exposure**		Financial Instruments	Collateral Received	Net Exposure
Financial Assets								
Derivative Assets								
Currency forwards	**₱473,298**	**₱129,153**	**₱–**	**344,145**	₱620,328	₱258,954	₱–	₱361,374
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	**₱42,531,757**	**₱129,599**	**₱41,619,242**	**₱782,916**	₱3,230,605	₱277,041	₱2,255,692	₱697,872
Financial Liabilities								
Derivative Liabilities								
Currency forwards	**₱1,511,585**	**₱129,153**	**₱–**	**₱1,382,432**	₱1,594,694	₱258,954	₱–	₱1,335,740
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	**₱83,660,968**	**₱80,995,487**	**₱–**	**₱2,665,481**	₱108,324,496	₱105,563,842	₱–	₱2,760,654

	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 amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		
		Financial Instruments	**Collateral Received**	**Net Exposure**		Financial Instruments	Collateral Received	Net Exposure
Financial assets								
Derivative assets								
Currency forwards	**₱473,298**	**₱129,153**	**₱–**	**₱344,145**	₱620,328	₱258,954	₱–	₱361,374
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	**₱11,515,523**	**₱129,599**	**₱10,603,008**	**₱782,916**	₱1,458,703	₱277,041	₱483,790	₱697,872
Financial liabilities								
Derivative liabilities								
Currency forwards	**₱1,511,585**	**₱129,153**	**₱–**	**₱1,382,432**	₱1,594,694	₱258,954	₱–	₱1,335,740
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	**₱83,538,283**	**₱80,924,253**	**₱–**	**₱2,614,030**	₱108,185,355	₱105,491,940	₱–	₱2,693,415

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

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		
		Fair Values	
	Notional Amount	**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					
	Land	Buildings	Furniture, Fixtures and Equipment	Right-of-Use Assets	Leasehold Improvements	Total
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					
	Land	**Buildings**	**Furniture, Fixtures and Equipment**	**Right-of-Use Assets**	**Leasehold Improvements**	**Total**
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					
	Land	**Buildings**	**Furniture, Fixtures and Equipment**	**Right-of-Use Assets**	**Leasehold Improvements**	**Total**
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		
	2025		
	Building Held for Lease	**Foreclosed Properties**	**Total**
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		
	2024		
	Building Held for Lease	Foreclosed Properties	Total
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:

a. 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;
b. 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;
c. With respect to the goodwill from the acquisition of PETNET, the separate cash generating unit of PETNET at entity level;
d. With respect to the goodwill from the acquisition of Bangko Kabayan, the separate cash generating unit of Bangko Kabayan at entity level; and,
e. 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:

			Outstanding Balance				
	Coupon Interest	Principal Amount	**December 31, 2025**	December 31, 2024	Issue Date	Maturity Date	First Call Option Date
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%	5,864,500	**5,850,224**	5,841,295	June 20, 2024	June 21, 2027	
Others	5.909% - 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

	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 Expenses**

Miscellaneous 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 Plans
Fund 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 Plan
Fund 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 results 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%**	**(₱495,558)**	**₱585,351**
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%	(₱571,211)	₱543,498
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%**	**(₱447,710)**	**₱523,491**
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%	(₱482,293)	₱433,834
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
Reported in profit or loss			
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
Reported in other comprehensive income			
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
Reported in profit or loss			
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
Reported in other comprehensive income			
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

(a) 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;
(b) Uniform 20% final tax on interest income from any currency deposit, regardless of tenor beginning July 1, 2025;
(c) 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
(d) 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:

	2025		2024		
Related Party Category	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Terms and Conditions/Nature
Applicable to the Parent Bank					
Subsidiaries					
Lease of properties:					
Lease income	**₱36,890**	**₱–**	₱65,694	₱–	Lease renewed every 5 years
Refundable deposits	**16,818**	**17,812**	(7,340)	994	with 5% escalation rate.
Management services	**77,010**	**–**	148,768	–	Project management fee, management services, commission and service charges paid to/by subsidiaries
Deposit liabilities:					
Outstanding balance	**–**	**1,764,407**	–	2,650,643	With interest rate based on
Net movements	**(886,236)**	**–**	851,395	–	average daily bank deposit
Interest expense on deposits	**217,771**	**–**	53,182	–	rate.
Interbank borrowing					
Availment	**–**	**–**	4,000,000	–	
Interest expense	**–**	**–**	2,161	–	Short-term borrowing with annual fixed rate ranging from 6.47% to 6.50% in 2024. No outstanding balances as of 2025 and 2024.
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
Interest income	**–**	**–**	839	–	and 2024.
Advances:					
Outstanding balance	**–**	**9,310**	–	96,027	Various expenses advanced by the Bank
Net movements	**(86,717)**	**–**	(33,411)	–	
Interest income	**7**	**–**	1,836	–	
Other liabilities	**–**	**17,406**	–	160,973	Various expenses and service fees
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
Net movements	**(509,419)**	**–**	(523,464)	–	average daily bank deposit rate
Interest expense on deposits	**3,194**	**–**	20,001	–	
Bills payable:					
Outstanding balance	**–**	**–**	–	13,979	
Net movements	**(13,979)**	**–**	22	–	Long term liability with
Interest expense	**522**	**–**	584	–	annual fixed rate of 4%

(*Forward*)

Related Party Category	**2025 Amount of Transaction**	**2025 Outstanding Balance**	2024 Amount of Transaction	2024 Outstanding Balance	Terms and Conditions/Nature
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	**–**	**295,129**	–	442,693	Unearned income from Exclusive Access Fees arising from the bancassurance agreement
Key Management Personnel	**4,450,569**	**–**	4,574,205	–	Employee benefits related to key management personnel
Directors, officers and other related interests:					
Loans receivable					
Outstanding balance	**–**	**811,242**	–	747,727	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
Net movements	**63,515**	**–**	(82,430)	–	
Accounts receivable	**146,707**	**146,707**	151,260	151,260	Fringe benefits related to employee cars and laptop lease

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***	**Total**
Balances at January 1, 2025	**₱162,256,379**	**₱57,565,582**	**₱1,625,925**	**₱221,447,886**
Cash flows from financing activities:				
Additions	**613,139,628**	**21,350,886**	**–**	**634,490,514**
Repayment of borrowings	**(644,401,657)**	**(40,037,270)**	**(739,622)**	**(685,178,549)**
Non-cash financing activities:				
Effects of foreign exchange rate changes	**861,056**	**651,826**	**–**	**1,512,882**
New lease arrangements	**–**	**–**	**773,119**	**773,119**
Terminated lease arrangements	**–**	**–**	**(50,910)**	**(50,910)**
Amortization of debt issue costs and accretion of interest	**154,500**	**131,140**	**104,116**	**389,756**
Balances at December 31, 2025	**₱132,009,906**	**₱39,662,164**	**₱1,712,628**	**₱173,384,698**

**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
	₱3,602,848

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)
	₱3,814,376

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:			
Net profit / Average total capital funds*	**5.0%**	6.4%	5.6%
Return on average resources:			
Net profit / Average total resources*	**0.9%**	1.1%	0.8%
Net interest margin:			
Net interest income / Average interest-earning resources*	**6.4%**	6.0%	5.5%

Group	**2025**	2024	2023
Liquidity ratio:			
Current Assets / Current Liabilities	**53.1%**	47.3%	43.5%
Debt-to-equity ratio:			
Liabilities / Capital Funds	**4.7:1**	4.8:1	5.5:1
Asset-to-equity ratio:			
Asset / Capital Funds	**5.7:1**	5.8:1	6.5:1
Interest rate coverage ratio:			
Earnings before interests and taxes / Interest expense	**1.7:1**	1.6:1	1.4:1

**Average amount is calculated based on current year-end and previous year-end balances*

Parent Bank	**2025**	2024	2023
Return on average capital funds:			
Net profit / Average total capital funds*	**5.1%**	6.6%	5.5%
Return on average resources:			
Net profit / Average total resources*	**1.0%**	1.2%	0.9%
Net interest margin:			
Net interest income / Average interest-earning resources*	**6.2%**	5.6%	4.8%
Liquidity ratio:			
Current Assets / Current Liabilities	**52.2%**	46.1%	40.0%
Debt-to-equity ratio:			
Liabilities / Capital Funds	**4.0:1**	4.1:1	4.7:1
Asset-to-equity ratio:			
Asset / Capital Funds	**5.0:1**	5.1:1	5.7:1
Interest rate coverage ratio:			
Earnings before interests and taxes / Interest expense	**2.2:1**	2.0:1	1.6:1

**Average amount is calculated based on current year-end and previous year-end balances*

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			
	2025			
	Loans and Other Receivables		**Trading and Investment**	
	Amount	**%**	**Securities**	**Total**
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**
Concentration by location				
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	
	Amount	%	Securities	Total
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	
	Amount	%	Securities	Total
Concentration by industry				
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**
Concentration by location				
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**

	Parent Bank			
	2024			
	Loans and Other Receivables		Trading and Investment	
	Amount	%	Securities	Total
Concentration by industry				
Financial and insurance activities	₱36,281,742	8.65	₱387,491,606	₱423,773,348
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
	₱419,675,930	100.0	₱437,973,957	₱857,649,887
Concentration by location				
Philippines	₱419,675,930	100.0	₱380,136,610	₱799,812,540
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
	₱419,675,930	100.0	₱437,973,957	₱857,649,887

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	**–**	–

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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
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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

A member firm of Ernst & Young Global Limited

UNION BANK OF THE PHILIPPINES AND SUBSIDIARIES
INDEX TO SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

A. Statement of Management's Responsibility for Financial Statements

B. Independent Auditors' Report on the SEC Supplementary Schedules Filed Separately from the Basic Financial Statements

C. List of Supplementary Information

Supplementary Schedules to Financial Statements (Form 17-A, Item 7)

Schedule	Content	Page
A	Financial Assets	1
	Loans and Other Receivables	*
	Financial Assets at Fair Value Through Profit or Loss	
	Financial Assets at Amortized Cost	
	Financial Assets at Fair Value Through Other Comprehensive Income	
	(Annex 68-J, A)	
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	4
	(Annex 68-J, B)	
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	5
	(Annex 68-J, C)	
D	Long-term Debt	6
	(Annex 68-J, D)	
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	*
	(Annex 68-J, E)	
F	Guarantees of Securities of Other Issuers	*
	(Annex 68-J, F)	
G	Capital Stock	7
	(Annex 68-J, G)	
I	Reconciliation of Retained Earnings Available for Dividend Declaration	8
	(Annex 68-D)	
II	Map Showing the Relationship Between and Among the Bank and its Related Entities	9

D. Schedule of Financial Soundness Indicators for December 31, 2025 and 2024 (Annex 68-E) 10

E. Schedule for Listed Companies with a Recent Offering of Securities to the Public 11

* 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	(P 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 Privte 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 Worlwide (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 Asssets	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**
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	
Accounts Receivable (Accounts Payable) from Related Parties							
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:

	Maturity Date	Interest Rate
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	5,030,785,238	3,316,405,584	-	2,678,286,144	70,108,585	568,010,855
Preferred Stock	100,000,000	-	-	-	-	-

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Reporting Period Ended December 31, 2025
(Amounts in Thousands of Philippine Pesos)

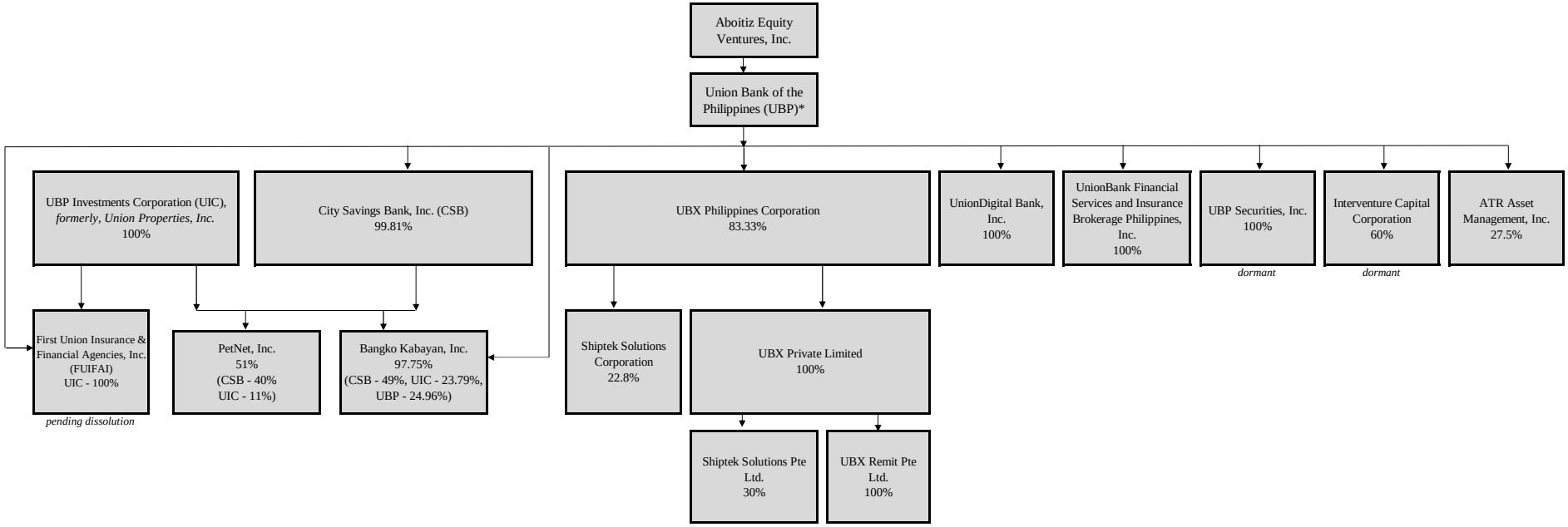
UNION BANK OF THE PHILIPPINES
UnionBank Plaza, Meralco Avenue corner Onyx Street and Sapphire Road
Ortigas Center, Pasig City

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 acquisitionof 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

C O N G L O M E R A T E M A P P I N G



* 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 Micellaneous 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	-	-

REIMAGINING BANKING

UnionBank

2025
ANNUAL AND SUSTAINABILITY REPORT

ABOUT THE COVER

GRI 2-1

Reimagining Banking: UnionBank is uplifting lives through a value-led strategy that puts customers first

Banking is changing. The question is no longer whether UnionBank can process transactions faster or offer more products. The real question is whether it can genuinely improve people's lives. At UnionBank, the answer is clear: banking should uplift, not just enable.

This philosophy drives everything it does. From the smallest everyday transaction to the most complex financial solution, it is guided by a single purpose: reimagining banking to uplift lives. It's a commitment that shapes its strategy, its operations, and every customer interaction.

At the heart of this transformation is UnionBank's desire to deliver experiences that make a real difference. This reflects a fundamental shift in how banking creates value, moving beyond transactional relationships to meaningful partnerships that help Filipinos achieve their goals and secure their futures.

ABOUT THIS REPORT

GRI 2-1, 2-3

UnionBank's 2025 Annual and Sustainability Report presents the financial and non-financial performance of the Bank for the reporting period from January 1st to December 31st, 2025, providing its stakeholders with a comprehensive overview of the company's strategy, operations, governance, and sustainability performance.

This report presents a comprehensive overview of the Bank's ESG (Environmental, Social, and Governance) performance and impact. It continues to build on UnionBank's previous **annual reports** and provides detailed information on the company's material topics, operational highlights, and specific sustainability programs and initiatives.

The scope of this report generally aligns with the Bank's consolidated financial statements and covers the company's principal operations and subsidiaries (CitySavings Bank, Bangko Kabayan, and Union Digital) unless otherwise stated.

REPORTING FRAMEWORKS

This 2025 Annual and Sustainability Report was written in accordance with the 2021 Global Reporting Initiative (GRI) Sustainability Reporting Standards, as well as the Sustainability Accounting Standards Board (SASB)—Commercial Banks Sustainability Accounting Standard.

It follows the Sustainability Reporting Guidelines of the Securities and Exchange Commission (SEC) and refers to applicable guidance from the World Economic Forum's Integrated Reporting Document and the United Nations Sustainable Development Goals metrics.

Starting in 2025, UnionBank will additionally align its reporting with the Integrated Reporting <IR> Framework, ensuring a higher standard of reporting to contextualize its ongoing and future disclosures.

Sustainability Accounting Standards Board (SASB) Standards—Commercial Banks

This report includes disclosures aligned with the Sustainability Accounting Standards Board (SASB) Standards for the Commercial Banks industry. The SASB Standards identify financially material sustainability topics and associated metrics that are most relevant to investors and other providers of capital.

In accordance with the SASB reporting framework, UnionBank reports on sustainability topics that may affect financial performance, risk management, and long-term value creation. These disclosures complement the broader impact-based information provided under the GRI Standards by focusing on sustainability factors that may influence enterprise value within the banking sector.

Approach to GRI Standards 2021: In accordance

UnionBank reports in accordance with the GRI Standards 2021, which represents the highest level of alignment under the GRI reporting framework. This approach requires the disclosure of all relevant GRI Universal Standards, the identification and reporting of material topics, and the disclosure of applicable GRI Topic Standards for each material topic.

The GRI Standards provide a globally recognized framework for reporting on an organization's economic, environmental, and social impacts. Through this framework, the Bank discloses material topics, associated management approaches, and performance indicators to provide stakeholders with transparent and comparable information on its sustainability performance.

The determination of material topics was informed by a structured materiality assessment that considers the significance of the Bank's impacts on the economy, environment, and society, as well as the relevance of these topics to key stakeholders. More information on UnionBank's materiality and its materiality process can be found under the **Materiality** section of this report.

Approach to IFRS S1 and IFRS S2: In alignment

This report includes disclosures aligned with the International Sustainability Standards Board (ISSB) Standards, specifically IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures.

UnionBank has taken steps to align its sustainability reporting with the structure and recommendations of these standards, including disclosures related to governance, strategy, risk management, and metrics and targets associated with sustainability-related and climate-related risks and opportunities. UnionBank will continue to enhance its disclosures over time as reporting practices and regulatory requirements related to the ISSB Standards evolve.

REPORT BOUNDARY / SCOPE

GRI 2-2

The scope of the report generally aligns with the organizational boundary used in UnionBank's consolidated financial statements and includes the Bank's principal operations and subsidiaries over which the Bank exercises operational or financial control.

Unless otherwise specified, the ESG disclosures presented in this report relate to the Bank's domestic and international operations, including its core banking activities, support functions, and relevant subsidiaries. Where data limitations or methodological differences exist, these are disclosed in the relevant sections of the report.

For sustainability reporting purposes, the Bank considers both operational impacts arising from its own activities and financed impacts related to lending, investment, and other financial services, where applicable. The reporting boundary for specific indicators may therefore vary depending on the nature of the metric and the availability of data.

Comparative information from prior periods is provided, where available, to support the analysis of performance trends. Any significant changes in scope, boundary, or measurement methodologies compared with previous reporting periods are disclosed and explained in the relevant sections of the report.

TABLE OF CONTENTS

02 **About the Cover**
02 **About this Report**
06 **Materiality Approach**
08 **About UnionBank**
08 About Union Bank of the Philippines
09 UnionBank DNA
11 UnionBank at a Glance
24 Client Feature: Sizzling Success
26 Client Feature: Beyond the Cold Chain
28 Client Feature: Forging the Future
32 **Executive Messages**
32 Chairman's Report
34 President & CEO's Report
38 **2025 Highlights**
38 Performance Highlights and Milestones
41 Awards and Recognition
60 **Governance Overview**
60 Corporate Governance
98 Sustainability Governance
108 **Risk Management and Strategy**
118 **Value Creation**
118 Creating Value as a Digital-First, Next-Generation Bank
118 Statement of Value Creation
118 Stakeholder Engagement Strategy
122 Sustainability Strategy
124 **Reimagining Value Creation for Every Filipino**
128 **Reimagining Operational Resiliency for NextGen Banking**
132 **Reimagining Banking for a Thriving Future**
138 **Reimagining a NextGen Workforce for a Future-Ready Organization**
180 **Reimagining Innovation for Service Excellence**
186 **Reimagining Customer Experiences for Long-Term Stakeholder Value**
198 **UN SDG Contributions**
200 **Annexes**
201 Our Nomenclature
202 Anti-Corruption
203 Employee Performance
213 Memberships in Industry Associations
214 UnionBank Branch Directory
222 Topic Indices
234 Financial Summary / Highlights
237 Credits
239 Assurance Statements
240 AFS with Auditor's Opinion

MATERIALITY APPROACH

GRI 3-1, 3-2

UnionBank followed a structured Impact Materiality Assessment process designed to identify, evaluate, and prioritize the Bank's actual and potential impacts on the economy, environment, and people across its operations and business relationships.

This process began with identifying a comprehensive list of ESG topics through desktop research of global reporting standards (GRI, SASB, ISSB), regulatory frameworks (SEC MC 04-2019, BSP Circulars 1085, 1128, 1149, 1187), and benchmarking across Philippine and ASEAN banks. These sources helped the team identify potential positive and negative impacts on UnionBank's activities, supply chain, business units, and stakeholder groups.

UnionBank refined the list by examining linkages to operations, value chain touchpoints, and publicly disclosed impacts, including labor standards, community impacts, environmental responsibility, digital risks, customer rights, and governance integrity.

To assess the significance of these impacts, UnionBank conducted a broad materiality survey in which internal and external stakeholders rated sustainability topics against three parameters that reflect the extent of real and potential impacts: Scale of Impact, Scope of Impact, and Reversibility. These parameters measured how large, widespread, and difficult to undo each topic's impact could be and covered social impacts (e.g., human rights, labor conditions), environmental effects (e.g., climate risks), and economic / governance impacts (e.g., cybersecurity, risk management).

Results were then weighted by respondent influence (e.g., executives given greater weight due to their strategic responsibility) before calculating consolidated scores to produce a materiality map. This map identified the most significant impacts on UnionBank's operations and stakeholders.

The team then validated and prioritized the resulting topics by assessing relationships and dependencies among issues, and finally conducted a regulatory check to ensure mandatory topics—such as climate—were included. This produced a ranked, consolidated Top-10 material topics for reporting.

UnionBank's materiality determination incorporated insights from both internal and external stakeholders. Internal participants included staff, management, and executives, representing a mix of operational, managerial, and strategic viewpoints.

External respondents comprised suppliers and customers, who provided perspectives based on their direct business relationships and user experiences with UnionBank's products and services. While customer responses were ultimately excluded from scoring due to insufficient statistical representation, they nonetheless formed part of the outreach effort.

Double materiality was not used to determine the Bank's material topics. It will be used in subsequent reports as the Bank transitions to meet the ISSB Standards.

MATERIAL TOPICS

PEOPLE	PLANET	PURPOSE
Cybersecurity Customer & Data Privacy Innovation & Digitalization Employee Training & Development Labor Standards & Human Rights	Climate Change	Systematic Risk Management Business Ethics Tax Anti-Corruption & Whistleblower Protection

The updates to UnionBank's material topics reflect both consolidation and regulatory alignment. Compared to the previous cycle, which used 27 topics, the 2025 assessment streamlines the list to a focused Top-10. Two major changes drive this shift: first, Climate Risks & Opportunities was elevated and retitled Climate Change, and added to the Top-10 despite its lower survey ranking, due to strong regulatory requirements from the SEC and BSP. Second, Customer Privacy and Data Privacy were merged into a single topic, Customer & Data Privacy, as their definitions and impact areas significantly overlapped.

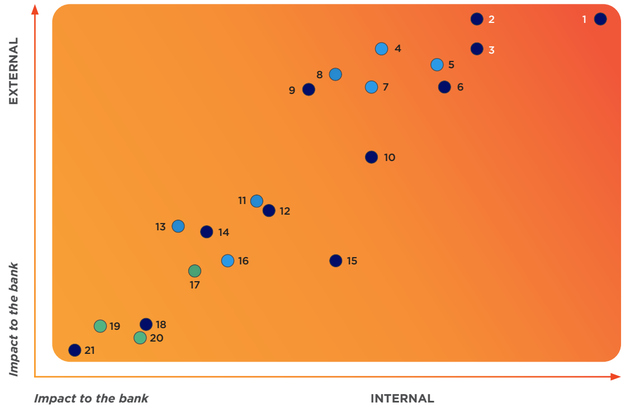
Beyond these, the final list now leans even more toward Social and Governance themes, mirroring UnionBank's longstanding focus on digital innovation and responsible governance. Environmental topics, which previously appeared more prominently in the expanded list, are now represented primarily through the Climate Change topic.

LEGEND

Environmental | Social | Governance

1. Cybersecurity
2. Customer Privacy
3. Data Privacy
4. Business Ethics
5. Systematic Risk Management
6. Innovation & Digitalization
7. Tax
8. Anti-Corruption & Whistleblower Protection
9. Employee Training & Development
10. Labor Standards & Human Rights
11. ESG Factors in Credit Analysis
12. Financial Inclusion
13. Procurement Practices
14. Indirect Economic Impacts
15. Employee Health & Safety
16. Supply Chain Management
17. Climate Change Risks & Opportunities
18. Diversity & Equal Opportunity
19. Environmental Compliance
20. Resource Management
21. Community Engagement

INTERNAL VS EXTERNAL STAKEHOLDER IMPACT MATERIALITY PLOT



ABOUT UNION BANK OF THE PHILIPPINES

GRI 2-1, 2-6

Union Bank of the Philippines (referred to as "UnionBank," "the Bank," or "the company") is a publicly listed universal bank and is at the forefront of shaping the future of banking in the Philippines. Recognized as a digital trailblazer, the Bank continues to lead in providing innovative, technology-driven solutions for both retail and corporate clients. Its principal shareholders include Aboitiz Equity Ventures, Inc. (AEV), the Social Security System (SSS), and Insular Life Assurance Company, Ltd. (InLife).

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.

Capitalizing on the gains of transformation, UnionBank continued on the path of pursuing customer-focused banking solutions. In 2018, it launched UBX, now the Philippines' top open finance platform. In July 2022, it introduced UnionDigital, the only digital bank owned by a publicly listed bank in the country. By 2024, UnionBank had successfully integrated Citigroup's retail business, a major acquisition made in 2022.

UnionBank delivers customer-centric products and solutions through industry-leading digital platforms (including its highly rated mobile application, UnionBank Online) and its comprehensive business banking platform, The Portal. These platforms showcase the Bank's consistent push for delivering secure, frictionless, and data-driven banking experiences to individuals, SMEs, and large corporations.

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. Its consistent recognition from esteemed local and global institutions for excellence in retail banking, digital transformation, and organizational culture reflects not only past achievements but also its forward-looking commitment to shape the future of banking in the country. These distinctions reaffirm UnionBank's role as a trailblazer in building a next-generation institution—one that is more intuitive, connected, and inclusive for every Filipino.

UNIONBANK DNA

PURPOSE

Reimagining Banking to Uplift Lives

VISION

To be the most loved and preferred NextGen Bank that sets the standard for all generations

VALUES

Integrity

I do the right thing at all times.

I consult when I'm unsure.

I am trustworthy, transparent, and authentic.

I treat everyone with respect.

I am fair, honest, and accountable for all my actions.

I speak out when I see or hear something that does not align with our values.

I deliver on what I promise.

Magis

I am obsessed with the customer.

I continuously innovate with purpose.

I learn fast to build capabilities.

I think and act like an owner.

I achieve great results responsibly with an agile mindset.

I act with humility and pause to learn when things go right AND when they go wrong.

Ubuntu

I bring my fellow UnionBankers forward with me.

I collaborate with awareness of the bigger picture.

I seek to understand through courageous conversations.

I feel safe to give and receive feedback, real-time, and on-demand.

I communicate clearly and openly.

We create a future that celebrates diversity and ensures sustainability for generations to come.

EMPLOYER VALUE PROPOSITION (EVP)

U, Reimagined: Unlocking the Power of U

CORPORATE INFORMATION

GRI 2-3

Head Office

UnionBank Plaza, Meralco Avenue corner Onyx and Sapphire Roads,
Ortigas Center, Pasig City 1605
Fax: (02) 8636-5259
SWIFT CODE: UBPHPHMM

Investor Relations

Carlo I. Eñanosa, Senior Vice President, Corporate Planning & Investor Relations Head
34/F UnionBank Plaza, Meralco Avenue corner Onyx and Sapphire Roads, Ortigas Center, Pasig City 1605

Stock Transfer Unit

Stock Transfer Service, Inc.
34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
Telephone Nos.:
(+632) 8403-2410
(+632) 8403-2414
(+632) 5310-3671
(+632) 5310-1351

Customer Service

Hotline: (02) 8841-8600
Platinum Cards Hotline: (02) 8631-7528
Elite Hotline: (02) 8863-4208
Reserve Hotline: (02) 8995-9111

Toll-Free Numbers

Domestic Calls (PLDT Landline): 1-800-1888-2277
Universal Toll Free: (IAC)-800-8277-2273

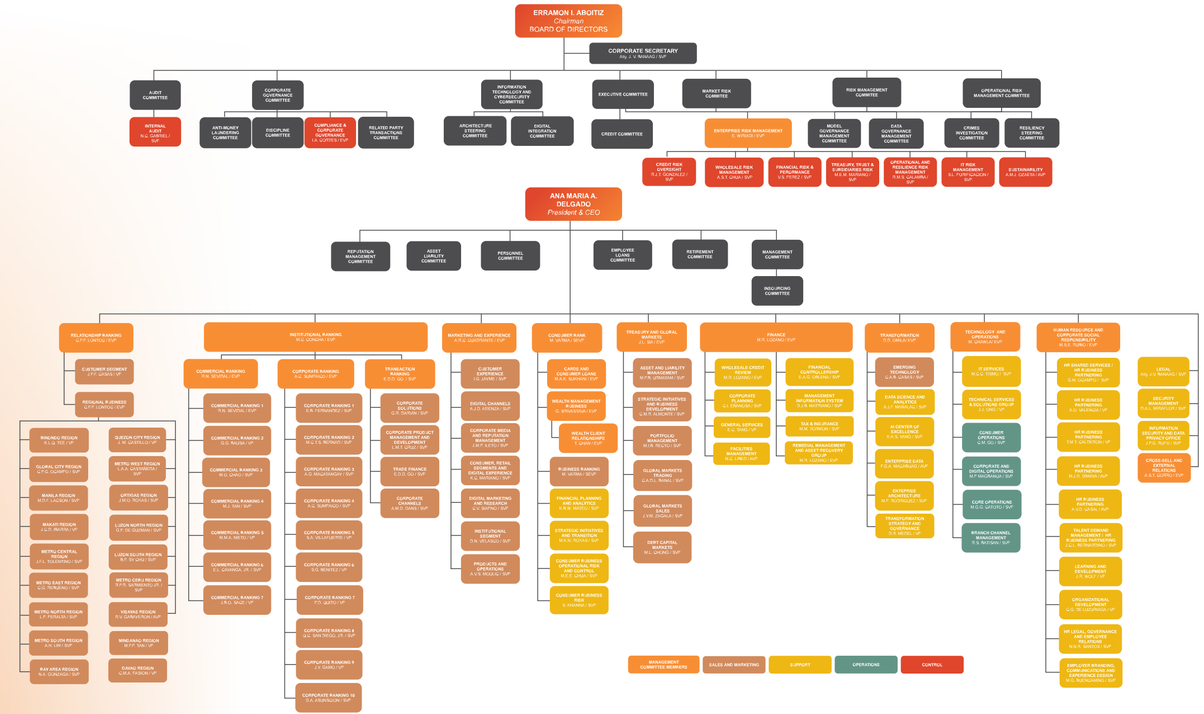
- Applicable in the USA, the Netherlands, Spain, Switzerland, Malaysia, Australia, Singapore, Japan, Korea-Koreatel, Koreal-Onse, Israel

Email

gold@unionbankph.com
corpcard@unionbankph.com
platinum@unionbankph.com

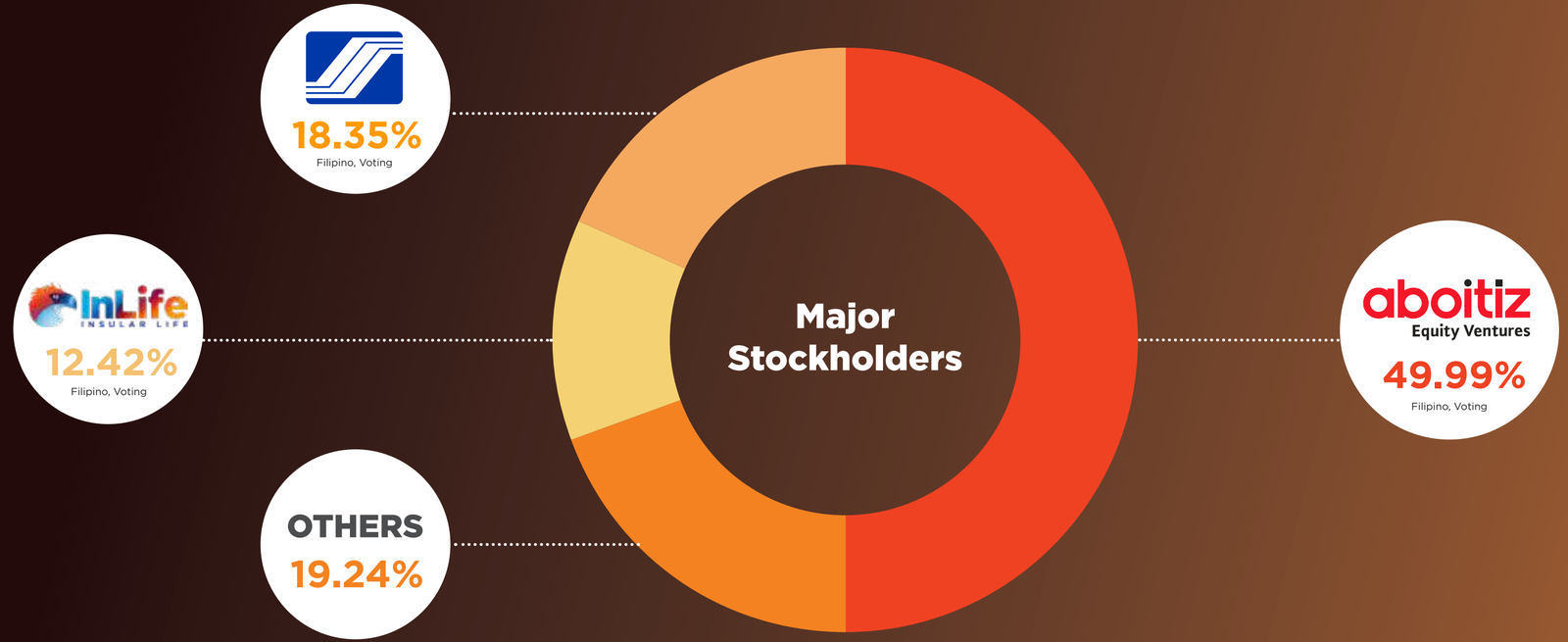
UNIONBANK AT A GLANCE

ORGANIZATIONAL STRUCTURE AND KEY OFFICERS



MAJOR STOCKHOLDERS

As of 31 March 2026, UnionBank's major shareholders are Aboitiz Equity Ventures, Inc. (AEV), the Social Security System (SSS), and Insular Life Assurance Company, Ltd. (Insular Life).



PRODUCTS AND SERVICES

CASH MANAGEMENT SERVICES

THE PORTAL BY UNIONBANK (BUSINESS BANKING)

An online cash management platform for corporate and business users to facilitate all their banking activities: initiate fund transfers, pay bills, monitor balances, approve transactions with a single sign-on and many more. Accessible via web or the mobile app (iOS and Android).

Disbursements

- **Checkwriter** – A secure solution for preparing, approving, and printing corporate and manager's checks, available via online self-service or fully outsourced processing through UnionBank.
- **Electronic Fund Transfers** – A unified payment facility for sending real-time or batch fund transfers across all major networks, including UB-to-UB, PESONet, InstaPay, PDDTS (USD domestic), and SWIFT (international), with options for CWT generation and branch-based invoice / receipt collection via BeyondPay.
- **Government Payments (eGobyerno)** – A digital and branch-enabled facility for paying major government dues, supporting BIR taxes (EFPS / ePayments), SSS contributions and loans, PhilHealth contributions, Pag-IBIG/HDMF contributions and loans, and BOC customs duties and taxes through online portals, bulk uploads, or over-the-counter channels.
- **Foreign Exchange** – A self-service facility that enables clients to buy and sell major currencies against USD and PHP with immediate remittance. Through this product, clients can access real-time, competitive industry spot rates 24/7 for all foreign exchange transactions.

Collections

- **Auto-Debit Arrangement (ADA)** – An automated facility that allows businesses to collect from UnionBank corporate and individual account through rule-based debiting on the agreed schedule.
- **Bills Payment** – A multi-channel collection service that enables businesses to receive payments from customers through UnionBank Online, The Portal, branches, ATMs, and partner channels, with support for batch processing, QR payments, and inward collections.
- **Unified Payment and Collection Platform (UPAY)** – Accept payments from various payment methods (from Visa, Mastercard Debit / Credit Cards to InstaPay) either via a white label page, QR or API that merchants can integrate in their own app or website.
- **Cash Mobilization** – Have your cash-on-hand safely picked up from your designated office or branch for deposit to the nearest UnionBank branch or facility.
- **Check Collections** – A suite of check pick-up and deposit services—including safekeeping of post-dated checks, expanded pick-up for customer payments, and digital deposit options via mobile or bulk scanning—enabling safe, efficient, and timely check processing.

Institutional Cards, Accounts, and Account Services

- **Payroll Cards** - A complete payroll disbursement solution offering digital account opening, electronic crediting, and VISA-enabled debit cards—supporting specialized options for executives, dollar payroll, outsourced payroll computation, and optional group life insurance coverage.
- **Corporate Debit Cards** – A solution that allows UnionBank's corporate client to disburse funds to their employees / users in a cashless, convenient, and cost-efficient way through the issuance of a Debit Card for their petty cash needs.
- **Corporate Credit Cards** – Corporate Credit Card is a disbursement tool which allows UnionBank's corporate clients to issue a credit card to their employees so they can manage and process their business expenses. Corporates can enjoy the benefits of the credit card program where they can earn rebates, get travel insurance and an expense management tool.
- **Community Cards and Accounts** – A suite of government-linked cards and accounts enabling fast disbursement of benefits, loans, and proceeds to GSIS, SSS, and Pag-IBIG members—many of which also serve as valid government IDs or provide merchant discounts.
- **Sponsorship Arrangements** – Sponsoring Electronic Money Issuers (EMI) with a guaranteed limit so they can be direct participants in their chosen network including Instapay, Pesonet, VISA, Bancnet and SCCP.
- **Liquidity Management** – Automated balance optimization services that allow corporate clients to pool funds across accounts or sweep balances at specific intervals for efficient cash positioning and disbursement.

Open Finance and Ecosystem Services

- **Digital Financial Marketplace** – A digital ecosystem that connects corporate and retail clients to curated financial solutions from accredited partners, expanding product reach through Open Finance and enabling seamless digital distribution and onboarding—including access to long-term investment products like PERA through UB Online and API integrations.

Trade and Supply Chain Financing

- **Supply Chain Financing** – A digital platform that improves ecosystem cashflow by enabling online document presentment, automated receivables collection, streamlined payables settlement, and instant financing options—including dealer financing and discounting programs for buyers and sellers.
- **Trade Finance Products** – A full suite of import and export financing solutions supporting documentary and non-documentary trade, including letters of credit, standby LCs, bank guarantees, packing credits, bills purchase facilities, trade check discounting, foreign bills purchase, and online customs duties payment—designed to simplify cross-border transactions and optimize working capital.

Channels & Customization Services

- **PartnerPay** – Collect payments rural and unbanked areas via third-party branch networks.
- **ATM Machine** – Have your own cash withdrawal / acceptance machine at your own premises.
- **API Marketplace** – UnionBank's award-winning API Marketplace **(developer.unionbankph.com)** empowers businesses to embed banking products and services into their own digital applications, allowing them to design customized digital experiences for their own clients that is cheaper, faster and more secure. It also allows partners to share and publish their own digital services, alongside the bank's providing a single point of integration for APIs within the platform.

UNIONBANK ONLINE / UB ONLINE

This is more than just another banking app; it puts your bank in the palm of your hand. You don't have to put your life on hold, as you can bank securely whenever you want to, from wherever you want. Get started by opening an account in-app, without ever having to step into a UnionBank branch. Easily manage your accounts, your cards, transfer funds, pay your bills, and more, with just the tap of your finger.

Open an Account

- UnionBank is the first Philippine bank that enables customers to open accounts through the app. No need to visit the branch.
- Choose between debit accounts—Personal Savings Account, PlayEveryday, Savings+, Lazada or Go Rewards.

Manage Account/s

- View all accounts, card balances, and available limits in one place
- Real-time monitoring of savings, checking or card activities
- Get a card delivered to your home / office address
- **Activate Card** – Activate your newly issued physical or virtual card within the app
- **Redeem Rewards** – Redeem your Credit Card points
- **View / Download Statement** – Easily view and download 1-year worth of statements
- **Report and Replace Card** – Report and request for a replacement for a lost or stolen card
- **Spend Tracker** – View categorized monthly spending analytics and trends of your spend
- Keep tabs on your loan repayments

Installments

- **EasyConvert** – Convert your eligible credit card purchases into installments
- **EasyBill** – Turn your credit card's billed retail balance into installments
- **EasyCash** – Get cash in an instant from your available credit limit and pay in installments
- **EasyTransfer** – Turn your other bank's credit card balance into installments

Easily Send / Receive Funds

- **Transaction Limits** – Set your own transaction limits for different types of transfers
- **UB to UB Transfers** – Real-time crediting for transfers between your accounts and other UnionBank accounts
- **Local Bank-to-Bank Transfers** – Local transfers to any banks or e-wallets any time, without any enrolment or going to the branch
- **International Bank-to-Bank Transfers** – Transfers to international banks
- **Remittance Transfers** – Send remittances to loved ones via our partner
- **Remittance Centers** – Cebuana Lhuillier, LBC & PeraHub.
- **Receive Remittance** – Receive remittances sent from abroad via Western Union
- **Scan QR** – Scan any Instapay QRPH from the login page of the app
- **Generate QR** – Generate your own Instapay QRPh Code and receive funds from other UB accounts or other banks

Easily Pay Bills or Buy Load

- **Pay Bills** – Pay your utility, phone, rent, school, and more. No need to enroll billers for payment
- **Buy Load** – Purchase prepaid load for major telecom providers
- **Tap to Pay** – Use your android phone to pay at any NFC-enabled POS terminals

Security

- Access UB Online securely through OTP or biometrics
- Self-service password reset, profile unblocking, and contact detail updating
- **Trust a Device** – Nominate trusted device for biometric authentication
- **Fraud Detection Tools** – Algorithms to flag suspicious activities across the platform

Other Features

- **Mobile Check Deposit 24x7** - Deposit checks conveniently via the app
- **Buy / Sell USD** – Convert USD to PHP and vice versa, and view real-time FX rates
- **Buy / Sell Crypto** – Allows users to buy / sell bitcoin after completing their suitability assessment
- **Insurance Marketplace** – Purchase simple insurance products in UB Online
- **Support** – Raise a request, inquiry or a dispute via the app without calling customer service
- **Schedule Branch Visit** – Get ahead of the queue by scheduling your branch visit in the app. Find the closest branch or ATM with the built-in locator

UB NEGOSYANTE - SME BUSINESS BANKING APP

UB Negosyante – SME Business Banking app is the country's first mobile banking app built for Micro, Small and Medium Enterprises (MSME). It was designed to address the needs and pain points of MSMEs so they can spend less time going to branches to do banking transactions and focus more on growing their businesses.

UB Negosyante SME App Features:

- Manage multiple UnionBank Business Accounts
- Transfer funds to any UnionBank account or to other banks via Instapay, Pesonet, PDDTS or SWIFT
- Pay to over 400+ billers
- Deposit checks via mobile phone
- Receive payments via payment link or QRPH

UPAY for MSMEs

UPAY is a payment feature inside the UB Negosyante App-SME Business Banking app that allows business owners to collect payment from their customers through multiple payment channels (InstaPay, Digital Wallets, Over-the-counter, credit cards) through a payment link.

The mobile application is available in both IOS and Android that allows MSME business owners to transact and manage their accounts wherever they may be.

PORTFOLIO USAGE AND MERCHANT ACQUIRING GROUP

Credit Cards

- **PayBill** – An auto-charge facility for key utility bills. Cardholders enroll in the service and charges are processed via batch files sent by the biller.
- **Bills Payment** – Allows cardholders to pay select billers using their credit card through the UB Online app.
- **PayDirect** – Enables payments and fund transfers directly charged to the cardholder's credit card.
- **PayEasy** – Gives cardholders the option to avail of 0% installment or Pay Later offers at participating merchants, both via POS (point of sale) and online (eCommerce).

Merchant Acquiring and Payment Gateway Solutions

- **Merchant Acquiring** – Enables merchants to securely accept and process card transactions across both online and in-store channels, providing reliable and efficient payment processing.

QRPH P2M

- **QRPH P2M** – Allows merchants to accept secure, real-time payments through QR Ph using scanned QR codes.

SME BUSINESS BANKING

Dealers Financing Line – A revolving credit line for payment of inventory purchases designed for dealers and distributors via the Financial Supply Chain platform. With flexible payment terms, assured payment of goods with real time credits. Collateral-free based on the average volume of the dealer.

BusinessLine Classic – A multi-purpose and fully secured loan that offers a revolving credit line facility. With loanable amount of up to PHP 15 million.

- Access funds via a regular checking account funded by BusinessLine
- No need for Promissory Notes per availment
- Available via Checkbook or Easy-access Debit Card (EADC)
- Accessible via UnionBank Online
- No fixed terms
- No minimum availment required
- Minimal principal payment
- One-time payment of documentary stamps
- Interest is based on the number of days used
- Pay only for the funds used

BusinessLine for Medical Doctors – A revolving credit line available for doctors and medical practitioners of accredited hospitals

LOANS

Home Loan - A credit facility offered to qualified individuals or business entities with the following purposes:

- To purchase or acquire residential condominium unit, house and lot, or vacant lot;
- House construction on residential vacant lots; and
- Refinancing the outstanding balance of an existing housing loan / credit facility from another bank or financial institution

Home Loan Product Types for Financing:

- **Regular Housing Loan** – Purchase of residential unit acquired from Non-Accredited Developer or Secondary Market.
- **Housing Loan with Undertaking and Buy Back Agreement** – Purchase of residential unit acquired from the projects of Accredited Developers.
- **Flex Loan (Home Equity)** – Is a multi-purpose term loan secured by a first mortgage on the same real estate property used as collateral.

Vehicle Financing – A financing facility available to qualified retail and corporate clients for the purchase of vehicles either for personal or commercial use. The credit facilities are available for brand new, second-hand vehicles, and premium motorcycle segments and are secured by chattel mortgages.

Personal Loan – A product with a multiple loan installment feature moderated by Auto-Debit Arrangement (ADA), salary deduction, or Post-Dated Checks (PDCs). This is a standby credit line which can be used to avail of multiple installment loans within the credit line for different loan purposes such as home renovation, vehicle / home / furniture purchase, emergency expense and others.

Daylight Facility – It is an intra-day credit facility extended mainly to financial institutions with good credit standing, that require bridging of intra-day settlement gaps. Funds are made available for the day, to be availed of and paid within the same day.

Loan Line – A short-term credit facility which is intended to support working capital requirements. The instrument for availment is a Promissory Note. Maximum PN Tenor is 360 days.

Term Loan – A credit facility whose purpose is to finance the long-term financial requirements of a client for business expansion, such as construction of a building or warehouse, acquisition of a property, purchase of equipment or equity financing. The loan may be availed in peso or foreign currency.

Short Term Loan – It is a one-time credit availment drawn via a Promissory Note with a Maximum Tenor of one (1) year. The loan is payable lump-sum at maturity date or by installment. However, any amount paid cannot be re-drawn by the client.

Project Finance Loan – A financing facility granted to a special purpose entity which is created to operate physical assets and where the principal source of repayment is the income generated by the assets being financed. The loan is typically secured by a pledge on the borrower's shares, assignment of the borrower's assets and/or assignment of project revenues / accounts / or documents. The loan may be availed in peso or foreign currency.

CREDIT CARDS

UnionBank Branded Cards	• UnionBank Classic • UnionBank Gold	• UnionBank Platinum • UnionBank Corporate Card
Co-Brand Cards	• Burgoo Visa • Cebu Pacific Gold • Cebu Pacific Platinum • Cebu Parklane Visa • First Life Visa • Go Rewards Visa Gold • Go Rewards Visa Platinum	• Home Depot Visa • Insular Life Visa • Lazada Mastercard • Medicard Visa • Racks Visa • Riviera Golf Visa • S&R Visa • Suy Sing Visa • The North Face Visa
Affinity Cards	• Adamson University Visa • Alpha Phi Omega Visa • Assumption Alumnae Association Visa • Ateneo Alumni Association Visa • Ateneo de Manila High School '87 Visa • Ateneo de Manila Law Alumni Association Visa • Ateneo Graduate School of Business Alumni Association Visa • Cebu Kian Kee Alumni Association Visa • CEU Alumni Association Visa • Colegio de San Juan de Letran Visa • Couples for Christ Visa • De La Salle Alumni Association Visa	
Affinity Cards	• De La Salle College of Saint Benilde Visa • De La Salle Dasmariñas Alumni Association Visa • De La Salle Lipa Alumni Association Visa • Don Bosco Alumni Visa • Enderun Colleges Visa • Free Masons of the Philippines Visa • La Salle Green Hills Alumni Association Visa • Lourdes School Alumni Association Visa • People Management of the Philippines Visa • Philippine Academy of Ophthalmology Visa • Philippine Dental Association Visa • Philippine Medical Association Visa • Philippine Red Cross Visa • Sacred Heart School-Ateneo de Cebu Alumni Association Visa • San Beda College Alumni Association • Silliman University Visa • SouthWestern University Alumni Foundation Visa • St. Paul's College Pasig Visa • Supreme Council Order of DeMolay Visa • Team Energy Visa • University of Santo Tomas Visa • University of the East Alumni Association Visa • University of the Philippines Alumni Association Visa • World Wild Fund for Nature (WWF) Visa	
Specialty Cards	• UnionBank Miles + Platinum	• PlayEveryday Credit Card
Core Cards	• UnionBank Gold Mastercard • UnionBank Platinum Mastercard • UnionBank Reserve Visa Infinite • UnionBank Miles+ Visa Signature • UnionBank Rewards Visa Platinum • UnionBank Cash Back Visa Platinum • UnionBank U Visa Platinum • UnionBank Shell Power Visa Platinum	• UnionBank Shell Power Visa Gold • UnionBank Mercury Visa Gold • UnionBank Reserve World Elite Mastercard • UnionBank Miles+ World Mastercard • UnionBank Cash Back Titanium Mastercard • UnionBank Rewards Platinum Mastercard • UnionBank U Mastercard Platinum • UnionBank Grab Mastercard Platinum
Debit Cards	• Go Rewards Debit Card • Lazada Debit Card	• PlayEveryday Debit Card

DEPOSIT PRODUCTS

FOR BUSINESSES

BizStarter – An entry-level, interest-bearing checking account for MSMEs with a low PHP 5,000 initial deposit and minimum balance. Open digitally via UnionBank Business Banking—no branch visits or physical documents required. Earn interest with a minimum balance of PHP 50,000.

Business Check – A versatile checking account for businesses designed for convenience. It includes check-writing software with voucher and receipt printing, plus an initial check inventory upon account opening. Reordering checks is easy through any UnionBank branch using a reorder slip.

Corporate Checking – An interest-bearing checking account designed for seamless financial management. Perform essential tasks like deposits, withdrawals, supplier payments, and payroll processing. Requires a PHP 50,000 initial deposit and earns interest with a minimum balance of PHP 100,000.

Corporate Savings – A smart savings account tailored for businesses. Manage finances, monitor cash flow, and transact in multiple currencies to protect assets and support growth.

Foreign Currency Deposit Unit (FCDU) Corporate Savings – A savings account for foreign currency transactions. Deposit, invest, or remit in major currencies with ease under the Foreign Currency Deposit Act (FCDA). Perfect for global business needs like education, travel, or medical expenses.

ePaycard Peso – Payee account opened and tagged under the umbrella account of a Corporate Client for the purpose of payees' salary credits, allowances, and other corporate disbursement. Corporate Client can choose between having a savings or checking variant of the account to be provided to their payees. This account is opened without an initial deposit requirement but will require a PHP 100,000.00 ADB to earn 0.10% interest p.a. It includes a deposit insurance coverage of up to PHP 1,000,000.00 per depositor, subject to 20% final withholding tax.

ePaycard Dollar Savings – Payee account opened and tagged under the umbrella account of a Corporate Client for the purpose of payees' salary credits, allowances, and other corporate disbursement in dollar denomination. This account is opened without an initial deposit requirement but will require a USD 1,000.00 ADB to earn 0.05% interest p.a. It includes a deposit insurance coverage of up to PHP 1,000,000.00 per depositor, subject to 20% final withholding tax.

GSIS-Member Account – This account allows crediting of GSIS benefits and loans to their members and access to ATM, POS, Internet banking & OTC transactions with a maximum deposit insurance of PHP 1,000,000.00 per depositor. Subject to a 20% final withholding tax. With no initial deposit required, an account may earn 0.10% interest p.a. for a minimum balance of PHP 100,000.00.

GSIS-Pensioner Account – This account was designed to accept pension credits and other benefits such as loan availments and other cash claims for GSIS pensioners and access to ATM, POS, Internet Banking & OTC transactions with a maximum deposit insurance of PHP 1,000,000.00 per depositor, subject to a 20% final withholding tax. With no initial deposit required, an account may earn 0.10% interest p.a. for a minimum balance of PHP 25,000.00.

Pag-IBIG Loyalty Card Plus – A loyalty card under the Pag-IBIG Fund's Loyalty Program, linked to a UnionBank savings account and ATM Visa Debit card. Other than the discounts and rewards as a loyalty card, it is used as a disbursement channel for Pag-IBIG proceeds (e.g. short-term loans, dividend payouts, provident benefit claims). The account has no initial deposit and maintaining balance requirement and can earn 0.10% interest p.a. for a minimum average daily balance (ADB) of PHP 100,000.00. It includes a deposit insurance coverage of up to PHP 1,000,000.00 per depositor, subject to 20% final withholding tax.

SSS-Member Account – This account allows crediting of SSS loans and benefits to their members and access to ATM, POS, Internet banking & OTC with a maximum deposit insurance of PHP 1,000,000.00 per depositor, subject to a 20% final withholding tax. With no initial deposit required, an account may earn 0.10% interest p.a. for a minimum ADB of PHP 10,000.00.

SSS Pensioner Account – Account designed to accept pension credits for SSS pensioners with no initial deposit and no maintaining balance. To earn 0.10% interest, an ADB of PHP 10,000.00 is required.

FOR INDIVIDUALS

Dollar Access Account – With initial deposit and minimum deposit requirement of USD 10,000.00 and required ADB of USD 25,000.00 to earn 0.05% interest, this account provides online banking access, comes with a Dollar Debit Card, and has a maximum deposit insurance of PHP 1,000,000.00 per depositor and subject to 20% withholding tax.

Go Rewards – A digital deposit account that comes with a debit card and earns points for every qualified spend which can be redeemed in Cebu Pacific, Robinsons Retail stores, Caltex, and more! Enjoy the perks of getting early alerts and exclusive access to Go Rewards and Cebu Pacific sale events as well as get exclusive UnionBank, Visa and Go Rewards merchant offers. This account can be opened without an initial deposit but will require PHP 10,000.00 ADB to earn 0.10% interest p.a. and a deposit insurance coverage of up to PHP 1,000,000.00 per depositor, subject to 20% final withholding tax.

First Savings – A savings account designed for minors up to 17 years old. Initial deposit and maintaining balance required is PHP 100.00. To earn interest, customers must maintain at least PHP 5,000.00 in the account. Insured up to a maximum deposit of PHP 1,000,000.00 per depositor and subject to 20% final withholding tax.

Personal Savings Account – With no initial deposit or maintaining balance required, this is the easiest way to get a savings account. It can be opened through UnionBank Online or in any branch. Balance to earn interest is PHP 10,000.00, with an interest rate of 0.10% p.a. Insured up to a maximum deposit of PHP 1,000,000.00 per depositor and subject to 20% final withholding tax.

Peso Hi-Five – Minimum of PHP 50,000.00 long-term (5 years plus 1 day) placement with interest compounded annually wherein payment of interest is made at the end of term with principal deposit, tax-exempt (for individuals only) if maintained until maturity. If pre-terminated, final proceeds will be net of applicable withholding tax on the interest earned and penalty rate based on pre-determined rates.

Peso Optimizer – Minimum placement of PHP 50,000.00 for 2, 3, 4, or 5 years plus 1 day with interest credited monthly to a UnionBank account net of withholding tax. Interest is subject to applicable withholding tax based on tenor, while documentary stamp tax on the deposit is at PHP 1.50 for every PHP 200.00 and every fraction thereof.

Peso Time Deposit – Minimum placement of PHP 50,000.00 for 30-360 days with interest and principal payout at the end of the term. If pre-terminated, default interest rate to be applied is regular savings rate, currently at 0.10% p.a. Interest income is subject to 20% final withholding tax, while the deposit is subject to PHP 1.50 for every PHP 200.00 and every fraction thereof multiplied by number of days for documentary stamp tax. Maximum deposit insurance of PHP 1,000,000.00 per depositor. Peso time deposit for tenors between 7-29 days is also available for a minimum placement amount of PHP 1,000,000.00.

PlayEveryday – The country's first and only gamified program that comes with a debit card and earns points thru savings, spending and other digital transactions. Rewards can be redeemed instantly thru the UnionBank Online app. This account requires no maintaining balance and earns 0.10% interest p.a. with at least PHP 10,000.00 ADB. It includes a deposit insurance coverage of up to PHP 1,000,000.00 per depositor, subject to 20% final withholding tax.

Power Checking Account – With initial deposit and minimum ADB requirement of PHP 100,000.00 to earn tiered interest up to 0.25% p.a., this account allows maximization of interest on extra funds and the flexibility to issue check payments. Account has a maximum PHP 1,000,000.00 deposit insurance coverage per depositor with a 20% final withholding tax.

Premium Deposit Account – Initial deposit of PHP 500,000 and ADB requirement of PHP 3 million to earn tiered interest of up to 0.40% p.a., this account enables customers to manage their daily check disbursements while earning interest from their funds. Maximum of PHP 1,000,000 deposit insurance coverage per depositor with a 20% final withholding tax.

Regular Checking Account – With an initial deposit and minimum ADB requirement of PHP 10,000.00, our flagship checking account simplifies and facilitates daily disbursement needs. This deposit product is covered up to PHP 1,000,000.00 per depositor, and is not subject to withholding tax.

Regular Savings Account – With an initial deposit and minimum ADB requirement of PHP 10,000.00. This can be opened in any UnionBank branch. Balance to earn 0.10% interest p.a. is PHP 25,000.00. Insured up to a maximum deposit of PHP 1,000,000.00 per depositor and subject to 20% withholding tax.

Savings + – Account that offers free group life insurance from Insular Life. Eligible customers can receive up to three times their last reported ADB, up to a maximum life insurance coverage of PHP 3 million. Required average daily balance, and balance to receive the free life insurance, is PHP 25,000.00. Balance to earn interest is PHP 100,000.00. Interest rate is 0.10% p.a. A Visa debit card can be issued at the request of the customer. Insured up to a maximum deposit of PHP 1,000,000.00 per depositor and subject to 20% final withholding tax.

Third Currency Savings Account – AUD, EUR, GBP or JPY- denominated savings account with varying initial deposit and minimum balance required to earn interest depending on the currency and applicable final withholding tax rate of 20% and a maximum deposit insurance of PHP 1,000,000.00 per depositor.

Third Currency Time Deposit – AUD, EUR, GBP or JPY- denominated 30 to 360 days term placement with varying minimum placement amount depending on the currency and applicable final withholding tax rate of 20% and a maximum deposit insurance of PHP 1,000,000.00 per depositor.

USD Optimizer – Minimum placement of USD 10,000.00 for 2, 3, 4, or 5 years with interest credited monthly to a UnionBank account net of 20% withholding tax. This account comes with a maximum deposit insurance of PHP 1,000,000.00 per depositor.

US Dollar Savings Account – With an initial deposit of USD 500.00 and minimum ADB of USD 1,000.00 to earn 0.05% interest p.a., this account comes with a maximum of PHP 1,000,000.00 insurance per depositor subject to 20% final withholding tax.

USD Time Deposit – Minimum placement of USD 1,000.00 for 30-360 days with interest and principal payout at the end of the term. If pre-terminated, default interest rate to be applied is regular savings rate, currently at 0.05% p.a. Interest income is subject to 20% final withholding tax. This account comes with a maximum deposit insurance of PHP 1,000,000.00 per depositor.

INVESTMENT AND HEDGING PRODUCTS

Peso Treasury Bills / Notes / Treasury Bond – Peso denominated fixed income securities issued by and which represent unconditional obligation of the Philippine National Government with tenors ranging from 3 months to 25 years.

PesoTier2Notes – Peso-denominated unsecured subordinated debt issued by banks.

Peso Corporate Notes – Peso-denominated fixed income debt issued by large Philippine corporations.

UnionBank Bonds–Peso – Or Foreign Currency-Bonds issued from time to time by the Bank.

US Dollar Sovereign Bonds – US Dollar-denominated fixed income securities issued by and which represent unconditional obligation of the Philippine National Government or other sovereign countries.

US Dollar Corporate Bonds/Notes – US Dollar denominated fixed income debt issued by large Philippine or offshore corporations.

Foreign Exchange – Spot, Forwards, and Swaps- Converting one currency for another on either a spot (immediate) or forward (future date) basis.

Asset swaps – Instruments where the cashflows of an underlying asset are exchanged for cashflows in another currency.

Cross currency swaps – Instruments where the cashflows in one currency are exchanged for another currency.

INVESTMENT AND TRADING PLATFORMS

Bonds.PH – A fully digital bond distribution platform that allows clients to create an account, cash in from any bank, debit card or electronic wallets like GCash or Paymaya. Bonds.PH allows clients to invest in various bonds issued by the Bureau of the Treasury or BTr during the public offer period, without the need for a bank account. The Bonds. PH mobile app is available 24/7, and allows investors residing abroad to participate in a featured BTr issuance. As allowed by the terms and conditions of certain issuances, clients can also sell their investments purchased from Bonds.PH.

U.FX – A web-based foreign exchange (FX) dealing platform with live executable rates for the branches and mobile app. The platform allows for straight through processing of FX transactions with competitive and live rates not only for US Dollar to Philippines Peso, but also for most major currencies. The U.FX on the mobile application allows our clients to transact their FX needs anytime, anywhere. The U.FX operates on various channels: over-the-counter in Branches, UnionBank Online and The Portal.

WEALTH MANAGEMENT

UNIONBANK ACCESS AND UNIONBANK ELITE

For clients who want to take their wealth to the next level, UnionBank also offers wealth management programs that can provide them with expert advice and insights, access to local and global investment opportunities, and unparalleled experiences that go beyond banking.

For those at the beginning of their wealth journey, **UnionBank Access** is the perfect service. Access clients enjoy leveled up banking as they get VIP treatment with priority queueing at UnionBank Wealth Branches, get preferential foreign exchange rates (for travel or investment purposes), have exclusive time-deposit rates, enjoy free ATM withdrawals with higher transaction limits (in country and abroad), can enjoy cross-border fund transfers via UnionBank Online, and can link multiple deposit accounts to their UnionBank Access debit card.

UnionBank Elite customers, on the other hand, enjoy the service of a team of wealth experts providing holistic support, comprised of a Relationship Manager, Service Banker, Wealth Acquisition Officer, Investment Consultant, and Insurance Specialist, to provide insights and guidance that will help keep them on track to meet their financial goals. UnionBank Elite customers can access Global Investment products without opening off-shore accounts, have free international ATM withdrawals, and can transfer cross-border funds to any account in the world with no outgoing fees. They also get exclusive invitations to premium events and experiences that fit their sophisticated lifestyle.

PRIVATE BANKING

Access to Global Funds & Investment Strategies
UnionBank Private Banking provides clients access to a wide array of Global Mutual Funds and Exchange Traded Funds, upon inquiry. These global funds are assessed and reviewed by our in-house investments team in terms of their Sharpe ratio and Morning Star rating, among other metrics. Our strategic alliance with Lombard Odier gives clients access to world-class investment strategies, with a core-satellite investment philosophy.

Government Securities, Corporate Bonds, Money Market Securities, UITFs
UnionBank Private Banking gives clients direct access to local investment outlets such as Philippine Government Securities, US Treasuries, Corporate Bond Issuances, Common & Preferred Equities, UITFs, and special rates on Time Deposits and other Money Market Instruments.

Asset Swaps
UnionBank Private Banking provides clients structured products that will enhance the yield of their plain vanilla investment holding, while considering credit, liquidity and other related risks that will impact the investment.

Private Assets
UnionBank Private Banking makes available private assets such as private debt and private equity strategies, to more sophisticated clients looking for enhanced potential returns.

Family Services
UnionBank Private Banking helps clients find the optimal solutions to clients' concerns on Family Wealth Structuring, Succession Planning, Inter-generational Wealth & Business Transition, Retirement & Estate Planning, and Philanthropy & Sustainability. We also have legal, tax and cross-border expertise on wealth management matters. UnionBank Private Banking also engages its clients through events like The NextGen Academy, which empowers the building of entrepreneurial foundations for the emerging leaders in family businesses. Our strategic ally, Lombard Odier, also assists by sharing their world-class family services expertise in these activities.

Financial Advisory
UnionBank Private Banking will help structure an optimal investment portfolio for clients, considering their return objectives and risk profile. An open architecture investment philosophy ensures that clients will have the opportunity to invest in best-in-class investment outlets, even though they may not be UnionBank products. Services are made available through its Trust entity.

OTHER SERVICES

Foreign / Domestic Collections and Remittances
- Fund Transfers
- Manager's Checks
- US Dollar Demand Draft
- Peso / US Dollar / Select 3rd Currencies Telegraphic Transfer
- PDDTS (Philippine Domestic Dollar Transfer System)

Purchase and Sale of Foreign Exchange

SUBSIDIARIES PRODUCTS & SERVICES

CITY SAVINGS BANK (CitySavings)

LOAN PRODUCTS

Teachers' Salary Loan
This loan product is offered to teachers and non-teaching personnel in public elementary and secondary schools under the Department of Education (DepEd) and state universities and colleges (SUCs). DepEd salary loans are paid under the Terms and Conditions of the Automatic Payroll Deduction System (APDS) Accreditation (TCAA), while SUC salary loans are governed under the Memorandum of Agreement with the respective CitySavings accredited schools.

Calamity Loan
A loan extended to teachers and non-teaching personnel employed in public elementary and secondary schools, if their place of residence is declared as a calamity area. The loans are likewise governed by the DepEd Terms and Conditions of the APDS Accreditation.

Department of Agrarian Reform (DAR) Salary Loan
A salary loan extended to employees of the Department of Agrarian Reform.

Government Salary Loan
A salary loan available to regular employees of National Government Agencies (NGAs) and Local Government Units (LGUs), including elected officials and coterminous employees serving a limited tenure based on the term of office of the appointing official. The loan payment is through automatic payroll deduction.

Armed Forces of the Philippines (AFP) Salary and Pension Loans
A loan granted to qualified active soldiers and civilian personnel of the AFP, including Army, Navy / Marines, Air Force, Civilians, Technical Administrative Service (TAS) personnel, legal beneficiaries, and pensioners. The loans are paid via automatic payroll deduction.

Bureau of Fire Protection (BFP) Salary and Pension Loans
This is offered to active uniformed and non-uniformed BFP personnel, including pensioners, and legal beneficiaries. The loan payment is made via automatic payroll deduction.

Bureau of Corrections (BuCor) Salary Loan
This is offered to active uniformed and non-uniformed BuCor personnel. The loan payment is made via automatic payroll deduction.

Philippine Coast Guard (PCG) Salary Loan
This is offered to active uniformed and civilian PCG personnel. The loan payment is made via automatic payroll deduction.

Pensionado Loan
This is available for Government Service Insurance System (GSIS) and Social Security System (SSS) pensioners with pension deposit accounts with Union Bank of the Philippines. The loans are paid via automatic debit of amortization from the pension deposit account.

Motorcycle (MC) Loan
A loan offered to the general public to finance a motorcycle using the purchased unit's Official Receipt / Certificate of Registration (OR / CR) as collateral. The loan payment is through UnionBank and CitySavings branches, payment centers, digital wallets, and other collection platforms.

DEPOSIT PRODUCTS*

Regular Savings
A savings account with an initial deposit of PHP 3,000 and an interest rate of 0.10% per annum.

Power Savings
A savings account with an initial deposit of PHP 25,000 and a higher interest rate than the regular savings account. It earns interest like a time deposit without a lock-in period and can be withdrawn at any time.

Checking Account - Personal
A checking account for individual clients with an initial deposit of PHP 5,000.

Checking Account - Corporate
A checking account for corporate clients with an initial deposit of PHP 10,000.

**Deposits are insured by PDIC up to PHP 1 million per depositor*

Time Deposit

A. Fixed Time Deposit
A time deposit with a minimum placement of PHP 50,000 with terms varying from 30 days to 5 years. For short-term tenors, interest is paid at the end of the term, while for long-term placements, interest is paid monthly or quarterly.

B. Floating Rate Time Deposit
A time deposit for 2 years up to 5 years and 1 day, with interest earned based on the prevailing Reverse Repurchase (RRP) rate of the Bangko Sentral ng Pilipinas (BSP) + pre-approved spread. The interest earned can be monthly or quarterly on client's preference.

**Deposits are insured by PDIC up to PHP 1 million per depositor*

DIGITAL CHANNELS

CitySavings Mobile App
A digital mobile application designed to provide a fast, secure, and convenient banking experience. Eligible existing CitySavings clients, including those with Teacher Salary Loans, Savings Accounts, and Time Deposits, can easily register through the app to view account balances, transfer funds, and pay bills anytime, anywhere. Teacher-clients also benefit from a streamlined digital reloan process and real-time loan status tracking, enabling faster access to funds with greater transparency and control.

Talk to Maria
Talk to Maria is the Bank's 24/7 automated virtual assistant on Facebook Messenger that provides responses based on predefined information, assists with product and loan inquiries, and helps users locate the nearest CitySavings ATM or branch. The channel primarily serves as a digital lead generation platform, guiding interested users toward loan applications and branch engagement.

UBX

Founded in 2018 as a spin-off from Union Bank of the Philippines, UBX started as a corporate venture capital arm, investing in fintechs and incubating digital platforms. Now, UBX is a premier technology company delivering digital transformation for enterprises and the government, with embedded finance as its core accelerator. Beyond our core offerings, we collaborate closely with clients to design and implement customized solutions that align with their unique needs, whether within our existing solutions or leveraging our broader expertise.

Capabilities Digital Transformation (DX)
End-to-end digital transformation, from tech adoption and strategy to implementation and management.

- **Consultancy**
  Strategic guidance to accelerate technology adoption, transform businesses, and achieve results.
- **Managed Services**
  Tailored, outcome-focused solutions for system implementation, maintenance, and long-term support.
- **Professional Services**
  Skilled workforce solutions that comply with labor standards to support your operational needs.

FinTech Platform
Provides businesses with embedded banking, payments, and credit solutions.

- **Payments**
  Payments technology that seamlessly accepts, processes, and manages payments within points of sale (POS), apps, products, or websites.
- **Banking**
  Banking-as-a-Service technology, enabling seamless embedded banking in both financial and non-financial businesses.

UNIONDIGITAL BANK

UBEH Save – High-Interest Rate Savings Account: Offers a savings account with a competitive interest rate (up to 4%), enabling customers to grow their funds more effectively. Customers can easily open an UBEH Save account within minutes by providing your basic information, a valid government ID, and a simple selfie.

UD Time Deposit – Short-term Time Deposit: Introduces fixed-term investments, including a pioneering PHP 1,000 time deposit, allowing for short-term savings at competitive rates and facilitating financial inclusion by providing investment opportunities with a low barrier to entry.

Add Money – Facilitates convenient fund deposits into customer accounts through various channels, including bank transfers or deposits at physical locations via partner channels. Specifically, there are over 9,000+ locations available for cash deposits, ensuring widespread accessibility and ease of use for account funding.

Get Money – Facilitates the withdrawal of funds or receipt of money from others at more than 8,500+ locations for cash withdrawals via partner channels, ensuring accessibility to funds as needed.

Send Money – Enables users to quickly and securely transfer funds within UD and to other different banks. We provide complimentary PesoNet and InstaPay transfer services, ensuring cost-effective and efficient transactions for our customers.

Pay Bills – Provides a convenient bill payment service that allows customers to directly settle utilities and other bills from their account, with access to over 500+ billers.

InstaPay QR – Utilizes the QR PH system for peer-to-peer transactions via Instapay, allowing customers to make and receive payments through QR code scanning and generation, thereby enhancing the overall ease of transactions. This can also be used as a means to send and receive funds between UD accounts.

UD Cash Loans – A fully digital cash loan product that leverages mobile data scoring and bank transaction history to offer fast, accessible loans to eligible UD customers. Designed to be seamless and hassle-free, UD Cash Loans provide instant funding to those who qualify, enabling financial flexibility without long processing times.

UD Loans – Offering personal loans exclusively to UnionBank salaried customers through the UD Loans microsite. This is an invite-only program, ensuring fast approvals and convenient access to loans to their payroll account.

UNIONBANK FINANCIAL SERVICES AND INSURANCE BROKERAGE INC.

Brokerage Products and Services:
Investment Funds
Investors can maximize their investment portfolio's potential with carefully selected investment funds such as mutual funds (MFs) and unit investment trust funds (UITFs). Through investment funds, investors can benefit from diversification, professional investment management, and efficiently access various financial markets across a variety of specific themes, regions, sectors, and asset classes. With professional wealth management advice, investors can effectively navigate financial markets and align their investment fund portfolio with their overall financial objectives, time horizon, investing experience, and risk tolerance.

- BSP-registered Unit Investment Trust Funds
- SEC-registered Mutual Funds
- Global Investment Funds (Qualified Buyers Only)

Fixed Income
Fixed income securities are investment instruments issued by governments and corporations, and offer stability, reliable returns, and predictable income. These investments form a solid foundation for capital preservation, portfolio diversification, and achieving financial goals. Designed to provide a consistent income stream, these investments are an attractive option for investors seeking stable cash flow and access to opportunities across diverse geographies and industries. With professional wealth management advice, investors can effectively navigate financial markets and align their fixed income portfolio with their overall financial objectives, time horizon, investing experience, and risk tolerance.

- Philippine Government Bonds
- Philippine Bank-Issued Bonds
- Global Government Bonds
- Local Currency Corporate Bonds
- Foreign Currency Corporate Bonds (Qualified Buyers Only)

Qualified Buyer Registration
The Qualified Buyers (QB) Program unlocks a wider spectrum of financial market opportunities by providing privileged access to unique strategies from top global fund houses and a curated selection of international bonds houses, the QB Program provides investors with unparalleled portfolio diversification across regions, sectors, asset classes, and strategies. With professional wealth management advice, investors can effectively navigate the financial markets and align their investment portfolio with their overall financial objectives, time horizon, investing experience, and risk tolerance.

Structured Notes
Structured notes combine traditional securities, such as stocks or bonds, with derivatives to create highly customized risk-return profiles. They provide investors with the potential for enhanced returns, downside protection, and tailored exposure to specific market conditions, enabling more precise alignment with individual risk preferences and investment goals. By offering flexibility in structuring the terms of the note, including principal protection and varying levels of risk, structured notes are an attractive option for investors seeking to optimize their portfolios for both growth and risk management. Structured Notes are available under UFSI's Qualified Buyer's Program.

UFSI is a licensed Fixed Income Securities Broker, Mutual Fund Distributor and Qualified Buyer Registrar by the Securities and Exchange Commission (SEC).

Investment-Linked Life Insurance Plans
Investment-Linked Insurance (ILI) plans, also known as Variable Universal Life Insurance (VUL), provide clients with life insurance coverage as well as potential for capital appreciation through investments. The capital appreciation is a key feature of ILIs / VULs as the client is given the opportunity to choose available underlying investment funds that match his or her risk profile. These investment funds offer a broad range of exposures in terms of geography, themes, and asset classes. These plans can be further enhanced with riders that offer additional protection against life's numerous uncertainties including accidents, hospitalization, or being stricken with critical illnesses. While the primary purpose of ILIs / VULs is protection from the unforeseen and unexpected, these also offer potential wealth accumulation for their golden years.

- Local Currency Single Pay Plans
- Local Currency Multiple Pay Plans
- Foreign Currency Single Pay Plans

Traditional Life Insurance Plans
Traditional life insurance plans address clients' unique needs and provides clients and their families a safety net in case of an untimely demise, disablement, or disease. Unique to traditional life insurance is the potential to receive a lump sum amount to enjoy as living benefit should the client survive the maturity of the policy. In the case of endowment plans, not only can clients receive a maturity benefit, but they can receive periodic endowment payouts throughout the policy's duration. In recent years, life insurance companies have created plans that provide immediate funds in case of hospitalization or a diagnosis of a critical illness. With modern healthcare, more people are living longer lives and the need for a healthcare plan is no longer nascent but a necessity.

- Endowment Plans
- Term Insurance Plans
- Health and Critical Illness Plans

General Insurance Plans
General insurance or non-life insurance encompasses a variety of solutions that provide clients with protection against risks associated with loss or damage to their properties, vehicles, and even specific assets like works of art. There are also specialized products which cover financial losses that may come from cybersecurity issues, professional liability, or in the case of businesses, inventory loss and theft. Travel insurance is a more familiar product, covering financial losses associated with either domestic or international travel. In case of hospital emergencies, personal accidents, or loss of personal effects, having a travel insurance plan can minimize the stress that comes with these inconveniences.

UFSI is licensed by the Insurance Commission (IC) to operate as an insurance broker.

SIZZLING SUCCESS

How Benmark Group Holdings reimagined Japanese fast casual dining in the Philippines—one hot plate at a time

CECILE ZAMORA
CEO

Cecile Zamora feels a special thrill when she finds a restaurant she loves. It happened in Singapore when she stumbled upon Pepper Lunch and watched a sizzling hot plate land on her table. Her immediate reaction: I want to bring this to Manila.

That instinct—equal parts passion and audacity—launched Benmark Group Holdings as the master franchisor of Pepper Lunch in the Philippines. Nearly two decades later, it now has 80 stores and counting.

A HOT PLATE AND A HUNCH

When Cecile brought Pepper Lunch in 2008, she was stepping into uncharted territory. Authentic Japanese fast casual dining was barely a concept in Manila. Salmon on a menu was a gamble. "Before we opened Pepper Lunch, I was having nightmares," Cecille recalls with a laugh. "I said, who's going to eat our salmon?"

As it turned out, many did. What drew her to the brand wasn't just the food—it was the experience. Founded in Japan in 1994, Pepper Lunch offered something genuinely novel: do-it-yourself cooking on a 260-degree iron plate, which is both theatrical for adults and simple enough for children. "I just felt like we didn't have anything like it in the Philippines."

The opening itself became its own story. A permit delay kept the first store shuttered for two weeks. Cecile, then a journalist for The Philippine Star and creator of the popular blog Chuvaness, did what any good writer would: she turned the wait into content.

She invited PR contacts who brought in celebrities, politicians, and journalists. She posted daily blog updates. The restaurant was boarded up and invisible from the outside, but online, the buzz was already building. When the barricades finally came down, there was a line out the door. "I didn't believe my blog did it," she says, "but now I think it did."

THE JAPAN FACTOR

The buzz wasn't just about novelty. Pepper Lunch tapped into something deeper—a genuine cultural affinity that Filipinos have long held for Japan. Cecile says, "Japan is always changing; there's always something new. It's like going to another planet." And if there's anyone who embodies reinvention, it's her: journalist, blogger, fashion designer, DJ, and CEO.

That read of the market proved exactly right. Today, Pepper Lunch's signature beef pepper rice—along with its other sizzling plates and the brand itself—has become part of the cultural fabric. The children who first ate there with their parents are nearly adults now. "It's been almost 20 years," she says. "Now they feel nostalgic."

THE HAMBURG YOSHI BET

Cecile's instinct with Pepper Lunch paid off. With Hamburg Yoshi, she is doing it all over again.

She discovered Hamburg Yoshi the same way she discovered Pepper Lunch: by accident, following her gut. She was

leaving her favorite Aoyama salon in Tokyo when Cecile spotted a photo of a Japanese hamburger steak and felt something click. "It was the same feeling I had with Pepper Lunch—bringing something to Manila that we don't have."

She moved fast. She gave the owner her card, was on a Zoom call within a month, and signed a contract within two. Hamburg Yoshi's Manila debut in BGC promises to be a faithful reproduction of the Tokyo experience: charcoal-grilled burgers, Wagyu hamburg, Harami steak, beef tongue, demi-glace sauce, and authentic Japanese rice—a menu that goes far beyond anything local competitors offer.

The proof is in the reception. "Even Japanese guests thank me," she says, clearly delighted. "They say they feel like they're in Japan."

NEXT STAGE GROWTH

Ask Cecile about other brands she might bring in, and she's measured. She's had plenty of offers—ramen concepts, trendy formats, anything riding the latest wave—and she turns most of them down. "I only want to get into something that I personally want to eat," she says. "I have to be passionate about it." Hamburg Yoshi still needs to find its feet, and a second location in the Mall of Asia is already in the works. "It's like having a baby. I don't want another until this one is walking."

Growing two restaurant chains demands more than good instincts, though—it demands reliable infrastructure. That's where UnionBank comes in. Cecile is candid about how the connection with the Bank started. "We got into it because your relationship manager is so good. Because of my relationship with her, we entrusted the company to UnionBank."

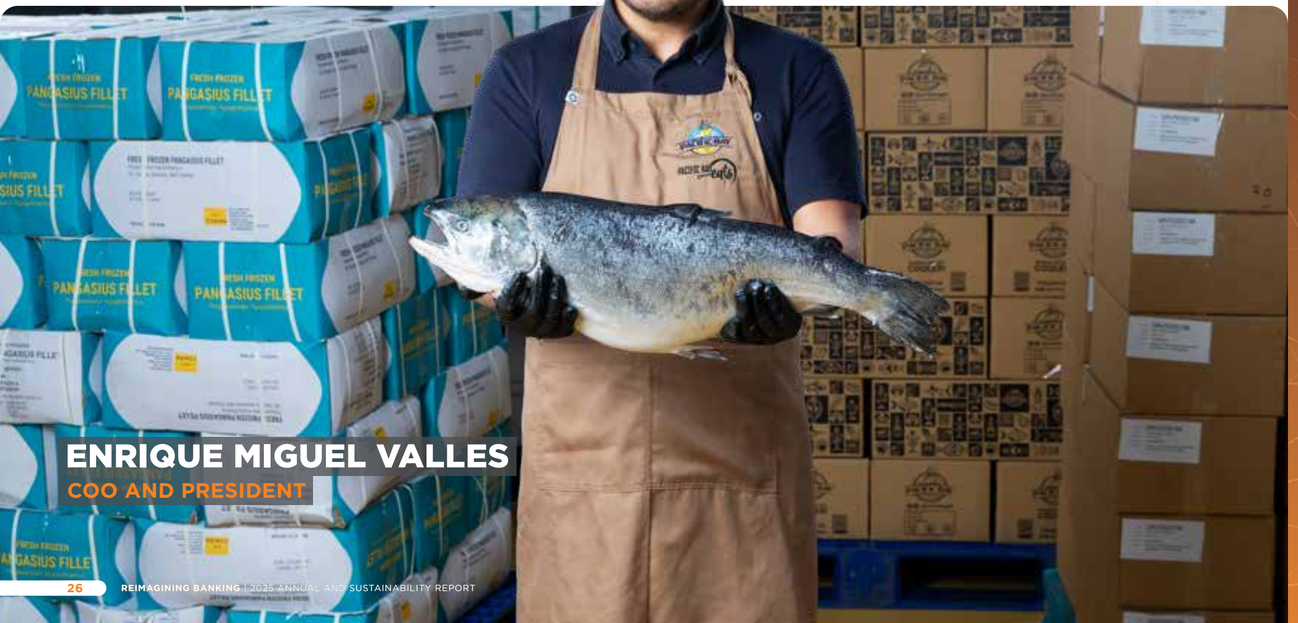
That personal connection unlocked something more powerful: the ability to run a growing enterprise from anywhere in the world. For a founder who splits her time between Manila and Tokyo, UnionBank's digital capabilities are a genuine edge. "Now, when I travel, I can approve checks," she says. "Before, I had to sign a pile of checks before I left. The electronic side of that really helps us."

Nearly two decades in, Cecile's core beliefs haven't changed: discover what drives you, trust your instincts, deliver an authentic experience. It's a simple formula. But in her hands, Benmark has quietly reshaped Filipino expectations of Japanese fast casual dining and set the stage for its next wave of growth.

BEYOND THE COLD CHAIN

How Mida Food Distributors reimagined what a seafood company could be

MIDA FOOD SPECIALISTS



ENRIQUE MIGUEL VALLES

COO AND PRESIDENT

Enrique Miguel Valles will be the first to tell you that frozen fish is boring to talk about. As COO and President of Mida Food Distributors—the Philippines' leading importer and distributor of premium seafood—he has spent 17 years making it anything but.

Founded by Lourdes "Chingling" Tanco in 1997, Mida has grown from a small commodity trader to a complete seafood solutions provider. It stocks 700 tons of product in cold storage. It supplies everything from the humble cream dory to the prized turbot. And it serves hotel kitchens, restaurant chains, and supermarket shelves in Greater Manila. It boasts a 98% fulfillment rate on purchase orders. Next year, Mida turns 30.

But the number that matters most to Enrique isn't tonnage or market share. It's the moment a stranger at a dinner party starts talking, with genuine passion, about the dish they just made with Pacific Bay products.

"That's what I want to hear all day," he says. "The more happy stories people share about how our food makes them feel, the more motivated we are to keep going."

From Commodity Trader to Solutions Provider

When Enrique joined Mida in 2008—flying in from London, where he had studied and worked in the hotel industry—the company was at an inflection point. Chingling and Enrique's mother, business operations director Chona Valles, had built a reliable seafood trading business. The question was what it could become next.

His answer: stop selling just products and start solving problems. Today, Mida serves food service clients (restaurants, hotels, caterers) and modern trade retail, both under its own Pacific Bay brand and through private-label arrangements with partner retailers. It's also one of the few distributors in the country that does last-mile processing. Raw materials arrive in master cartons, then are portioned, blast-frozen, and shipped pre-cut to meet exact dish specifications.

"If you're a restaurant chain serving salmon at 130 grams per dish, we'll do the cutting here directly," Enrique explains. "It may look more expensive per kilo, but the benefits to customers from better inventory control far outweigh the added cost."

That consultative instinct runs through everything Mida does. For instance, when Spanish restaurants needed baby squid for chipirones, Mida traced its source. It ensured the product was sustainably sourced, pre-cleaned; Mida delivered the baby squid frozen and ready to fry—cutting prep time by 80%.

"My salmon and my competitor's salmon are pretty much the same—they all swim in the same waters," Enrique says. "What differentiates us is our commitment and our service. Genuine care for the product, the customer, and our end user is at the core of what we do."

None of this would be possible without the working capital to take a position on new product programs before demand materializes—the kind of financial flexibility that Mida has drawn on through its banking relationship with UnionBank. "I'm really grateful to UnionBank," Enrique says, "they have been with us since Mida's founding year."

From Fine Dining to the Family Table

Mida's reach spans the entire market. At the high end, it supplies turbot, barramundi, and specialty shellfish to the country's top restaurants and hotel buffets. At the other end, it is one of the largest suppliers of cream dory and Atlantic salmon—staples that anchor menus across every channel.

Enrique has seen a steady change in Filipino tastes over his career. Palates are evolving quickly. YouTube cooking channels, Netflix food documentaries, and cheaper international travel have created a market eager to recreate what they saw or tasted overseas.

"People are looking for a variety of seafood that's not available locally," he says. "There are more sophisticated palates out there. Beyond being a seafood supplier, we really want to be known for having a wide variety of products to choose from."

Building Pacific Bay—and Taking It to the Kitchen

Mida's consumer brand, Pacific Bay, was built from almost nothing—no marketing team, no ad budget, and a founder willing to buy a chef's uniform for cooking demos because he couldn't afford to hire one. "So, there's a picture out there, and they call me Chef Enrique," he says, laughing.

Today, Pacific Bay is a nationwide retail brand. It has also added a full range of ready-to-heat products. These include fish fingers, shrimp tempura, a spicy fish fillet, and shrimp popcorn—catering to younger generations seeking convenient, healthy protein options.

Mida also launched Pacific Bay Eats, a cloud kitchen brand on Grab, FoodPanda, and its own e-commerce site, delivering restaurant-quality seafood dishes. The goal isn't revenue; it's relevance.

"It gets us closer to our customers and connects our products to something more tangible," Enrique explains. Instead of enjoying gindara steak in a restaurant occasionally, like for birthdays, he adds, clients start ordering it from home to celebrate Sundays or salary days.

The Long Game

Scaling a business like Mida—five import categories, 700 tons of cold storage, GPS-routed fleets, and 98% service levels—demands a financial partner that understands businesses built on perishable inventory and long-horizon bets.

"Mida has had tremendous success, but we've also had troubled times," Enrique shares. "Throughout the peaks and troughs, UnionBank has always been by our side."

After 29 years, Mida Food is still doing what it has always done: finding seafood products the market doesn't yet know it wants, bringing them home, and building something lasting around them. The momentum hasn't thawed for nearly three decades. The fish may be frozen, but the vision never is.

FORGING THE FUTURE

STEEL ASIA
TIBAY NG PILIPINO

With green steel and sustainable manufacturing, SteelAsia is reimagining the mother of industry

Benjamin Yao doesn't talk about steel the way most industrialists do. He talks about it the way a patriot talks about infrastructure and the way a strategist talks about national security. "The Japanese call steel the mother of all industries," the Chairman and CEO of SteelAsia says. "It's as important as rice. Self-sufficiency is very important."

For more than five decades, Benjamin has been acting on that conviction—often alone. When he started, there were 60 players in the rebar space, everyone doing the same thing, content with comfortable margins and seeing no reason to change. He saw something different: a Philippines with enormous growth potential, decades of pent-up demand, and a steel industry nowhere near ready to support it.

So, he built one.

Ahead of Demand, Not Behind It

SteelAsia today supplies more than 80% of the country's national and major infrastructure projects. It operates four mills—in Bulacan, Batangas, Cebu, and Davao—with expansion projects underway in Quezon and Batangas. Since commissioning its Calaca mill in 2008, the company has grown its capacity eightfold, its assets by more than 1,200%, and its equity by nearly 4,800%.

None of that happened by reacting to demand. It happened by anticipating it.

"We believe the Philippines has a lot of growth potential. It has been on a multi-decade track," says Rafael Hidalgo, President and Co-COO. "No matter what global events or crises happen, in the long run, the Philippines has much to grow. The housing sector has a backlog of seven million units. We are sorely in need of modern infrastructure. The steel demand for the decades to come has to be responded to today."

That philosophy—building ahead of the curve, absorbing the risk, supporting the country—is what separates SteelAsia from every competitor that chose the easier path. World-class technology sourced from Danieli of Italy and SMS of Germany. Regional mills planted in Visayas and Mindanao to eliminate the punishing inter-island shipping costs that once made quality steel prohibitively expensive outside Luzon. A one-price policy that put Manila prices within reach of customers in Davao and Cebu.

"Whatever the industry was doing, Mr. Yao chose a different path. You can call him a maverick of the industry," Rafael points out. "He was the first to modernize the steel industry to world-class levels. None has really followed suit because it is obviously a difficult path to choose. It's capital-intensive, management-intensive, and technologically intensive."

The Greenest Steel in the World

SteelAsia's Calaca mill in Batangas has been certified by DNV of Norway as having the lowest CO_2 emissions among steel plants worldwide. With only 0.28 tons of CO_2 per ton of steel produced, this is roughly 90% lower than traditional steelmaking. The plant runs entirely on recycled domestic scrap, powered by 100% renewable energy.

"There's no coal, no coke," Benjamin explains. "Other countries—Japan, Europe, China, especially—use blast furnaces. In the Philippines, we use scrap, not iron ore."

A new green steel plant currently under construction will run on hydroelectric and solar energy from Aboitiz Power, putting it on track to match Calaca's record. The results have drawn global recognition: Moody's assigned SteelAsia a "Very Good" SQS2 Sustainability Quality Score for the company's Sustainable Finance Framework. "It is the highest among steel companies globally," says Pek Hoong Chong, Executive Vice President and Co-COO, "and the highest for any Philippine company across all industries."

Import Substitution as National Strategy

The most consequential chapter in SteelAsia's story is still being written. Today, structural steel products—I-beams, H-beams, sheet piles, wire rods, the components that go into warehouses, transmission towers, and pre-engineered buildings—are 100% imported into the Philippines. The country exports scrap metal, then buys it back as high-value finished goods. The jobs, the value-add, and the dollar savings all go elsewhere.

SteelAsia is about to change that. Over the next three years, it will commission mills to produce these products domestically for the first time. When complete, the shift is projected to save the country an estimated $2 billion annually in trade deficit—roughly 4% of the total. Lead times for structural steel, currently three to four months when imported, will collapse to days.

"Our strategy is not just a business opportunity," says Andre Sy, SteelAsia's Executive Vice Chairman. "It's about building steel self-reliance—shielding the country from supply chain shocks, reducing forex exposure, and keeping value-addition and jobs here in the Philippines."

Building People, Not Just Plants

Eight years ago, SteelAsia built a training academy in Batangas. It is modeled from a German vocational school—the same equipment, the same curriculum, the same rigor. Its students aren't engineering graduates. They're out-of-school youth, indigenous people—the ones most employers wouldn't look at twice.

They get six months of free training, free board and lodging, free tools and uniforms, and a guaranteed job upon graduation.

"We invite the unemployable," says Rafael. "It's scary for them as they don't trust corporations. But we gave them a chance no one else was willing to give." Over 200 graduates have come through, each transformed—with hard hats and uniforms, operating complex industrial equipment with confidence and dignity.

Every SteelAsia mill is among the largest employers in its municipality. Each direct job generates an estimated five to seven more in the surrounding community.

A Partner That Understands

Rapid, capital-intensive growth of this scale demands financial partners who understand what they're backing—not just the balance sheet, but the industry and the mission behind it.

"As you grow, capital requirements keep increasing," says Rafael. "UnionBank has been one of the most responsive banks, and one that truly understands industry." They have been our partners for a long time.

For a company on a multi-decade mission, that understanding is everything. SteelAsia isn't chasing quarterly returns. It's building the steel foundation the Philippines needs for the next 50 years—and doing it with partners willing to think on the same timescale.

"It's never too late," assures Benjamin. "We just need to catch up."

BANK WEBSITE

http://www.unionbankph.com

BUSINESS ENVIRONMENT

UnionBank operates within a dynamic Philippine financial landscape shaped by rapid digital adoption, a resilient banking system, and strong consumer-driven economic activity. The Bangko Sentral ng Pilipinas (BSP) continues to provide a stable regulatory environment, contributing to sector confidence and enabling banks to innovate while maintaining sound risk management. UnionBank's leadership has highlighted the strength of this regulatory foundation, noting the resilience and strong oversight of the Philippine banking system even amidst global uncertainty.

The broader macroeconomic environment remains supportive of growth, with the Philippine consumer market serving as a major economic engine. UnionBank has aligned with this trend, leveraging a young, digital-native population whose growing workforce participation fuels demand for financial services.

The country's accelerating shift toward digitalization is reshaping competitive dynamics. UnionBank is positioned at the forefront of this transformation, benefiting from the expanding use of digital channels, rising transaction volumes, and rapidly growing customer adoption. The Bank's customer base has continued to expand—reaching 18.6 million by end-2025—underscoring the strong market response to its digital strategy. This externally driven shift toward digital finance is further reinforced by the competitive rise of digital banks in the Philippines.

Consumer behavior trends also play a significant role in shaping UnionBank's operating context. The Bank is experiencing sustained growth in unsecured consumer loans and digital-transaction-driven fee income, supported by strong demand for cashless payments, online commerce, and digitally delivered financial products.

Overall, UnionBank's external operating environment is characterized by regulatory stability, strong digital momentum, heightened competition from fintechs and digital banks, and a robust consumer-driven economy. These factors collectively create both opportunities and pressures—requiring continued innovation, disciplined risk management, and responsiveness to rapidly evolving customer expectations.

CHAIRMAN'S MESSAGE

GRI 2-22

STRENGTHENED FOUNDATIONS, FORWARD FOCUS

2025 was a year of reflection, renewal, and recommitment. It required us to look inward, strengthen our foundations, and clarify priorities—ensuring UnionBank is built for long-term resilience rather than short-term gains. As we look to 2026, we do so with a measured and cautious outlook amid heightened geopolitical tensions, particularly in the Middle East, continued market volatility, and persistent inflationary and interest rate pressures. These global developments underscore the importance of preparedness, prudence, and resilience in everything we do.

In this uncertain environment, the Bank remains firmly focused on what it can control. We continue to actively manage our capital, liquidity, and earnings to ensure strong buffers, financial flexibility, and the capacity to withstand external shocks. Our balance sheet remains resilient, supported by disciplined risk management, diversified funding sources, and conservative liquidity positions. At the same time, we are leveraging data more deeply, creating simpler and more reliable customer journeys, and elevating operational precision through technology and AI. These priorities position UnionBank to navigate volatility while continuing to serve our customers safely and reliably.

2025 was also a year of disciplined execution. Management made the necessary choices—cleaning up legacy issues, simplifying the portfolio, tightening risk controls, and improving operational reliability. These actions were not always easy, but they were essential. They have placed UnionBank on firmer footing and have begun to translate into healthier fundamentals, more consistent performance, and better experiences for our customers.

As global uncertainties evolve, including the potential spillover effects of developments in the Middle East on energy prices, supply chains, and financial markets, we remain focused on supporting the real economy. We continue to work closely with customers who may be affected by volatility, offering prudent financial solutions, flexible engagement, and proactive communication. Equally important, we remain deeply committed to the safety, well-being, and stability of our employees, ensuring that our people are supported, informed, and empowered during periods of uncertainty.

What inspires confidence is the quality of the progress we are seeing—clearer strategic focus, strengthened platforms, and a culture that continues to embrace integrity, accountability, and purpose. These are the hallmarks of sustainable growth.

As we look to 2026, our strategic priorities are clear—using data more deeply, creating simpler and more reliable customer journeys, and elevating operational precision through technology and AI. These priorities will carry UnionBank forward and are firmly aligned with our purpose of *Reimagining Banking to Uplift Lives*, and with the long-term value we aim to deliver to all stakeholders.

My sincere appreciation goes to every UnionBanker for your commitment to innovation, operational discipline, and customer-centricity. Your work continues to drive our vision for NextGen banking forward. To our customers, thank you for your trust and for embracing new ways of banking with us. To our shareholders, we are grateful for your continued confidence in our long-term strategy. And to our regulators, we appreciate your guidance and partnership in ensuring that innovation is pursued with stability and prudence at its core.

UnionBank enters the year with clarity, discipline, and momentum. We remain vigilant, well-prepared, and confident in the path ahead—and in the people who will carry this institution forward.

Thank you.

ERRAMON I. ABOITIZ
CHAIRMAN

REPORT OF THE PRESIDENT & CEO

GRI 2-22

2025: GAINING MOMENTUM

Good day.

As I mark one year in my role as President and CEO, I want to begin by saying thank you. Thank you for the trust you continue to place in UnionBank— and for the dedication of every UnionBanker behind our progress.

2025 was a year that brought out the best in UnionBankers as we went back to basics: clarifying what we were doing well, confronting where we needed to do better, and more importantly translating plans into action. In the process, we began to build real momentum toward more consistent and repeatable performance.

Early in the year we articulated our **purpose**: Reimagine Banking to Uplift Lives. These words carry power and promise, and they demand our full commitment. Being a UnionBanker means driving change—constantly challenging the status quo and asking: *How can we make banking even better?* Not once, but every day because our customers' needs evolve daily, and so do the tools and technologies that help us serve them.

Alongside our vision, we also reaffirmed the values we need to deliver on that vision: Magis, Integrity and Ubuntu. What I am most proud of in 2025 is that I saw all of these **values** in action, especially around integrity which showed up in how we gained clarity about what was going well and more importantly where we needed to address gaps, sharpen our execution, and strengthen how we operate.

2025 was very much a year of fix-and-build. We clarified where we want to grow. We strengthened governance. We reinforced our risk discipline and we improved operational reliability.

WHAT WE PROVED—AGAIN

Over the past year, we affirmed something we've always believed: transformation only matters when it leads to better experiences for our customers. That remains our north star and will be at the heart of growing in key areas.

In 2025, we continued to grow our credit card business and are now one of the largest players in the country. We surpassed 2 million cards issued, making us only the third issuer in the Philippines to reach this level of scale—reinforcing our competitive standing in a crowded market. Our portfolio delivered strong performance across key metrics: we led in 0% installment at POS driven by our Apple and Samsung propositions, and achieved record highs in Portfolio Actions, reflecting robust customer engagement and healthy portfolio growth. We also expanded our partner ecosystem and strengthened cross-sell channels, allowing us to grow with greater efficiency and reduce overall customer acquisition costs—a critical lever for margin management. Finally, we continued to deliver innovative and differentiated customer experiences such as being among the first in the market to enable mobile tap-to-pay (as early as May 2025), which paved the way to offer Google Pay by November 2025—driving adoption of digital payments by making everyday spending more convenient for majority of smartphone users. Together, these milestones strengthened our scale, sharpened our efficiency, and advanced our digital leadership—positioning us well for the year ahead.

Our digital platforms continued to lead the industry. The UnionBank mobile app and The Portal remained among the highest-rated and most-downloaded in the market. In 2025, we introduced new experiences on UnionBank Online app, including Tap to Pay, which has already processed over 70,000 transactions since its launch. What is most encouraging is that we are seeing that customers who use Tap to Pay have 20% higher growth in digital transaction volumes and increased the amounts they spend on UnionBank cards by nearly 30%.

We also launched a buy and sell Foreign Exchange feature on the UnionBank Online app, which continued to gain momentum in 2025, with transaction volumes up 26% year on year. Buy Foreign Exchange transactions grew by 29%, while Sell Foreign Exchange activity increased by 25%. This resulted in a 33% increase in total Foreign Exchange transaction value—nearly PHP 4.0 billion—reflecting growing customer adoption of digital foreign exchange services and increased confidence in transacting through our platforms.

On The Portal, we launched:

- Portal FX, delivering real-time, self-service FX buying and selling—already processing PHP 9 billion in transactions and generating PHP 55.3 million in fees
- Zero-Touch Payroll, the country's first fully digital payroll account-opening experience, removing all manual HR work through a simple QR code

Under Open Finance, we advanced two industry firsts:

- KYC-as-a-Service, enabling lenders (with the customer's consent) to instantly verify borrower information, reducing manual checks and speeding credit decisions
- The BSP's Open Finance for PERA pilot, where we were the first bank to go live, delivering a frictionless, end-to-end digital retirement onboarding experience with PHP 375 million in fee potential as adoption scales

These capabilities—along with initiatives such as the MySSS Card, improved pensioner-loan journeys (+70% bookings), and Project ABC's automated billing engine—strengthen our CASA-led funding base, reinforce pricing discipline, and drive more predictable, recurring revenues from transaction flows.

Our retail customer base grew to 18.6 million—up 10% year on year. And 5.9 million of those customers are now actively using our digital channels.

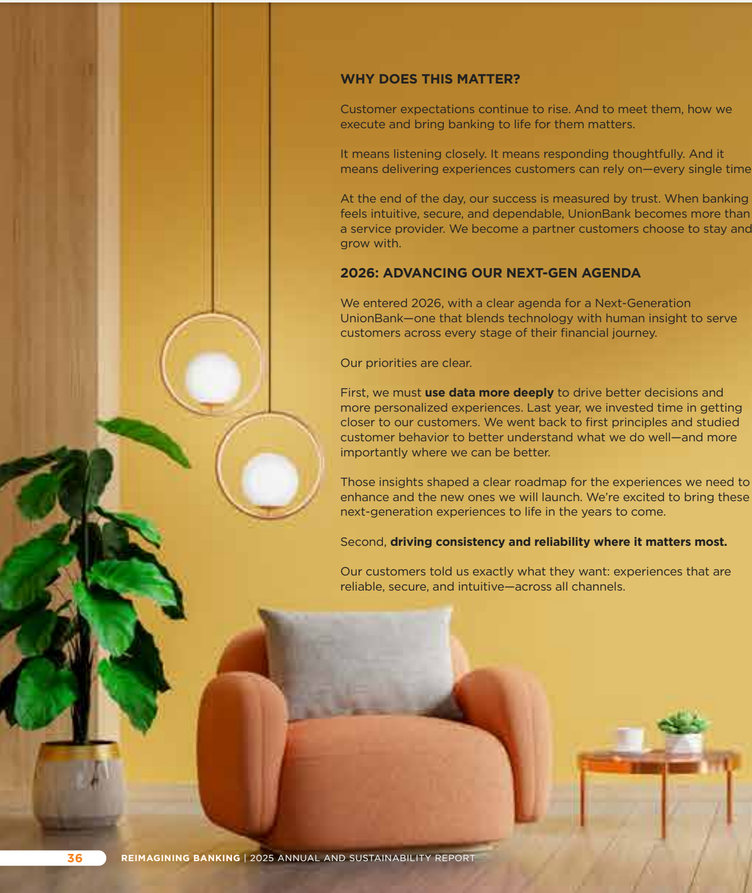
As part of this work, our wealth businesses continued to strengthen and grow. Assets under management rose 15% year-on-year to PHP 225 billion, driven by deeper client relationships, higher investment activity, and meaningful mandates across private debt, bonds, and long-term portfolios. Our bancassurance business also grew substantially, with net revenues increasing 60% to PHP 1.0 billion, reflecting the trust our clients place in us to support both protection and long-term planning. And in 2025, we completed the merger of our trust business with the ATRAM Group, which lifted our AUM ranking from 10th to 4th among the country's largest asset managers. This gives us a broader suite of solutions and allows us to serve our wealth and private clients with even greater depth and sophistication. Together, these steps strengthen our foundation and reinforce our commitment to helping clients build and protect their financial future with confidence.

We closed 2025 with PHP 10.0 billion in net income. While this reflects the impact of one-time clean-up costs largely booked at the subsidiary level, our core franchise continued to show strong momentum. The second half of the year saw a significant rebound, with H2 earnings more than doubling—up 108% versus the first half as the Parent Bank, including the acquired Citi consumer business, continued to gain traction.

At the topline, performance remained solid. Net revenues reached PHP 83.2 billion, underscoring the strength of our core businesses. Net interest income rose to PHP 64.2 billion, supported by a 46-basis-point improvement in NIM to 6.4%. Our fee-to-assets ratio held at 1.3%, more than twice the industry average, driven by higher digital transaction volumes, interchange, and card-related fees from a larger, more engaged customer base. CASA deposits grew 12% year-on-year, improving our funding mix and helping reduce overall funding costs.

Even with higher credit costs associated with portfolio clean-ups, our balance sheet became stronger. NPLs improved by 37 bps to 6.8%, provision coverage increased from 58.2% to 70.8%—with unsecured loans more than fully covered—and our capital buffers remained comfortably above regulatory requirements, with CET1 at 15.03% and CAR at 15.86%.

Taken together, these results reflect steady core-business growth, strengthened fundamentals, and a more resilient foundation—all positioning us for improved, more sustainable performance in the years ahead.



WHY DOES THIS MATTER?

Customer expectations continue to rise. And to meet them, how we execute and bring banking to life for them matters.

It means listening closely. It means responding thoughtfully. And it means delivering experiences customers can rely on—every single time.

At the end of the day, our success is measured by trust. When banking feels intuitive, secure, and dependable, UnionBank becomes more than a service provider. We become a partner customers choose to stay and grow with.

2026: ADVANCING OUR NEXT-GEN AGENDA

We entered 2026, with a clear agenda for a Next-Generation UnionBank—one that blends technology with human insight to serve customers across every stage of their financial journey.

Our priorities are clear.

First, we must **use data more deeply** to drive better decisions and more personalized experiences. Last year, we invested time in getting closer to our customers. We went back to first principles and studied customer behavior to better understand what we do well—and more importantly where we can be better.

Those insights shaped a clear roadmap for the experiences we need to enhance and the new ones we will launch. We're excited to bring these next-generation experiences to life in the years to come.

Second, **driving consistency and reliability where it matters most.**

Our customers told us exactly what they want: experiences that are reliable, secure, and intuitive—across all channels.

After years of digital investment, we looked back and realized there was a lot we did but also a portion that we needed to redo to deliver the reliability our clients are looking for. The early results are encouraging and our clients are rewarding us through an improved net promoter score and giving us more business. Energized by this progress, your management team is committed to doing these look backs to address technical debts as part of our regular course of business. This will allow us to raise the bar constantly over time—not just for ourselves, but for the industry.

Over the past year, we've also gained clarity on where we will continue to invest—and where we need to simplify because the value just isn't there. We have sunsetted products that are no longer relevant to our clients, retiring systems and processes that no longer add value and we are merging entities where synergies can be derived. These are deliberate choices. They are meant to bring more consistent outcomes, strengthen earnings quality, and support long-term performance.

As part of this simplification agenda, we also began cutting waste in our processes and improving day-to-day reliability.

Technology-related customer complaints declined significantly in 2025—app slowness complaints dropped 41% and downtime-related concerns fell 24%—reflecting more stable platforms and more predictable service.

We also undertook a comprehensive review of our books to resolve legacy issues and strengthen financial operations.

These improvements not only enhance customer experience today—they also remove structural inefficiencies that will help improve our cost-to-income ratio and support more sustainable growth over time.

The third priority we have is **to drive operational precision at scale.**

This is where digital and AI play a critical role.

For us, technology is not about experimentation for its own sake. We are making conscious choices to use digital tools and AI only where it will drive value to remove friction in customer experiences, allow scalable processing, reduce variability, and in helping our teams make better decisions and multiply their effectiveness.

AI has already been deployed in digital account opening, real-time credit card issuances, fraud detection and prevention and marketing.
Our AI based detection solutions now allow us to proactively identify accounts and transactions with a high likelihood of fraud, improving investigation efficiency and uncovering complex patterns and hidden relationships that were previously difficult to detect. In our AML operations, AI significantly enhances alert handling by assigning risk-based scores, allowing teams to focus on the highest-priority cases and reducing manual review effort by about 30%. In Marketing, our AI models help us reach customers more effectively by driving higher response and conversion rates—translating into increased sales and revenue from the targeted base—while optimizing spend and maintaining a healthy revenue-to-expense ratio.

Anchored on this progress, we are also preparing our foundations to support the next generation of payments that will fuel agentic AI commerce. Agentic AI commerce means AI can act on behalf of customers to complete transactions end-to-end, within strict rules we set. Customers express an intent, and the AI executes securely and compliantly. For us, it drives higher conversion, lower costs, and deeper relationships. This is a new frontier, but it's coming, and UnionBank will be prepared.

To support this agenda, we also strengthened our leadership bench and invested in the capabilities of our frontline teams. In 2025, we onboarded key executives to lead our major revenue-generating businesses—strengthening leadership in Wealth Management to scale the franchise and in Institutional Banking to accelerate growth and deepen relationships across our institutional client base.
We also invested in upskilling our relationship managers through a strategic partnership with INSEAD, ensuring they are equipped with world-class training in advisory, portfolio management, and client engagement. These moves reinforce our commitment to building a high-performing organization ready to deliver on our next-generation ambitions.

While we are proud of our progress, we are also very clear-eyed about the world around us. Our customers don't experience banking in isolation—The war in the Middle East is a stark reminder of how quickly geopolitical shocks can ripple through global markets—affecting energy prices, supply chains, inflation expectations, and financial conditions well beyond the region itself.

Moments like these reinforce why UnionBank's culture and DNA matter. We are built to adapt quickly as conditions change, while remaining grounded in our responsibility to respond with empathy to customers and employees affected by uncertainty. And through it all, we need to stay firmly focused on managing a resilient bank and business model through the cycle.

That means prioritizing capital preservation, liquidity strength, operational resilience, and disciplined risk management—so that we can continue to serve our customers reliably, support economic activity, and protect long-term shareholder value even as external conditions remain unpredictable.

WHAT THIS MEANS FOR STAKEHOLDERS

For you our stakeholders what this means is we are seeing improvements in how we operate, strong core earnings, and more sustainable value creation for all our stakeholders.

We enter 2026 standing on strong foundations—and we have a clear focus on delivering sustainable growth and improved shareholder returns.

The work we undertook in 2025 has prepared us for what comes next: serving generations of Filipinos with next-generation experiences that feel intuitive, secure, and genuinely helpful.

Lastly, in 2025, I had the privilege of meeting many of our clients and employees. And everywhere I went, I asked one simple question: *What makes UnionBank different?*

I was deeply humbled by the answer. Again and again, people told me that UnionBank—and UnionBankers—truly care about people.
That belief sits at the heart of why we continue to reimagine what banking can be. It's how we ensure that customers don't just use our bank but feel that their bank genuinely cares about them.

This conviction is what will keep our feet on the ground—and what will continue to inspire UnionBankers to deliver truly differentiated results in the years to come.

To our Board, our customers, regulators, partners, shareholders—and to every UnionBanker—thank you. Thank you for the trust, the hard work, and the belief that brought us here.

Together, we will shape the next phase of this journey: a UnionBank that understands its customers deeply, blends technology with human insight, and becomes the bank that next-generation Filipinos trust—and love—the most.

ANA MARIA A. DELGADO
PRESIDENT & CEO

PERFORMANCE HIGHLIGHTS AND MILESTONES

FINANCIAL HIGHLIGHTS

TOTAL ASSETS
PHP 1,159.47 B

MARKET CAPITALIZATION
PHP 88.22 B

NET REVENUE
PHP 83.23 B

DIVIDENDS PER SHARE
PHP 1.00

TOTAL LOANS
PHP 537.68 B

TOTAL DEPOSITS
PHP 734.03 B

OPERATING EXPENSES
PHP 44.87 B

NET INCOME
PHP 10.00 B

PAYMENTS TO GOVERNMENT
PHP 11.58 B

PAYMENTS TO EMPLOYEES
PHP 15.59 B

PAYMENTS TO SUPPLIERS
PHP 24.85 B

PERFORMANCE HIGHLIGHTS

Operational Performance

DIGITAL TRANSACTIONS IN BRANCHES
10.8 M

TOTAL BRANCHES
388

TOTAL ATMS
602

WOMEN IN ALL MANAGEMENT POSITIONS
3,498

SUSTAINABILITY LEARNING HOURS
1,424

ENERGY CONSUMPTION
74,844.63 GJ

GHG EMISSIONS
14,112.08 tCO_2e

WATER WITHDRAWAL
107,280.75 m^3

TOTAL AMOUNT OF MONETARY FINES FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS OR REGULATIONS
PHP 0.00

Customer Engagement

TOTAL CUSTOMERS
More than 18 M

TOTAL CUSTOMERS USING ONLINE PLATFORMS (UB ONLINE, THE PORTAL, UB NEGOSYANTE, CITYSAVINGS MOBILE)
6.1 M

NPS[a]
39

[a] *Only for Union Bank of the Philippines.*

Governance Highlights

CODE OF CONDUCT TRAINING COMPLETION
100%

BOARD GENDER DIVERSITY
2 female directors on the Board

SUSTAINABILITY HIGHLIGHTS

Sustainability serves as a primary business driver for UnionBank. It anchors the institution's risk management, capital allocation, and product development processes. Through this strategic lens, the Bank aims to generate enduring value for its stakeholders, the communities it serves, and the environment.

In 2025, the UnionBank transitioned its sustainability strategy from high-level intent to operational execution by refreshing its material ESG focus, establishing bank-wide sustainable finance targets, and deploying AI-driven tools and leadership KPIs to ensure accountability and data-driven decision-making across the organization.

Materiality Refresh

The Bank completed a comprehensive materiality reassessment to sharpen its focus on the ESG issues most critical to its value creation and societal impact. Led by the Sustainability Office in collaboration with external consultants, the process involved extensive engagement with internal and external stakeholders through surveys and consultations. By filtering a broad landscape of ESG concerns, the Bank successfully identified the core topics that most significantly influence its risk profile and long-term resilience, ensuring its efforts remain centered on what truly matters to the business and its partners.

This refresh serves as a strategic bridge, more tightly aligning the Bank's sustainability priorities with its enterprise risk management and overarching business strategy. Beyond enhancing transparency for investors and regulators, the updated material topics provide a practical framework for defining KPIs and tracking measurable progress.

Setting of Sustainable Finance Targets

By establishing bank-wide sustainable finance targets, the Bank has created a strategic "north star" that unifies its growth ambitions, risk management, and long-term impact under a single, clear ambition. This initiative was fueled by cross-functional collaboration between teams from Sustainability, Strategic Initiatives and Business Development, Treasury, and Wholesale Risk Management, ensuring that ESG considerations are deeply embedded in every financial decision and performance discussion.

These targets provide stakeholders with a transparent view of how sustainability bolsters the Bank's resilience and value creation, effectively shifting the corporate narrative from high-level intent to measurable execution. By aligning business and risk teams toward these common goals, UnionBank has successfully translated its environmental and social commitments into concrete actions and priorities, reinforcing its position as a leader in responsible and resilient banking.

Streamlining of Sustainable Finance and Energy Consumption Tracking Tools

The Bank has prioritized the standardization of its sustainable finance frameworks to enhance how environmental and social initiatives are identified, tracked, and reported. By shifting away from manual processes, the Bank has significantly improved data quality and decision-making across the organization. This strategic streamlining ensures that sustainability is not just a reporting requirement but a seamless component of the Bank's core operational workflow.

Central to this transformation is the launch of the simplified Sustainable Finance Taxonomy Guidelines (SFTG) Tool and a new AI-enabled utility bill reader. Developed using in-house capabilities, the SFTG Tool reduces the data fields and processing time required to identify aligned lending, while the OCR-powered bill reader automates the capture of consumption data for emissions tracking. To ensure seamless adoption, the Sustainability Office conducted comprehensive training sessions, empowering teams to utilize these digital tools consistently across the Bank.

The impact of these innovations is a more agile and accurate reporting ecosystem. This digital-first approach demonstrates how the Bank leverages technology to scale its sustainable finance activities, ensuring that its operations remain efficient as its green portfolio continues to grow.

Embedding Srategic ESG KPIs

The Bank has transitioned sustainability from a high-level policy to a performance-driven reality by integrating ESG KPIs directly into unit and leadership scorecards. By embedding these metrics into the Bank's daily operations, sustainability is no longer viewed as an add-on or the sole responsibility of a specialist team.

Instead, it has become a measurable component of how success is defined and discussed across all business and support units, as well as how ESG considerations are weighed during day-to-day decision-making.

The rollout of these KPIs is aligned with critical regulatory expectations, including BSP Circular 1085 and IFRS S1 and S2 standards, ensuring that the Bank's internal targets meet global reporting benchmarks. Through a phased approach—starting with core ESG units and expanding to leadership scorecards—the Bank has established clear ownership and consistent reporting routines. This structural integration demonstrates to external stakeholders that ESG priorities are fully operationalized and governed, reinforcing the principle that sustainable outcomes are a shared responsibility essential to the Bank's long-term value creation.

AWARDS AND RECOGNITION

BEST WEALTH MANAGEMENT BANK
The Asian Banker Global Excellence in Retail Finance Awards

BEST PRIVATE BANK FOR SUCCESSION PLANNING
Global Private Banker Innovation Awards

EXCELLENCE IN INTERGENERATIONAL SERVICES - PRIVATE BANK
Global Private Banker Innovation Awards

BEST PRIVATE BANK FOR CLIENT EXPERIENCE
Global Private Banker Innovation Awards

BEST DOMESTIC RETAIL BANK – PHILIPPINES
Global Retail Banking Innovation Awards 2025

BEST NEW PRODUCT LAUNCH OF THE YEAR – PHILIPPINES
Global Retail Banking Innovation Awards 2025

CO-BRANDED CREDIT CARD OF THE YEAR – PHILIPPINES
Global Retail Banking Innovation Awards 2025

CONSUMER FINANCE PRODUCT OF THE YEAR
Global Retail Banking Innovation Awards 2025

BEST GLOBAL BANKING OFFERING FOR HNW CLIENT
Global Retail Banking Innovation Awards 2025

BEST DIGITAL ACCOUNT OPENING SOLUTION – SOUTH EAST ASIA
Global Retail Banking Innovation Awards 2025

OUTSTANDING CLIENT ONBOARDING – CREDIT CARDS
Global Retail Banking Innovation Awards 2025

4 GOLDEN ARROWS
Institute of Corporate Directors: Asean Corporate Governance Scorecard

BEST RETAIL BANKING PARTNERSHIP IN THE PHILIPPINES
The Asian Banker

BEST PRIVATE BANK – HIGHLY COMMENDED
The Asset

BEST NEXT-GENERATION OFFERING
Private Banker International Global Wealth Awards 2025

BEST LEARNING & DEVELOPMENT PROGRAMME GEN AI FOR UNIONBANKERS
Retail Banker International: Asia TrailBlazer Awards

TOP 25 SELECTOR: CAESAR ORDONEZ JR.
City Wire Asia

CUSTOMER ONBOARDING & MANAGEMENT
FICO Decisions Award

TRAILBLAZING USE OF AI OR MACHINE LEARNING IN FINANCIAL SERVICES APPLICATION OF GRAPH NETWORK ANALYSIS IN UNCOVERING FINANCIAL CRIME NETWORKS
Retail Banker International: Asia TrailBlazer Awards

2025 CELENT MODEL BANK AWARD FOR EMBEDDED FINANCE (SAMSUNG FINANCE+)
Celent

BEST PRIVATE BANK – PHILIPPINES
CityWire

BEST CLIENT SERVICES – PHILIPPINES
CityWire

UnionBank is Named One of the Philippines' Best Employer Brands 2025

Union Bank of the Philippines was named one of the Philippines' Best Employer Brands 2025, highlighting its strong commitment to building a workplace that values innovation, inclusivity, and employee growth. This award reflects more than just HR prestige: it highlights how the bank has strategically positioned itself as a top workplace in a highly competitive financial sector.

A major driver of this recognition is UnionBank's digital-first approach, which extends beyond its services to its internal work environment.
The Bank's employees are encouraged to adopt agile practices and use modern technologies, creating a culture that supports innovation and adaptability. This not only improves efficiency but also makes the organization attractive to professionals seeking a forward-thinking workplace.

In addition, UnionBank has shown a strong commitment to diversity and inclusion. By promoting equal opportunities and fostering a sense of belonging, the Bank has built a supportive environment where employees feel valued. These efforts strengthen employee engagement and contribute to a positive employer reputation, especially among younger generations entering the workforce.

Finally, the award also reflects UnionBank's consistency in maintaining high standards as an employer. Over the years, it has received multiple recognitions for workplace excellence (such as being recognized in HR Asia's Best Companies to Work for in Asia and its inclusion in Top Philippine Employers rankings), indicating that its people-centered strategies are sustainable rather than temporary initiatives. This consistency reinforces trust among employees and enhances the bank's competitive advantage in attracting top talent.

UnionBank's recognition as a Best Employer Brand in 2025 demonstrates that its success is not only driven by financial performance but also by how it invests in its people. It is not just a bank adopting digital tools, but an organization redefining how people work in banking—through innovation, inclusivity, and a strong employee value proposition.

Bangko Kabayan Recognized for Most Number of Employees involved in PBSP's X-Trash Challenge Year 4

In the PBSP (Philippine Business for Social Progress) X-Trash Challenge Year 4, one notable recognition was awarded to Bangko Kabayan for having the most number of employees involved in the initiative. This special citation highlights a critical dimension of corporate participation: not just results, but the breadth of UnionBank's employee engagement in sustainability efforts.

The X-Trash Challenge was organized to encourage companies to promote waste segregation and recycling through employee participation. While many companies competed based on the volume of recyclables collected, UnionBank's Bangko Kabayan stood out by mobilizing the largest portion of its workforce to actively contribute.

UnionBank has consistently positioned itself as a people-centered and values-driven organization, where participation in social and environmental initiatives is not limited to a small group but encouraged across the entire workforce. This achievement highlights how the Bank effectively mobilizes employees to take part in sustainability programs, aligning with its emphasis on building a workplace where individuals are not only productive but also socially responsible.

Instead of relying on a small group of volunteers, Bangko Kabayan's approach shows that sustainability was embraced across different levels of the company. It reflects the Bank's effective internal communication, strong leadership support, and a shared sense of purpose among staff.

This high employee participation enhances the overall impact of the program. The X-Trash Challenge is not only about collecting recyclables but also about instilling long-term behavioral change. When more employees are involved, the initiative's values (such as proper waste management and environmental awareness) are more likely to be sustained both inside and outside the workplace.

Overall, Bangko Kabayan's recognition for having the most employees involved in PBSP's X-Trash Challenge Year 4 underscores the effectiveness of UnionBank's people-centered sustainability efforts. The recognition for having the most employees involved in the X-Trash Challenge is not just about numbers: it signifies a deeply embedded culture of engagement, responsibility, and collective action.

Most importantly, it also shows how the Bank translates its corporate values into tangible activities that involve its people and contribute to broader environmental goals.

Bangko Kabayan Recognized Again as the Best "MSMEs Development Bank in the Philippines" in 2024

In 2024, Bangko Kabayan was recognized as Best MSMEs Development Bank in PH for a second time, highlighting its consistent excellence in supporting micro, small, and medium enterprises (MSMEs). Winning the award twice underscores Bangko Kabayan's sustained contribution to MSME growth and UnionBank's overall support for financial inclusion in the Philippines.

Although Bangko Kabayan operates as a rural bank, it is part of UnionBank's wider ecosystem—showcasing how UnionBank extends its reach in urban digital banking (UnionBank) to mass-market and rural banking (CitySavings and Bangko Kabayan). Through this structure, UnionBank effectively builds a multi-tiered approach to MSME development, covering both digital businesses and underserved rural entrepreneurs.

The award reflects several strengths aligned with UnionBank's broader goals: accessible financing for MSMEs, a customized and community-based approach to local business needs, and expanded inclusive banking across different socioeconomic segments.

Bangko Kabayan's consecutive recognition as the Philippines' Best MSMEs Development Bank is a reflection of the strength of UnionBank's broader ecosystem strategy. By supporting institutions that specialize in grassroots and rural banking, UnionBank expands its impact beyond digital innovation into inclusive economic development.

BOARD OF DIRECTORS

ERRAMON I. ABOITIZ
CHAIRMAN

ANA MARIA A. DELGADO
PRESIDENT & CEO

JUSTO A. ORTIZ
VICE CHAIRMAN

SABIN M. ABOITIZ
DIRECTOR

BOARD OF DIRECTORS

BOARD OF DIRECTORS

ROBERT JOSEPH M. DE CLARO
DIRECTOR

VICTOR ALFONSO A. LIMLINGAN
DIRECTOR

ROBERTO G. MANABAT
LEAD INDEPENDENT DIRECTOR

MANUEL D. ESCUETA
INDEPENDENT DIRECTOR

BOARD OF DIRECTORS

JOSIAH L. GO
INDEPENDENT DIRECTOR

PETER B. FAVILA
INDEPENDENT DIRECTOR

HONORIO G. POBLADOR, IV
INDEPENDENT DIRECTOR

ATTY. JOSELITO V. BANAAG
CORPORATE SECRETARY

MANAGEMENT COMMITTEE

MANAGEMENT COMMITTEE

ALBERT RAYMOND C. CUADRANTE
Chief Marketing & Experience Officer

ANTONIO SEBASTIAN T. CORRO
Chief, Cross-Sell Officer & Chief External Relations Officer

MICHAELA SOPHIA E. RUBIO
Chief Human Resource Officer / CSR Head

MANUEL R. LOZANO
Chief Financial Officer

DENNIS D. OMILA
Chief Transformation Officer

ERWIN WIRIADI
Chief Risk Officer

MANISH CHAWLA
Chief Information and Operations Officer

MANAGEMENT COMMITTEE

KEY EXECUTIVES

CARLO I. EÑANOSA
CORPORATE PLANNING AND INVESTOR RELATIONS HEAD

ATTY. ISAGANI A. CORTES
CHIFF COMPLIANCE AND CORPORATE GOVERNANCE OFFICER

NORMAN C. GABRIEL
CHIEF AUDIT EXECUTIVE

DONN ANTHONY L. MIRAFLOR
CHIEF SECURITY OFFICER

JOSE PAOLO G. RUFO
CHIEF INFORMATION SECURITY OFFICER

SUBSIDIARIES

CITY SAVINGS BANK, INC.
Ana Maria A. Delgado
Chairman

Manuel G. Santiago Jr.
President & CEO

UNIONDIGITAL BANK INC.
Justo A. Ortiz
Chairman

Danilo J. Mojica II
President & CEO

UBX PHILIPPINES CORPORATION
Jose Emmanuel U. Hilado
Chairman

Daniel Yousif Edward Marogy
President & CEO

FIRST UNION INSURANCE & FINANCIAL AGENCIES, INC.
Antonio Sebastian T. Corro
Chairperson

UBP INVESTMENTS CORPORATION
Manuel R. Lozano
Chairman

Montano M. Dimapilis
President & CEO

BANGKO KABAYAN INC.
Lorenzo T. Ocampo
Chairman

Leandro B. Ofrecio
President & CEO

PETNET, INC.
Manuel G. Santiago Jr.
Chairman

Adrian Alfonso T. Ocampo
President & CEO

UNIONBANK FINANCIAL SERVICES AND INSURANCE BROKERAGE INC.
Manoj Varma
Chairman

Ramon Melchor E. Tejero
President & CEO

ATRAM TRUST CORPORATION
Manuel N. Tordesillas
Chairman

Philip Frederick S. Hagedorn
President & Chief Investor Engagement Officer

ATR ASSET MANAGEMENT, INC.
Manuel N. Tordesillas
Chairman

Michael V. Ferrer
Vice Chairman / President & CEO

CORPORATE GOVERNANCE

In 2025, UnionBank redefined its purpose to "Reimagining Banking to Uplift Lives," reflecting its deeper commitment to creating meaningful impact for its customers and communities through innovation, inclusion, and strong relationship management. Aligned with this renewed purpose, UnionBank's corporate governance practices continue to evolve as it advances its vision to become the most loved and preferred NextGen Bank.

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 it to achieve its purpose and realize its vision. In 2025, it streamlined the governance structure of the Bank's compliance unit, enhanced board-level compliance measures and policies, and strengthened the Bank's overall compliance culture.

For two (2) consecutive years, the Bank achieved the four-golden-arrow recognition in the 2024 ASEAN Corporate Governance Scorecard (ACGS), which recognizes its high standards in 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 Corporate Governance Report describes the highlights of the Bank's corporate governance practices throughout the financial year ending December 31, 2025. It has been prepared in accordance with the disclosure requirements of the Manual of Regulations for Banks (MORB) of the Bangko Sentral, recommendations of SEC Memorandum Circular No. 19, Series of 2016, otherwise known as the Code of Corporate Governance for Publicly Listed Companies, and the prevailing best practices contained in the ACGS.

For comments, queries, and suggestions, please contact the Compliance and Corporate Governance Office at **ubpcorporategovernance@unionbankph.com.**

OUR GOVERNANCE STRUCTURE

GRI 2-9, 2-11, 2-13

The Bank's governance structure comprises four key components: the Stockholders; the Board and its Committees; Management and its Committee; and Subsidiary Oversight. This integrated structure strengthens the Bank's corporate governance by ensuring that all areas are effectively managed, oversight functions remain robust, and governance practices are upheld across the organization.

Stockholders

UnionBank's stockholders are the ultimate owners of the business and serve as the highest authority in its governance structure. They enjoy the benefits of strong corporate governance, which the Bank believes is critical not only to the organization's success but also to advancing the interests of its shareholders.

Board and its Committees

Board of Directors

The Board of Directors serves as the governing body elected by the stockholders that exercises the corporate powers of the organization and has the fiduciary responsibility to protect UnionBank and all its shareholders.

The Board approves and oversees the company's vision, mission, and strategic priorities, and monitors the implementation of its corporate governance framework.

Separation of the Roles of the Chairman and CEO

GRI 2-11

The positions of the Chairman of the Board and the President & CEO are held by different individuals to foster an appropriate balance of power, increased accountability, effective decision-making, and good governance. The division of responsibilities and accountabilities between the Chairman and the President & CEO is clearly articulated and delineated in the Bank's governance policies.

The Chairman facilitates discussions of key issues by fostering an environment conducive to constructive debate and leveraging the skills and expertise of individual directors. He also makes certain that the meeting agenda focuses on strategic matters, including key governance concerns.

The President & CEO executes and administers the policies approved by the Board and exercises such powers vested in him by the Board. She[a] is also responsible for the general supervision, administration, and management of the business and affairs of the organization.

[a]Director Ana Maria A. Delgado was appointed as President and CEO of the Bank effective January 1, 2025.

Lead Independent Director

The Lead Independent Director performs a more enhanced function over the other independent directors and leads them at Board meetings in raising queries and pursuing relevant matters, including discussion of risk appetites, and key control and governance concerns.

Vice Chairman

The Vice Chairman of the Board takes on the role of the Chairman in the absence of or upon request by the Chairman.

Board Committees

The Board has established various committees to oversee specific areas of the organization. These committees delve deeper into the details of their respective mandates and areas of expertise and report back to the Board. The composition, functions, and responsibilities of all committees are properly defined and established in their respective charters.

Management and Management Committee

In line with this structure, Management contributes to strong corporate governance by implementing policies, ensuring effective operational controls, and upholding the standards set by the Board.

Management roles that perform control functions maintain functional reporting lines to the Board Committees, except for the Corporate Secretary, to preserve the independence essential to their oversight responsibilities.

Corporate Secretary

The Corporate Secretary assists the Board and the board committees in the conduct of their meetings. He also preserves the integrity of all documents, records, and other information essential to the conduct of his duties and responsibilities to the organization. He is a Filipino and a resident of the Philippines.

Chief Compliance and Corporate Governance Officer

The Chief Compliance and Corporate Governance Officer monitors and ensures the compliance of the organization with the relevant rules and regulations on corporate governance. As the head of the compliance function, He[b] also oversees the identification and management of regulatory compliance risks faced by the organization.

Chief Risk Officer

The Chief Risk Officer leads the development of the risk appetite of the organization. He reviews and implements appropriate policies, processes, and systems to ensure that the risk management capabilities of the organization are sufficiently robust and effective to fully support strategic objectives and risk-taking activities.

[b]Atty. Isagani A. Cortes was appointed as the new Chief Compliance and Corporate Governance Officer effective January 1, 2025.

Chief Audit Executive

The Chief Audit Executive develops an audit plan based on robust risk assessment, including inputs from the Board, and ensures that such a plan is comprehensive and adequately covers regulatory matters. He provides reasonable assurance that the key procedural controls of the organization are effective, appropriate, and complied with.

Management Committee

The Management Committee (MANCOM) is composed of highly qualified leaders and respected practitioners in the fields of business, banking and finance, technology, marketing, and other relevant disciplines.

The MANCOM provides guidance on strategic decisions consistent with the Bank's purpose, brand, and core values and reviews policies and procedures that govern the Bank's businesses and operations while giving due consideration to the interests of various stakeholders.

Subsidiaries

The Bank exercises strong oversight over its subsidiaries to ensure compliance with applicable regulations, adherence to the Bank's corporate governance standards, and alignment with its overall strategic direction.

BOARD MATTERS

Role of the Board

GRI 2-12

The Board plays a key role in shaping the organization's strategy, vision, purpose, and culture. The Board creates value for shareholders and other stakeholders by setting appropriate governance standards, approving the right strategies, and overseeing the implementation of strategies to achieve our corporate objectives and strategic priorities.

The details of the general responsibility and specific duties and functions of the Board can be found in the Manual on Corporate Governance, which is posted on the company website.

Board Composition

The 15-member Board is composed of directors who bring a wide range of skills and deep industry experience to the UnionBank Boardroom. The 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.

The Chairman ensures that the Board is properly organized, effective, and meets its duties and responsibilities, including those relating to corporate governance matters. He also works with the CEO to ensure management strategies, plans, and performance are presented to the Board.

The Lead Independent Director shall have sufficient authority to lead the Board in cases where management has clear conflicts of interest. The Board should ensure that the Lead Independent Director can function in an environment that allows him to effectively challenge the CEO, as circumstances may warrant.

In terms of degree of independence, the Board has three classifications of directorship.

In 2025, the executive director is a member of the Board who is 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.

Non-executive directors are directors who are not the head of a department or unit of the company and do not perform any work related to the Bank. It is the duty and responsibility of non-executive board members to meet regularly, other than in meetings of the audit and risk oversight committees, in the absence of senior management, with the external auditor and heads of the internal audit, compliance and risk management functions.

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.

The following changes to the composition of the Board occurred prior to the issuance of this report:

- Director Ana Maria A. Delgado was appointed as President and CEO of the Bank effective January 1, 2025. Prior to her appointment as President and CEO, she was the SEVP, Institutional Banking Head, and Chief Customer Experience and Digital Channel Officer of the Bank from 2022 to 2024. Director Delgado began her career with UnionBank as a Product Manager under the Retail Banking Center and has since held multiple leadership roles across SME lending, consumer finance, and institutional banking.
- Election of SSS-Nominee Director Victor Alfonso A. Limlingan as non-executive director, to serve the unexpired term of Atty. Santiago Dionisio Rodrigo Agdeppa, effective February 28, 2025. Director Agdeppa brought with him over four (4) decades of experience in the field of audit, public policy, and compliance. Mr. Limlingan is a seasoned public-sector executive who currently serves as a member of the Social Security Commission (SSC) and brings extensive experience in asset management, government advisory roles, and corporate directorships.
- Director Edwin R. Bautista stepped down as director of the Bank effective March 26, 2025.
- Director Iker M. Aboitiz was elected as a non-executive director of the Bank effective April 25, 2025. He previously served as a Director of the Bank from 2009 to 2014, following his early career with UnionBank as Executive Assistant to the Chairman.
- Atty. Francisco Ed. Lim assumed his position as Chairperson at the Securities and Exchange Commission (SEC) and resigned from his role as Independent Director of the Bank effective June 9, 2025. Atty. Lim is a seasoned lawyer specializing in corporate law, securities and capital markets, and corporate governance.
- Election of Director Peter B. Favila as Independent Director effective July 3, 2025. Director Favila 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. His term on the Monetary Board expired on 2 July 2023. In the private sector, Mr. Favila held top executive roles, including President and CEO of Philippine National Bank, President of Security Bank Corporation, and Chairman of the Philippine Stock Exchange.

ERRAMON I. ABOITIZ
Chairman

JUSTO A. ORTIZ
Vice Chairman

ANA MARIA A. DELGADO
President & CEO

SABIN M. ABOITIZ
Director

JOSE EMMANUEL U. HILADO
Director

SAMEL A. ABOITIZ
Director

IKER M. ABOITIZ
Director

NINA D. AGUAS
Director

ROBERT JOSEPH M. DE CLARO
Director

VICTOR ALFONSO A. LIMLINGAN
Director

ROBERTO G. MANABAT
Lead Independent Director

MANUEL D. ESCUETA
Independent Director

JOSIAH L. GO
Independent Director

PETER B. FAVILA
Independent Director

HONORIO G. POBLADOR, IV
Independent Director

Board Diversity, Skills, and Competencies

GRI 405-1

Over the last few years, the makeup of the Board has changed dramatically to align with the diversity of the customers and markets UnionBank serves. The Bank is ramping up its efforts to attract diverse talents and leaders into the organization, which allows the Bank to think differently, solve problems more creatively, raise challenging questions, and make more accurate decisions. The Bank regularly assesses and ensures that the Board's competencies align with the skills needed to realize the bank's purpose and strategic vision.

The Bank believes 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, the Bank has identified the following measurable objectives for implementing its 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 50% of Board members with background or experience in banking and financial services

At the time of writing, the Board has achieved the above-mentioned diversity targets. Collectively, the competencies, skills, experience, and qualifications of the Board's 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.

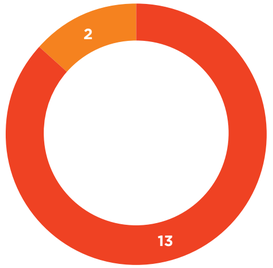
In terms of gender diversity, the Bank has two (2) female directors in the Board. It has six (6) out of nine (9) Board committees with female representation.

In terms of the type of directorships, the Bank has one (1) executive director, nine (9) non-executive directors, and five (5) non-executive and independent directors.

The 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.

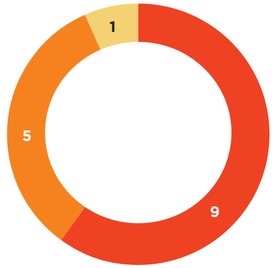
The Board is satisfied that its current demographics, collective expertise, and core competencies are sufficiently diverse to meet the needs of the organization.

GENDER



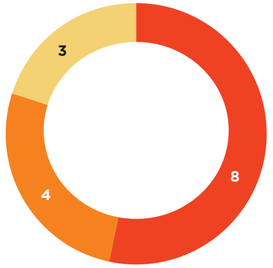
- MALE DIRECTORS
- FEMALE DIRECTORS

DIRECTORSHIP



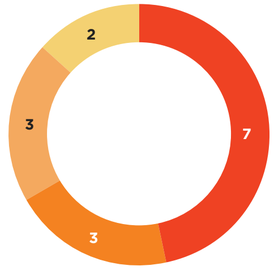
- NON-EXECUTIVE
- EXECUTIVE
- NON-EXECUTIVE AND INDEPENDENT DIRECTORS

AGE



- 51 TO 70 YEARS OLD
- 71 AND ABOVE
- 31 TO 50 YEARS OLD

TENURE



- 1 TO 5 YEARS
- MORE THAN 10 YEARS
- LESS THAN A YEAR
- 6 TO 10 YEARS

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

UnionBank has 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.

The Bank considers the following factors and criteria in the conduct of the "fit and proper" test:

- Integrity / probity
- Competence
- Relevant education / financial literacy / training
- Diligence
- Sufficiency of time to fully carry out responsibilities
- 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, CCGO presents the nominee to the Corporate Governance Committee (CGC).

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.

The Bank also considers 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.

UnionBank's 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.

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 50% minimum attendance requirement to be eligible for re-election, and the 75% attendance rate recommended by the parameters of the ASEAN Corporate Governance Scorecard.

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% OF ATTENDANCE
Erramon I. Aboitiz	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[b]	6	6	100%
Edwin R. Baustista[c]	2	2	100%
Santiago Dionisio R. Agdeppa[d]	1	1	100%
Victor Alfonso A. Limlingan[e]	14	14	100%
Iker M. Aboitiz[f]	10	11	90.91%
Peter B. Favila[g]	8	8	100%

[a] Represents no. of Board meetings held in 2025, or number of meetings during the incumbency of the director, as the case may be.
[b] Atty. Francisco Ed Lim resigned effective June 9, 2025.
[c] Mr. Edwin R. Bautista resigned effective March 26, 2025.
[d] Atty. Santiago Dionisio R. Agdeppa resigned effective February 1, 2025.
[e] Director Victor Alfonso A. Limlingan elected effective February 28, 2025.
[f] Director Iker M. Aboitiz elected effective April 25, 2025.
[g] Director Peter B. Favila elected on June 27, 2025, effective July 3, 2025.

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, Chief Audit Executive, Chief Risk Officer, and the External Auditor Partner.

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

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% 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[b]	2	2	100%
Manuel D. Escueta	2	2	100%
Josiah L. Go	2	2	100%
Francisco Ed. Lim[c]	1	1	100%
Honorio G. Poblador IV	2	2	100%
Iker M. Aboitiz[d]	1	1	100%
Peter B. Favila[e]	1	1	100%

[a] Represents no. of NED meetings held in 2025 or no. of meetings during the incumbency of the director.
[b] Director Victor Alfonso A. Limlingan was elected effective February 28, 2025.
[c] Atty. Francisco Ed Lim resigned effective June 9, 2025.
[d] Director Iker M. Aboitiz was elected effective April 25, 2025.
[e] Director Peter B. Favila was elected on June 27, 2025, effective July 3, 2025.

Board Remuneration

GRI 2-19, 2-20

The non-executive directors each receive a per diem of PHP 200,000.00 for attendance in meetings of the Board, except for the Chairman of the Board, who receives PHP 300,000.00. The executive directors receive a per diem of PHP 1,500.00 for attendance at Board meetings and PHP 3,000.00 for each committee meeting.

The Chairman of each committee receives a per diem of PHP 180,000.00 per meeting attended and a committee member receives a per diem of PHP 120,000.00. 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 PHP 596,406,682.31. 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.

The aggregate compensation of the CEO and the four most highly compensated officers is also disclosed in the definitive information statement. The report includes the compensation paid or accrued during the last two calendar years and to be paid in the ensuing calendar year.

Name	Principal Position	Year	Aggregate Compensation (net of bonuses)	Bonuses
Ana Maria A. Aboitiz	President and Chief Executive Officer	2026	PHP 138,125,272.11[a]	PHP 29,594,190.03[a]
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			

[a] Estimated amount.

Name	Principal Position	Year	Aggregate Compensation (net of bonuses)	Bonuses
Ana Maria A. Aboitiz	President and Chief Executive Officer	2025	PHP 130,306,860.48	PHP 27,919,047.20
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 Corporate Social Responsibility			
Manoj Varma	Senior Executive Vice President - Consumer Bank Head			
Edwin R. Bautista[b]	President and Chief Executive Officer	2024	PHP 159,833,655.48	PHP 35,564,387.53
Ana Maria A. Aboitiz	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	PHP 6,481,910,576.54[a] PHP 6,115,009,977.87 PHP 5,903,454,822.35	PHP 1,361,209,705.05[a] PHP 1,284,160,099.11 PHP 1,130,531,179.12

[a] Estimated amount.
[b] Resigned from the Bank on March 26, 2025.

Board Performance Evaluation

GRI 2-18

UnionBank believes in the concept of "Kaizen," a Japanese term denoting continuous improvement, which has been fundamental to its growth over the years.

The Board regularly conducts evaluations to appraise its performance as a collective body and individually, and to 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 as a collective body, Board committees of which they are members, and the Chairman of the Board.

The performance of individual Board members is also assessed through self-assessment and independent assessments conducted by selected members of management.

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. The Board may require a third-party assessor to conduct its annual performance assessment on its behalf or subject its existing performance assessment to third-party review. The assessor shall be pre-selected by the Corporate Governance Committee and presented to the Board for approval prior to engagement.

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

Type of Assessment	Respondents	Scope and Criteria
Board Self-Assessment (as a collegial body)	All members of the Board, including the President and CEO	1. Characteristics of the Board as a single, functioning unit in relation to the performance of its collegial roles and responsibilities; 2. Actual board work accomplished within the year; 3. Board's ability to create a positive impact in its industry and towards its stakeholders and shareholders; and 4. Recommendations to allow the respondents to better express their ideas.
Board Committee Self-Assessment	All members of the Board Committees	1. Characteristics of the Committee as a single, functioning unit in relation to roles and responsibilities; 2. Regularity and relevance of the meetings held by the Committee in relation to this role, responsibilities, and goals set for the calendar year; 3. Level of faithfulness of the Committee in fulfilling its duties and responsibilities; 4. Completeness of the Committee's list of responsibilities to fully account for the scope of its duties; and 5. Direction and strategy for the coming year.
Assessment of the Chairman of the Board	All members of the Board except for the Chairman	1. Leadership of the Chairman; 2. Role of the Chairman in board training, continuing education, and performance review; and 3. Items to focus on for the coming year.
Individual Self-Assessment	All members of the Board, including the President and CEO	1. Performance of the individual director in relation to the mandated specific duties and responsibilities of a director enumerated in the Manual of Regulations for Banks (MORB).
Independent Assessment of the Performance of the Individual Members of the Board	Key Members of Management: (1) Chief Risk Officer (2) Corporate Secretary (3) Chief Compliance and Corporate Governance Officer	1. Evaluate the performance of the individual members of the Board of Directors across the following key areas: a) Professional Aptitude and Integrity; b) Professional Diligence; c) Professional Discretion and Independent Judgement; and d) Leadership and Governance.
Independent Assessment of the Performance of the Committee Chairpersons	Respondents include: (1) Center Head (2) Representative from the Secretariat (3) At least three regular attendees to the Board Committee meeting	1. Evaluate the performance of the Chair of the Board Committees across the following key areas: a) Leadership Function; and b) Duties and Responsibilities

Board Induction, Training, and Continuing Education

GRI 2-17

UnionBank does not rest on its laurels because the world keeps changing at a pace much faster than it can imagine. The Board champions lifelong learning to remain relevant in these fast-changing times and be cognizant of what is happening in the world.

Upon joining the Board, new directors are properly oriented and briefed on matters pertaining to the organization's structure, business, strategies, and governance. The orientation program covers SEC-mandated topics and complies with the Bangko Sentral-prescribed syllabus on corporate governance for first-time directors.

Incumbent directors also attend continuing training programs and courses on specific regulations and corporate governance matters relevant to the organization, including audit, internal controls, risk management, financial technology, sustainability, and strategy.

In 2025, the Bank conducted UBP's Compliance and Corporate Governance Summit. The training tackled important topics, including building an effective board, risk management, and corporate governance best practices. Its directors also attended a series of learning sessions organized by Aboitiz Equity Ventures (AEV), conducted by renowned experts across the globe on areas such as geopolitics, artificial intelligence, stakeholder management, and corporate culture and talent management. Directors have the option to attend UBP's Compliance and Corporate Governance Summit Series, AEV's learning sessions, and other training from BSP accredited-service providers, provided they fulfill the mandatory 4-hour corporate governance training.

The programs and continuing training for all directors aim to promote effective board performance in carrying out their duties and responsibilities. the Bank regularly assesses the needs of its directors to determine the appropriate scope and coverage of these programs.

At the time of writing, Board members have attended the following trainings:

Name	Program	Date	Training Provider / Host
Erramon I. Aboitiz	2025 Board Learning Sessions	September 30, October 30, and November 26, 2025	Aboitiz Equity Ventures
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Justo A. Ortiz	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	Directors in the Digital Age	November 13, 2025	Institute of Corporate Directors
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Iker M. Aboitiz	Compliance and Corporate Governance Summit	September 12, 2025	Union Bank of the Philippines
	Enterprise Risk Management	August 15, 2025	BAIPHIL
	Directors in the Digital Age	November 13, 2025	Institute of Corporate Directors
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines

Name	Program	Date	Training Provider / Host
Sabin M. Aboitiz	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	2025 Board Learning Sessions	September 30, October 30, and November 26, 2025	Aboitiz Equity Ventures
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Ana Maria A. Delgado	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Samel A. Aboitiz	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	2025 Board Learning Sessions	September 30, October 30, and November 26, 2025	Aboitiz Equity Ventures
	Directors in the Digital Age	November 13, 2025	Institute of Corporate Directors
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Jose Emmanuel U. Hilado	Compliance and Corporate Governance Summit	September 12	Union Bank of the Philippines
	2025 Board Learning Sessions	September 30, October 30, and November 26, 2025	Aboitiz Equity Ventures
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Nina Perpetua D. Aguas	Risk Governance and the Corporate Board	August 29, 2025	Institute of Corporate Directors
	Governance of Internal Audit by the Board Audit Committee	October 30, 2025	Institute of Corporate Directors
	Legal Liabilities and Proceedings Affecting Banks	March 19, 2025	BAIPHIL
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Victor Alfonso A. Limlingan	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Robert Joseph M. De Claro	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Roberto G. Manabat	Compliance and Corporate Governance Summit	October 10, 2025	Union Bank of the Philippines
	Governance of Internal Audit by the Board Audit Committee	October 30, 2025	Institute of Corporate Directors
	Strategy in Motion: The Evolving Role of Governance	September 27, 2025	Institute of Corporate Directors
	Webinar on Basic Course on Corporate Governance	July 27, 2025	BAIPHIL
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Manuel D. Escueta	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	2025 Board Learning Sessions	September 30, 2025	Aboitiz Equity Ventures
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Josiah L. Go	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	Directors in the Digital Age	November 13, 2025	Institute of Corporate Directors
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines
Peter B. Favila	Compliance and Corporate Governance Summit	September 12 and October 10, 2025	Union Bank of the Philippines
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines

Name	Program	Date	Training Provider / Host
Honorio G. Poblador IV	2025 Board Learning Sessions	September 30, 2025	Aboitiz Equity Ventures
	Compliance Training: IT Security Awareness	May 8, 2025	Navegar
	Legal Liabilities and Proceedings Affecting Banks	March 19, 2025	BAIPHIL
	Directors in the Digital Age	November 13, 2025	Institute of Corporate Directors
	Annual AML Training for Directors	December 19, 2025	Union Bank of the Philippines

Retirement and Term Limit

While prevailing governance standards recommend the adoption of mandatory retirement age limits for directors as a means to renew board composition, UnionBank believes that this is not always the most viable option, since adopting a fixed limit on director tenure could result in the arbitrary and premature retirement of seasoned directors with valued expertise and in-depth knowledge of the organization's business, structure, and history.

As an alternative to adopting a fixed retirement age limit for Board members, the Bank has established robust procedures on the re-election of incumbent directors, in accordance with the 'fit and proper' rule, to ensure that they remain qualified for the position for the duration of their respective terms. Aptitude and integrity, professional diligence, and independent judgment of individual directors are being evaluated on a yearly basis, as part of the Board's performance assessment, the results of which are being considered for their re-election.

For independent directors, the Bank has also adopted a maximum cumulative term limit of nine (9) years. After which, the independent director is permanently barred from serving as an independent director of the Bank but may continue to serve as a regular director.

As of December 31, 2025, the Bank had no independent director whose tenure had reached this term limit.

Name	Date of Appointment	Tenure[a]
Roberto G. Manabat	May 25, 2018	7 years and 7 months
Manuel D. Escueta	April 23, 2021	4 years and 8 months
Josiah L. Go	April 23, 2021	4 years and 8 months
Peter B. Favila	July 3, 2025	0 years and 5 months
Honorio G. Poblador IV	April 28, 2023	2 years and 8 months

[a]Tenure as of December 31, 2025.

Shareholdings

As a corporation vested with the public interest, the Bank has adopted strict policies governing trades by directors, key officers, and those with access to material non-public information.

Its Trading Blackout Policy restricts directors, officers, and employees who are privy to insider information from trading the Bank's securities during a predetermined timeframe, known as the blackout period.

For structured events, blackout period is imposed beginning five (5) trading days before the date of knowledge or the receipt of the material non-public information, and until two (2) trading days after the submission of the periodic reports to the regulator.

For unstructured events, it is the period from date of knowledge or receipt of material non-public information to a period of not less than two (2) trading days after the public disclosure of the event.

The Compliance and Corporate Governance Office (CCGO) issues the Trading Blackout notice based on the scheduled and unscheduled disclosures for the year, while the Corporate Secretary ensures compliance with the disclosure notices filed with our regulatory agencies and the stock exchange.

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 as of February 28, 2026:

Name of Beneficial Owner	Title of Class	Number of Shares	Amount	Nature of Legal and Beneficial Ownership	Citizenship	Percentage of Class
A. Directors						
Erramon I. Aboitiz	Common	505	PHP 5,050.00	(r)	Filipino	0.00%
		39,707,330	PHP 397,073,300.00	(b)		1.20%
Justo A. Ortiz	Common	2,701	PHP 27,010.00	(r)	Filipino	0.00%
		5,636,974	PHP 56,369,740.00	(b)		0.17%
Ana Maria A. Delgado	Common	167,131	PHP 1,671,310.00	(r)	Filipino	0.00%
		5,268,449	PHP 52,684,490.00	(b)		0.16%
Sabin M. Aboitiz	Common	1,611	PHP 16,110.00	(r)	Filipino	0.00%
		5,767,050	PHP 57,670,500.00	(b)		0.17%
Samel A. Aboitiz	Common	-	-	(r)	Filipino	-
		2,430,468	PHP 24,304,680.00	(b)		0.07%
Iker M. Aboitiz	Common	261	PHP 2,610.00	(r)	Filipino	0.00%
		2,073,453	PHP 20,734,530.00	(b)		0.06%
Jose Emmanuel U. Hilado	Common	307,361	PHP 3,073,610.00	(r)	Filipino	0.01%
		773,109	PHP 7,731,090.00	(b)		0.02%
Nina Perpetua D. Aguas	Common	1	PHP 10.00	(r)	Filipino	0.00%
		-	-	(b)		-
Robert Joseph M. De Claro	Common	1	PHP 10.00	(r)	Filipino	0.00%
		-	-	(b)		-

Name of Beneficial Owner	Title of Class	Number of Shares	Amount	Nature of Legal and Beneficial Ownership	Citizenship	Percentage of Class
A. Directors						
Victor Alfonso A. Limlingan	Common	1	PHP 10.00	(r)	Filipino	0.00%
		-	-	(b)		-
Roberto G. Manabat	Common	102	PHP 1,020.00	(r)	Filipino	0.00%
		-	-	(b)		-
Manuel D. Escueta	Common	102	PHP 1,020.00	(r)	Filipino	0.00%
		-	-	(b)		-
Josiah L. Go	Common	102	PHP 1,020.00	(r)	Filipino	0.00%
		59,562	PHP 595,620.00	(b)		0.00%
Honorio G. Poblador IV	Common	102	PHP 1,020.00	(r)	Filipino	0.00%
		-	-	(b)		-
Peter B. Favila	Common	126	PHP 1,260.00	(r)	Filipino	0.00%
		-	-	(b)		-

The table below shows the summary of trading in company shares by directors as of December 31, 2025.

Name	Total Shareholdings as of Dec. 31, 2024	Number of Shares Disposed	Number of Shares Acquired for 2025	No. of Direct Shareholdings as of Dec. 31, 2025	No. of Indirect Shareholdings as of Dec. 31, 2025	Total Shareholdings as of Dec. 31, 2025
A. Directors						
Erramon I. Aboitiz	39,359,815	-	348,020	505	39,707,330	39,707,835
Justo A. Ortiz	5,639,675	-	-	2,701	5,636,974	5,639,675
Iker M. Aboitiz	-	-	2,073,714	261	2,073,453	2,073,714
Sabin M. Aboitiz	5,603,667	-	164,994	1,611	5,767,050	5,768,661
Ana Maria A. Delgado	5,435,541	-	39	167,131	5,268,449	5,435,580
Samel A. Aboitiz	2,430,468	-	-	-	2,430,468	2,430,468
Jose Emmanuel U. Hilado	1,080,470	-	-	307,361	773,109	1,080,470
Nina Perpetua D. Aguas	1	-	-	1	-	1
Victor Alfonso A. Limlingan	-	-	1	1	-	1
Robert Joseph M. De Claro	1	-	-	1	-	1
Roberto G. Manabat	102	-	-	102	-	102
Manuel D. Escueta	102	-	-	102	-	102
Josiah L. Go	40,864	-	18,800	102	59,562	59,664
Honorio G. Poblador IV	102	-	-	102	-	102
Peter B. Favila	-	-	126	126	-	126

Interlocking Positions and Time Commitment

UnionBank recognizes that effective sharing of managerial and technical expertise between the Bank and other entities promotes economies of scale and organizational synergies.

In this regard, the Bank has established an effective governance process to ensure that the benefits of having directors with interlocking positions in other entities are optimized, in accordance with the principles set out under BSP Circular No. 1129, Series of 2021 on the Amendments to Corporate Governance Guidelines for BSP–Supervised Financial Institutions (BSFIs).

As a general rule, interlocking directorships are allowed provided the positions do not pose conflicts of interest. Board members with interlocking positions are reminded to comply with the Manual on Corporate Governance and Code of Conduct and must avoid circumstances that could result in conflicts of interest with UnionBank.

A non-executive director may concurrently serve as a director in a maximum of five (5) publicly listed companies. As of December 31, 2025, the Bank has no director who has exceeded this limit on interlocking directorship positions held in publicly listed companies. The more detailed information on the interlocking positions of the Bank's directors can be found in the Profile of the Board of Directors section of this report.

For monitoring and reporting purposes, the Chief Compliance and Corporate Governance Office (CCGO), in coordination with the Human Resource (HR), submits to the BSP an annual report of all interlocking positions of its directors and officers within twenty (20) banking days from the end of each reference year.

BOARD COMMITTEES

The Board has established various committees to oversee specific areas of the organization. These committees delve deeper into the details of their respective mandates and areas of expertise and report back to the Board. The composition, functions, and responsibilities of all committees are properly defined and established in their respective charters.

Audit Committee

Key Focus Areas:

- Oversees financial reporting process, practices, and controls
- Monitors and evaluates the adequacy and effectiveness of internal controls
- Oversees the internal audit and external audit functions
- Oversees the implementation of corrective actions
- Oversees the establishment of a whistleblowing mechanism
- Oversees the outsourced internal audit activities
- Oversees the implementation of the Policy on the Governance of the Group Internal Audit

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% 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[b]	7	7	100
Manuel D. Escueta	13	14	92.86
Josiah L. Go	14	14	100
Santiago Dionisio R. Agdeppa[c]	1	2	50
Victor Alfonso A. Limlingan[d]	8	10	80
Peter B. Favila[e]	6	6	100

[a]Represents no. of IAC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Atty. Francisco Ed Lim resigned effective June 9, 2025.
[c]Atty. Santiago Dionisio R. Agdeppa resigned effective February 1, 2025.
[d]Director Victor Alfonso A. Limlingan was elected on February 28, 2025.
[e]Director Peter B. Favila was appointed on June 27, 2025, effective July 3, 2025.

Corporate Governance Committee

Key Focus Areas:

- Assists the Board in fulfilling its corporate governance responsibilities
- Conducts oversight functions over the Compliance and Corporate Governance Office of the Bank, Anti-Money Laundering Committee (AMLACOM) and review the status of cases under the Discipline Committee
- Serves as the Nomination Committee; reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to positions requiring appointment by the Board
- Oversees the periodic performance evaluation of the Board and its committees through self-assessments and independent assessments
- Makes recommendations to the Board regarding the continuing education of Directors and their assignments to various Board committees, succession plan for the board members and senior officers
- Serves as the Remuneration Committee; oversees the design of the remuneration and other incentives policies
- Provides a communication channel for its subsidiaries and affiliates to ensure that the bank, as the parent company, is kept well abreast of material issues
- Ensures the integration of environmental, social, and governance (ESG) principles on our corporate governance framework, strategies, and operations

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% OF ATTENDANCE
Peter B. Favila[b], Chairman	8	8	100
Justo A. Ortiz	19	19	100
Erramon I. Aboitiz[c]	8	8	100
Nina Perpetua D. Aguas	19	19	100
Roberto G. Manabat	19	19	100
Honorio G. Poblador IV	19	19	100
Manuel D. Escueta	19	19	100
Josiah L. Go	19	19	100
Robert Joseph M. De Claro	12	19	63.16
Sabin M. Aboitiz[d]	11	11	100
Francisco Ed. Lim[e]	10	10	100

[a]Represents no. of CGC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Peter B. Favila elected on June 27, 2025, effective July 3, 2025.
[c]Director Erramon I. Aboitiz was a regular member of the Committee until April 25, 2025.
[d]Director Sabin M. Aboitiz became a regular member effective April 25, 2025.
[e]Atty. Francisco Ed Lim resigned effective June 9, 2025.

Executive Committee

Key Focus Areas:

- Approves credit and loan transactions, whether clean or secured, within the approved limits set by the Board
- Confirms or notes approvals made by the Management within its delegated level of authority, limits such as, but not limited to, the sale of real estate and other acquired properties, mortgage loans, and bills purchase accommodations
- Endorses credit transactions beyond the Committee's approving limits for the approval of the Board
- Approval of such other transactions as may be initiated by business units within the Committee's limit of transactions
- Approves Consumer Business Products and Programs within the specified thresholds in the Charter
- Monitors Consumer Business Risk Upcoming Trends and NCL Movements as needed, and upon endorsement of the Risk Management Committee

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% 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	13	19	68.42
Edwin R. Bautista[b]	2	2	100
Ana Maria A. Delgado[c]	16	17	94.12

[a]Represents no. of EXCOM meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Edwin R. Bautista was a Member until January 31, 2025, and resigned on March 26, 2025.
[c]Director Ana A. Delgado was appointed as Member on January 31, 2025.

Information Technology and Cybersecurity Committee

Key Focus Areas:

- Reviews the IT strategic plan to ensure alignment with business strategies, purpose, and core values
- Oversees the development and implementation of a cohesive IT Risk Management System that will identify and address IT risk concerns on a continuous basis, monitor IT performance, the status of major IT projects, and other significant IT issues
- Oversees and assesses the quality and effectiveness of the Bank's cybersecurity program, including its personnel, policies, and procedures
- Oversees and reviews controls to prevent, detect, and respond to cyber-attacks or data breaches involving information technology systems, data, products, and services
- Oversees compliance with the Data Privacy Act of 2012 and other privacy and security regulations and requirements applicable to the data received, collected, created, used, processed, and maintained

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% 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, Non-voting Member	11	12	91.67
Robert Joseph M. De Claro[b]	7	12	58.33
Ana Maria A. Delgado[c]	9	11	81.82
Edwin R. Bautista[d]	1	1	100

[a]Represents no. of ITCC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Robert Joseph De Claro was appointed as member on 2 December 2024.
[c]Director Ana Maria A. Delgado was appointed as member on January 31, 2025.
[d]Mr. Edwin R. Bauista was a member until January 31, 2025; resigned on March 26, 2025.

Market Risk Committee

Key Focus Areas:

- Reviews risk management policies and practices relating to market risk, interest rate risk in the banking book (IRRBB), and liquidity risk
- Reviews broad business strategies and policies for managing the market risk of the trading book, IRRBB, and liquidity risk, including funding strategy and corresponding risk tolerance aligned with the strategic direction
- Monitors performance and overall market risk, IRRBB, and liquidity risk profiles, ensuring that the levels of these risks are maintained within tolerance and at prudent levels supported by adequate capital
- Mandates and tracks the resolution of breaches in risk limits and actions taken on deviations from policies and procedures
- Promotes the continuous development of market risk programs and infrastructure, understanding this to be an evolutionary and dynamic process
- Leads the risk unit in creating and promoting a risk culture that requires and encourages the highest standards of ethical behavior by risk managers and risk-taking personnel
- Leads in monitoring the sensitivity of the Bank's financial condition, with focus on capital, to the effects of market volatility and adverse price changes of the Bank's portfolio of financial instruments, and oversees the Bank's liquidity position through the Bank's Assets and Liability Committee (ALCO)

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% OF ATTENDANCE
Honorio G. Poblador IV, Chairman	12	12	100
Josiah L. Go	12	12	100
Erramon I. Aboitiz[b]	4	4	100
Justo A. Ortiz	12	12	100
Nina Perpetua D. Aguas	12	12	100
Francisco Ed. Lim[c]	6	6	100
Roberto G. Manabat	12	12	100
Manuel D. Escueta	12	12	100
Santiago Dionisio R. Agdeppa[d]	0	1	0
Victor Alfonso A. Limlingan[e]	9	10	90
Jose Emmanuel U. Hilado[f]	7	8	87.50
Peter B. Favila[g]	6	6	100

[a]Represents no. of MRC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Erramon I. Aboitiz was a regular Member until April 25, 2025.
[c]Atty. Francisco Ed Lim resigned effective June 9, 2025.
[d]Atty. Santiago Dionisio R. Agdeppa resigned effective February 1, 2025.
[e]Director Victor Alfonso A. Limlingan elected effective February 28, 2025.
[f]Director Jose Emmanuel U. Hilado was appointed as Member effective April 25, 2025.
[g]Director Peter B. Favila elected on June 27, 2025, effective July 3, 2025.

Operational Risk Management Committee

Key Focus Areas:

- Develops an operational risk management strategy that is aligned with the Bank's overall business objectives. Reviews risk management policies and practices relating to operational and legal risks. Ensures that operational risk is appropriately considered in the capital adequacy assessment process of the Bank
- Approves operational risk management framework, which shall form part of the enterprise risk management system
- Approves appropriate thresholds or limits to ensure that the level of operational risk is within the tolerance level.
- Provides oversight on the implementation of a sound business continuity management framework
- Provides adequate oversight on all outsourcing activities and ensures effective management of risks arising from these activities
- Reviews and endorses the Bank's Business Continuity Plan, strategies, and resources
- Monitors and reviews the implementation and performance of the Bank's IT risk management systems, IT-related policies, and service level agreements of IT service providers

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% 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, Non-voting Member	11	12	91.67
Robert Joseph M. De Claro[b]	7	12	58.33
Ana Maria A. Delgado[c]	9	11	81.82
Edwin R. Bautista[d]	1	1	100

[a]Represents no. of ITCC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Joseph M. De Claro was appointed as member on 2 December 2024.
[c]Director Ana Maria A. Delgado was appointed as member on January 31, 2025.
[d]Mr. Edwin R. Bautista was a member until January 31, 2025; resigned on March 26, 2025.

Related Party Transactions Committee

Key Focus Areas:

- Evaluates all material related party transactions (RPTs) to ensure that these are not undertaken on less favorable economic terms to the Bank (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) compared to similar transactions with non-related parties
- Approves non-material RTPs, which have been reviewed by CCGO, and endorses the same for Board Confirmation
- Ensures that the appropriate disclosures relating to the Bank's RPT exposures and policies on conflicts of interest or potential conflicts of interest are provided to the regulating and supervising authorities
- Assists the Board in ensuring that RPTs are undertaken only on an arm's length basis in compliance with the RPT Policy and applicable policies and guidelines of the BSP and SEC
- Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs to ensure that there is no conflict of interest.
  The Committee ensures the periodic review of policies and procedures
- Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties
- Formulate, revise, and endorse policies or guidelines on RPTs for BOD approval

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% OF ATTENDANCE
Peter B. Favila, Chairman[b]	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[c]	7	7	100

[a]Represents no. of RPTC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Peter B. Favila was appointed on June 27, 2025, effective July 3, 2025.
[c]Atty. Francisco Ed Lim resigned effective June 9, 2025.

Risk Management Committee

Key Focus Areas:

- Oversees the enterprise risk management framework and ensures that there is a periodic review of the effectiveness of risk management systems and recovery plans
- Ensures that the current and emerging risk exposures are consistent with the strategic direction and overall risk appetite
- Approves policies related to risk management, with specific delegation to the Operational Risk Management Committee and Market Risk Committee for matters under their purview
- Oversees the system of limits to discretionary authority that the Board delegates to management and ensures that the system remains effective, the limits are observed, and that immediate corrective action/s is taken when limits are breached
- Identifies and evaluates exposures and their impact on capital, assesses the probability of each risk becoming reality, and estimates its possible effect and cost

NAME	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD[a]	% OF ATTENDANCE
Manuel D. Escueta, Chairman	12	12	100
Erramon I. Aboitiz[b]	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[c]	1	1	100
Victor Alfonso A. Limlingan[d]	10	10	100
Samel A. Aboitiz[e]	8	8	100

[a]Represents no. of RMC meetings held in 2025 or no. of meetings during the incumbency of the director.
[b]Director Erramon I. Aboitiz was a regular member until April 25, 2025.
[c]Atty. Santiago Dionisio R. Agdeppa resigned effective February 1, 2025.
[d]Director Victor Alfonso A. Limlingan was appointed on February 28, 2025.
[e]Director Samel A. Aboitiz appointed as regular member starting April 25, 2025.

MANAGEMENT COMMITTEES

Management committees are created 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, the Bank has sixteen (16) management committees, all of which are fully functional and operating:

Committee	Mandate
Anti-Money Laundering Committee	Proposes to the Board, through the Corporate Governance Committee, such measures as may be necessary under the MTPP in actively preventing money laundering, terrorist financing, proliferation financing, and financial crimes in general. Evaluates transactions for suspicious reporting, evaluates business and operational concerns, provides guidance and approval as necessary, such as matters with potential deviation from existing provisions of the MTPP, as escalated by stakeholders and concerned units, and provides directives within the scope of managing the Bank's AML, CFT, and CPF risks.
Architecture Steering Committee	Oversees the overall enterprise architecture of the Bank and its alignment with the Bank's business strategies and objectives. In addition, the ASC shall provide guidance on key decision points for concerned projects.
Asset-Liability Committee	Primarily responsible for the overall balance sheet management of the Bank, protecting both the Bank's income and capital from interest rate and liquidity risks. The objective of the ALCO is to facilitate a Senior Management discussion to address potential issues and risks associated with the Bank's assets and liabilities.

Committee	Mandate
Credit Committee	Oversees the credit risk management of the Wholesale Portfolio and related credit facilities utilized by Treasury and Global Markets and Private Banking. Reviews, screens, endorses and/or approves matters related to credit risk management such as credit portfolios, credit proposals (including pricing to maximize account profitability and other return metrics), product programs, credit policy guidelines, credit scoring systems, internal risk rating methodologies, credit reviews, credit concentrations, loan loss provisioning, and sufficiency of capital via deliberation or routing (through email or other forms of communication).
Crimes Investigations Committee	Investigates and determines if a criminal case should be filed and/or maintained by the Bank against an employee or a third person.
Data Governance Management Committee	Reviews and approves recommendations for ensuring that the Bank generates and timely submits accurate reports for use in strategic decisions and regulatory reporting, in accordance with accounting and regulatory standards. The committee also reviews and approves recommendations for ensuring that the Vital Banking Records are properly disposed of, as aligned with the Bank's policy on disposal.
Digital Integration Committee	Reviews the digital transformation roadmap, application and technology portfolios, and ongoing and incoming initiatives to drive cost efficiencies across the banking group.
Discipline Committee	Reviews the cases endorsed by the appropriate fact-finding body and hears, deliberates, and decides on the administrative cases in a timely manner.
Employee Loans Committee	Evaluates employee loan applications to ensure that the same is compliant with the Board-approved program and BSP policies and recommends qualified employee loan applications for Board confirmation and approval.
Insourcing Committee	Ensures that the Bank's insourcing activities are conducted in a sound and prudent manner, aligned with its long-term business strategy, and compliant with the requirements of the law.
Management Committee	Provides guidance on strategic decisions consistent with the Bank's purpose, brand, and core values towards the attainment of long-term goals.
Model Governance Management Committee	Oversees the development and promotion of responsible Artificial Intelligence (AI) Governance practices in the Bank and facilitates the coordination of the Bank's activities and initiatives related to the development and use of AI.
Personnel Committee	Undertakes processes, assesses programs, and/or sets policies that aim to develop, strengthen, and sustain employee engagement, and specifically ensures leadership succession at the executive level.
Reputation Management Committee	Ensures that all reputation management efforts are aligned, and messages communicated are consistent for all stakeholders.
Resiliency Steering Committee	Provides strategic direction for the Bank's Business Continuity Management System (BCMS) Framework.
Retirement Committee	Responsible for the general management and administration of the UnionBank Retirement Plan and Retirement Fund for its employees.

The Related Party Transactions Review Committee (RPTRC), formerly a management-level committee of the Bank, was dissolved effective November 30, 2025. Its review functions were transferred to the Compliance and Corporate Governance Office (CCGO), while the authority to approve non-material RPTs was reassigned to the Related Party Transactions Committee (RPTC).

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 co-create 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-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

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

The Bank inspires employees to grow beyond their respective departments and adopt a holistic set of skills to gain competence. The Bank operationalizes its NextGen Bank vision through several 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.

The Leadership Accelerated Development (LEAD) Management Trainee Program launched in 2017 as a program for future leaders that 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

UnionBank recognizes that succession is an integral piece in driving its strategies. It conducts 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. The Bank also conducts an assessment to validate the readiness of identified successors. The Bank also casts a wider net of leadership through the management training program, identification of high-potential talents, leadership development, and external talent mapping.

UnionBank's deliberate and systematic effort to ensure leadership continuity covers retirement of eligible employees. Under its 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

UnionBank's remuneration policy is anchored on attracting, engaging, and retaining talents. It adheres to the philosophy of meritocracy across all employee ranks. The Bank's 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.

COMPLIANCE AND INTERNAL CONTROLS

Our Compliance Framework

Around the world, the increasing number of corporate scandals, hefty fines, and growing regulatory scrutiny is what keeps compliance officers at night. The compliance landscape is rapidly changing as regulators work in protecting consumers from fraud and ensuring transparency in the consumer's financial transactions. Beyond consumer protection, regulators also shield banks from financial instability and risks through implementing monetary policies that aim to foster a stable and balanced economic environment for financial institutions.

UnionBank views compliance with regulations not only as an obligation, but as a way of doing business. It has established strong compliance programs and policies designed to specifically identify and mitigate risks that may erode the franchise value of UnionBank such as risks of legal or regulatory sanctions, material financial loss, or loss of reputation. Through its compliance efforts, the Bank seeks to do business in a way that engenders trust with its customers, investors, regulators, and the public.

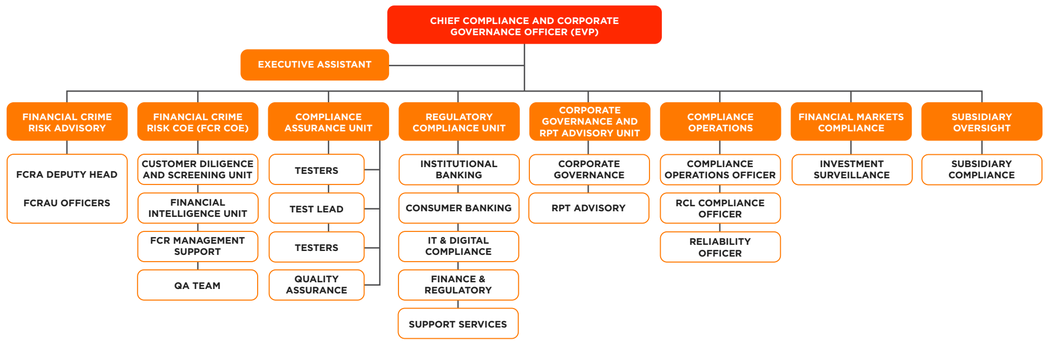
The Bank's compliance team, the Compliance and Corporate Governance Office (CCGO), is equipped with deep knowledge and industry expertise to keep pace with the ever-changing regulatory horizon. As of writing, it has a total of one hundred ninety-three (193)[a] officers in CCGO in charge of facilitating the effective management of compliance risk, including money laundering, terrorist financing, proliferation financing risks and ensures that the Bank's businesses and affairs are conducted within the boundaries of laws, rules, and regulations.

The Board has appointed a Chief Compliance and Corporate Governance Officer with the rank of Executive Vice President (SVP)[b] to reinforce adequate stature and authority of compliance in the organization. As the lead operating officer in compliance, he oversees the overall design and effective implementation of the compliance risk management system and supervises the Bank's compliance function. He serves on a full-time basis and functionally reports to the Corporate Governance Committee.

Forging a positive and productive working relationship with regulators remains a key tenet of the Bank's governance agenda. It is aware that its compliance efforts to maintain the safety and soundness of the banking system are amplified when it works together with regulators who share the same goals.

UnionBank has bolstered its compliance efforts by taking an active role in various industrywide forums, conferences, regular examinations and thematic reviews, consultations, review of exposure drafts, surveys and studies of its regulators including the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), and Anti-Money Laundering Council (AMLC), to cement its position as an industry leader in compliance and good governance. It has also been working closely with external partners and industry observers including the Association of Bank Compliance Officers (ABCOMP), Bankers Association of the Philippines (BAP), Bankers Institute of the Philippines (BAIPHIL), Good Governance Advocates and Practitioners of the Philippines (GGAPP), Institute of Corporate Directors (ICD), and other organizations of like-minded finance and banking professionals whose mission is to professionalize the compliance system in the banking industry and develop constructive working relationship with regulators.

[a] Total FTE as of January 2026.
[b] Atty. Isagani A. Cortes, with the rank of Executive Vice-President (EVP), was appointed as the new Chief Compliance and Corporate Governance Officer effective January 1, 2025



Combating Illicit Activity

Anti-Money Laundering and Countering the Financing of Terrorism

As the world becomes increasingly interconnected and digital, the fight against financial crime has become more challenging.

In 2025, an organizational change was implemented to streamline financial crime risk management under a single Center of Excellence (FCR COE). Previously, AML Operations & Optimization and Consumer Business Support operated separately, resulting in fragmented processes, and redundant roles. By consolidating these units into FCR COE, the Bank will:

- Improve oversight and governance across AML and customer due diligence functions
- Enable process standardization, automation, and digitization to reduce inefficiencies
- Expand scope to cover enterprise-wide customers and strengthen quality assurance
- Enhance regulatory compliance and risk management through centralized leadership and reporting

UnionBank takes its compliance obligations very seriously, and it is committed to combating illicit finance to maintain the integrity of the financial system. The five (5) pillars of its anti-money laundering and countering the financing of terrorism (AML / CFT) efforts are detailed below.

Policies and procedures. The Bank has established a comprehensive and risk-based money laundering and proliferation financing and terrorist financing prevention program to prevent UnionBank from being used as a money laundering site for the proceeds of any unlawful activity. It regularly reviews its policies and procedures to ensure that the provisions of the program remain relevant and responsive to address regulatory developments, risks, and threats.

Customer identification and acceptance. The Bank maintains a system of verifying the true identity of its clients by establishing a clearly written customer acceptance and identification policy and procedures, including a set of graduated money laundering criteria for clients categorized depending on the risk it may pose to the Bank.

For corporate and juridical entities, the legal existence, ownership, control structures, and the authority and identification of all persons authorized to act on their behalf are verified.

The Bank's customer acceptance policies are implemented in a manner that is non-discriminatory to all customer types, ensuring that political exposure, religion, race, or ethnic origin are not used as the only basis to deny access to our products and services.

Transaction monitoring and reporting. The Bank's transaction monitoring capabilities allow it to identify unusual business relationships and transactions, and report covered and suspicious transactions to its financial intelligence unit, the Anti-Money Laundering Council (AMLC).

Continuing education and training. The Bank offers capacity-building activities and training opportunities to promote AML / CTF awareness and strong compliance culture across the organization. Refresher courses are provided via UnionBank University to ensure that employees are updated with recent regulations, developments, and best practices.

Working closely with the regulators. Through effective implementation of these measures, the Bank assists the AMLC and various law enforcement agencies in tracing and stopping the financial flows linked to predicating crime and terrorism, to make society safer.

Anti-Bribery and Anti-Corruption

GRI 3-3, 205-1

We conduct our business transactions in an ethical and honest manner to support the integrity of the financial system. We take a zero-tolerance stance to bribery and corruption and are committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever we operate.

Employees are prohibited from offering, paying, receiving, promising, or authorizing any gift or payment to any person directly or indirectly through or to a third party for the purpose of (i.e. in exchange for): (1) causing the person to act or fail to act in violation of a legal duty; (2) causing the person to abuse or misuse their position; (3) securing an improper advantage, contract or concession for the organization or any other party.

Furthermore, the Bank does not tolerate any form of facilitation payments, extortion, or improper inducements.

INCIDENTS OF CORRUPTION

GRI 205-3

Disclosure	UBP
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0

Product Compliance

In most organizations, compliance is viewed as a roadblock to business growth. UnionBank considers its compliance team as trusted partners and business enablers.

As the Bank continues to move the needle in providing innovative products and services to its customers, it has also organized its compliance function according to product segments to drive maximum value for the business.

The Bank's Compliance Officers provide guidance on rules and regulations relating to their respective business and product assignments—Treasury, Credit, Trust, Private Banking and Finance, Corporate Governance and Related Party Transactions, Information Technology, and Operations.

Compliance Officers provide compliance guidance and assist the lines of business in the design, development, and implementation of best-in-class compliance programs, policies, and practices. In 2025, the Bank's Compliance Officers conducted a comprehensive Product Risk Assessment (PRA) across all of the Bank's products to evaluate potential risks and ensure full compliance with applicable regulations.

Compliance Testing

UnionBank's compliance testing exercise aims to assess adherence to banking laws, rules and regulations, and internal policies through a two-pronged approach: independent compliance and self-compliance testing.

Independent compliance testing begins with the annual risk assessment of all the units identified in the compliance universe. After the risk assessment, the Bank prioritizes which units will be tested and which items in the compliance matrix will be covered.

The Bank also utilizes the results of the unit's self-testing and disclosure to the CCGO of any identified issues against regulations, and related action plans to address and resolve the exceptions noted. The results are subject to a desktop validation which includes a review of responses and action plans to determine consistency and comprehensiveness.

Identified issues risk ratings and business units overall compliance ratings are reported to Senior Management and Business Owners in a final report. Timely completion of Corrective Actions and escalation of delays are reported to the Board of Directors through the Corporate Governance Committee.

Investment Surveillance

In line with the principles set forth in Section 612 or the Sales and Marketing Guidelines for Financial Products of the Manual of Regulations for Banks (MORB) and Republic Act No. 11765 (otherwise known as the Financial Products and Services Consumer Protection Act), BSP-Supervised Financial Institutions (BSFI) must conduct itself with honesty, fairness, professionalism and shall always pursue the best interests of their clients.

Consistent with SRC Rule 24.1.5 on the Prohibited Conduct of Market Professionals and the Code of Ethics Governing Financial Market Activities in the Philippines under BSP Circular Letter 2010-013, all market professionals and sales personnel must avoid fraudulent, manipulative, or deceptive practices and act with integrity in every transaction.

The Bank bears the responsibility to ensure that clients fully understand the nature of the transaction by providing them with sufficient, accurate, and comprehensible information including the risks involved about the products being offered to them and that the transaction meets their financial objectives and is aligned with their risk tolerance.

In view of the foregoing, the Bank has established a dedicated Investment Surveillance Unit responsible for conducting an independent monitoring of investment and sales activities of the Bank's registered salesmen to identify and prevent unfair, deceptive, and abusive acts or practices that will harm its clients financially and the establishment of surveillance activities will help monitor the Bank's compliance with the requirements of the law.

Subsidiaries Compliance Oversight

Together with the Bank's subsidiaries, UnionBank provides a full range of banking and other financial services to different market segments. Its subsidiaries enable us to be a highly diversified banking group that spans digital banking, thrift, and rural banking, and insurance brokerage, to name a few.

The Bank has formulated a policy for subsidiary governance designed to ensure that the Parent Bank performs its oversight function over its subsidiaries in compliance with regulatory mandates and to facilitate alignment of corporate culture across the entire banking group.

The Bank's Group Governance Policy provides general guidance to the members of the Board of UnionBank in the performance of its oversight function over the subsidiaries and defines the roles and reportorial duties of the directors and/or officers of the Parent Bank and its subsidiaries. In 2025, to further strengthen oversight, it established a functional reporting line for the Subsidiary Chief Compliance Officers to the Bank's Chief Compliance Officer. In addition to this, it streamlined the subsidiary reporting through the dissolution of the CEO Council.

UBP strengthens its governance functions through the Group Governance Council (GGC). In these meetings, subsidiaries are provided the platform to present updates on regulatory, compliance, and financial matters. Together, the Bank and its subsidiaries work collaboratively to resolve emerging issues and discuss measures to enhance compliance.

Related Party Transactions

UnionBank ensures 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.

The Bank's RPT Policy, which is approved by the Board, is strictly implemented across all covered transactions. The covered transactions include:

1. On-and-off-balance sheet credit exposures and claims and write-offs
2. Investments and/or subscriptions for debt / equity issuance
3. Consulting, professional, agency and other service arrangements / contracts
4. Purchases and sales of assets, including transfer of technology and intangible items
5. Construction arrangements / contracts
6. Lease arrangements / contracts
7. Trading and derivative transactions
8. Borrowings, commitments, guarantees and fund transfers such as advances to and from related parties
9. Sale, purchase, or supply of any goods or materials
10. Establishment of joint venture entities
11. Interim line extension of corporate & commercial loans
12. Capital infusion on subsidiaries
13. Other 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.

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.

Material RPTs

The table below shows the summary of material RPTs in 2025. All related party transactions were conducted fairly and at arm's length basis.

Relationship	Nature of Transactions	Terms and Conditions	Amount / Contract Price	Outstanding Loan Balances[a]
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	PHP 16.234 billion	PHP 419.872K
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	PHP 16.418 billion & USD 20.0MM	PHP 108,246,363.62
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	PHP 14.346 billion	
Other Related Party	• TD Swap • Rental Fees • Various Credit Line Facilities • Contract Fees • FX Settlement Line • Syndicated Term Loan	Standard Terms and Conditions	PHP 21.839 billion & USD 50.0MM	PHP 6.931 billion

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

The RPT Committee is responsible for assisting the Board in fulfilling its governance responsibilities on the review and approval of RPTs, as specified in the Policy. The RPT Committee is composed entirely of independent directors, including the Chairman. The RPT Policy can be viewed on the Good Governance Standards microsite of the company website.

AUDIT

The Board of Directors, through the Audit Committee, monitors and evaluates the effectiveness and adequacy of UnionBank's internal control system.

The Audit Committee is a board-level committee that plays a key role in monitoring and evaluating the adequacy and effectiveness of the Bank's systems of internal control, risk management and corporate governance. It has an ongoing responsibility of assessing the effectiveness of the control environment, including its interrelation with other internal control components. It serves as the principal agent of the Board of Directors in evaluating the audit processes and ensuring independence of the Bank's external auditors and the internal audit function. It is also responsible for setting up the Internal Audit Group (IAG) and for the appointment of the Chief Audit Executive and the Independent External Auditor who both report to the Audit Committee.

The Audit Committee consists of seven (7) members who are knowledgeable in accounting, auditing and related financial management matters. They are tasked to provide oversight of the Bank's financial reporting process, and of the internal and external audit functions. 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 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 over 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.
- **Oversight of Implementation of the 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 Board of Directors 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.

The Audit Committee satisfactorily performed all their duties as stipulated in the Audit Committee Charter, based on the results of the annual self-assessment. Further, based on the above initiatives, the Audit Committee views that the effectiveness of the internal controls, financial reporting process, and risk management systems of the Bank remain adequate and effective.

INTERNAL AUDIT

The Internal Audit Group (IAG) is independent of other organizational units of the Bank. It operates under the direct control of the Audit Committee and is given an appropriate standing within the Bank to be free from bias and interference. IAG is tasked to report on how well the Bank's processes, systems, operating units and activities are doing towards the attainment of corporate objectives, primarily by ensuring that established organizational controls are designed appropriately and are operating effectively.

IAG conducts assurance and advisory engagements based on a forward-looking audit plan that is consistent with the Bank's strategic plans and priorities. IAG performs risk assessment using an audit universe composed of entities that represent the complete risk landscape. This includes business units, application systems, processes, and subsidiary entities. In accordance with the Bank's Code of Conduct, IAG conducts investigations in aid of administrative proceedings.

The Parent Audit Committee, through the Parent Chief Audit Executive, oversees the internal audit function of the subsidiaries. The Group Internal Audit function was created to support the governance process and to promote quality and consistency across the Group.

EXTERNAL AUDIT

The Bank's external auditors on the other hand examine its financial statements and express an opinion on whether the numbers reported in the Bank's Balance Sheet, Income Statement, and other financial statements are fairly presented in accordance with financial reporting standards. The Audit Committee recommends the appointment, re-appointment, and change of external auditors. External audit services are currently provided to the Bank by SGV & Co (EY Philippines).

GOVERNANCE POLICIES

Review of Corporate Strategy

UnionBank's corporate strategy is carefully reviewed, monitored, and overseen by the Board through a structured process. The strategy is presented to the Board, and a periodic exercise translates it into key performance indicators (KPIs) incorporated into the Bank's balanced scorecard. This enables ongoing monitoring and measurement of its strategic progress. The balanced scorecard, inclusive of strategic KPIs, is regularly (at least annually) presented to the Board, ensuring transparency and accountability.

The Board guides the management in setting the priorities and defining the strategic agenda for the planning period. The process has been reviewed, monitored, and overseen by the Board in 2025.

The Chairman's Message and CEO Report provide high-level insights into our corporate strategy, vision, and objectives.

Corporate Governance Confirmation Statement

Good governance is woven into the Bank's corporate fabric and permeates its culture. As the Bank strives to achieve governance excellence in every aspect of its business and operations, it has 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 its compliance with the Code of Corporate Governance for Publicly Listed Companies can be found in its Integrated Annual Corporate Governance Report, published on the Bank's website.

Corporate Governance Manual

UnionBank's actions are guided by the Manual on Corporate Governance, which provides an overview of how it is governed and how it operates.

The Bank regularly reviews and updates the provisions of the Manual to address regulatory developments in the industry. It submits the Manual to the SEC whenever there are significant changes or amendments. The Manual is also publicly available on the Bank's website for easy reference of its shareholders, regulators, investors, and other stakeholders.

Dividends

The Bank's dividend policy is established to ensure a balanced approach between delivering sustainable shareholder returns and maintaining a strong financial and capital position. This policy supports prudent capital management, compliance with applicable laws and regulations, and the Bank's long-term growth objectives.

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 Record	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	PHP 1.00	3,316,405,584	PHP 3,316,405,584.00
January 26, 2024	February 13, 2024	N/A	February 20, 2024	PHP 0.80	2,989,259,518	PHP 2,391,407,614.40
February 1, 2023	February 15, 2023	N/A	February 27, 2023	PHP 2.00	2,353,774,567	PHP 4,707,549,134.00

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

1. Declaration of regular cash dividends at PHP 1.00 per share for a total of PHP 3,316,405,584.00, 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.

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 PHP 6,355,191,330.00 equivalent to 635,519,133 common shares with a par value of PHP 10.00 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 PHP 87.50 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 PHP 10.00 for whole shares and paid PHP 0.22 million for 2,550.79 fractional shares in relation to the 27% stock dividends.

Code of Conduct

UnionBank's Code of Conduct supports its 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 it:

- Live its Purpose to "Reimagining Banking to Uplift lives"
- Constantly seeks opportunities for growth, as an institution and as professionals
- Treats people with respect
- Collaborates with great people working in teams
- Commits 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.

The Bank enables the success of its stakeholders—its clients, business colleagues, suppliers, shareholders, communities where we serve each other. It always strives to be the best in what it does. Every product, service, or endeavor at the workplace is nurtured by UnionBankers' faithful adherence and dedication to the Bank's Values of Integrity, Magis, and Ubuntu, nurtured by its passion to provide competent, effective, and delightful service.

Thus, the Bank's 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 its Purpose, Values and Core Competence—Banking. Its essence and practice is founded on public trust and confidence.

Whistleblowing Mechanism

The Bank's Whistleblower Policy is intended to assist individuals to whistle blow on malpractices which they have discovered and to provide protection to the whistleblower.

UnionBank ensures 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.

Creditors' Rights

As a universal bank, deposit-taking is one of UnionBank's principal banking activities. It is committed to protect its depositors who serve as its main creditors.

The Bank ensures that its depositors have a reasonable understanding of the financial products and services which they acquire or avail of. Through its verified communication channels in traditional and digital platforms, the Bank provides information that accurately represents the nature and structure of the product or service, its terms and conditions, as well as its fundamental benefits and risks.

Furthermore, the Bank supports the Philippine Deposit Insurance Coverage (PDIC) in its mandate to protect depositors by providing deposit insurance coverage for the depositing public and help promote financial stability. It advertises PDIC's deposit insurance protection in appropriate and accurate manner by incorporating the official PDIC Insurance Statement (the Maximum Deposit Insurance Coverage provided by the PDIC is increased to one million pesos (PHP 1,000,000.00) per depositor, per bank) on relevant advertisements and official communications.

Through these efforts, the Bank ensures that its depositors are treated fairly, honestly, and professionally at all stages of relationship.

Supplier Selection and Accreditation

UnionBank upholds the principles of truthfulness, fairness, and respect in its dealings with suppliers. It continues to build and maintain good relations by honoring agreements which are entered in conformity with the law and public policy.

All purchases of equipment, supplies and services for the Bank are made based on quality, utility and price offered by the vendors. While the Bank may actively negotiate favorable terms with its suppliers, it does not knowingly mislead them with respect to competitors' price and terms, its plans for future purchases, or other particulars of their transactions.

The Bank does not use its vantage position as customer to impose unfair conditions that could not have been obtained by negotiations in good faith or commit acts or omissions that unjustly breach contractual obligations.

UnionBank implements a strict and fair Supplier Accreditation Policy for all suppliers and outsourced service providers where submission of comprehensive information sheets and applicable documentary requirements are mandatory. The suppliers are then subjected to an initial and ongoing assessment based on applicable criteria, including the company's status in its respective industry, liquidity evidenced by its business viability, and free from any major lawsuit or government action, among others.

Consumer Protection

UnionBank's Board and Senior Management are responsible for developing its consumer protection strategy and establishing an effective oversight over its consumer protection programs. The Board is primarily responsible for approving and overseeing the implementation of our Consumer Protection Risk Management System (CPRMS) while Senior Management is responsible for ensuring that the Bank's practices are aligned with the approved Financial Consumer Protection Policies and CPRMS.

Risk assessment strategies form part of the Consumer Assistance Procedural Guidelines (CAPG). They serve as control measures that direct appropriate actions and help ensure that complaints and requests are managed effectively.

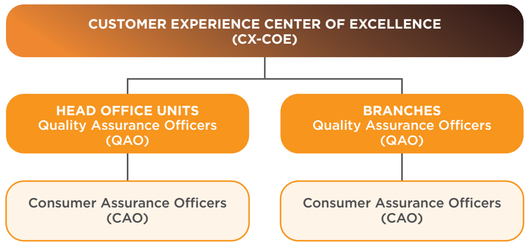
The Customer Experience Center of Excellence (CX-COE) team is responsible for overseeing and monitoring the Bank's complaints management process in compliance with BSP Circular 1160 on Financial Consumer Protection. CX-COE reports and escalates issues and concerns to Senior Management or the Operational Risk Management Committee monthly.

The following procedures are observed for handling complaints:

- The complaint will be acknowledged at point of contact or within 1-2 days if sent via email
- The appropriate unit of the bank will conduct a thorough review and investigation of the issue
- The client will be notified via email once the concern has been resolved

The Consumer Assistance Officer (CAO) handles and coordinates with internal business units to address and resolve complaints effectively. The CAO identifies weaknesses in internal controls and processes, determines root causes and undertakes appropriate action to prevent recurrence, as applicable to their unit.

Meanwhile, the Quality Assurance Officer (QAO) reviews identified weaknesses in internal controls and processes, root causes and monitors the action taken / action plan to ensure non-recurrence, as applicable to their unit.



RIGHTS OF SHAREHOLDERS

GRI 207-3

UnionBank stockholders are the ultimate owners of its business and serve as the highest authority in its governance structure.

They enjoy the benefits of strong corporate governance, which the Bank believes is critical not only for the success of the organization but also in advancing the interests of our shareholders.

The Bank treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of their rights. Shareholders' rights and privileges relate to the following, among others:

- Pre-emptive rights
- Right to receive dividends
- Right to propose the holding of meetings, ask questions, and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting
- Right to nominate and elect candidates to the Board
- Right to dissent (or appraisal right) 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
- Right to information
- Right to power of inspection

The basic rights of the Bank's shareholders are disclosed in the Manual on Corporate Governance which is posted on the Bank's website.

Shareholders' Meeting

The meeting of the shareholders serves as a venue for them to express opinions, raise questions, and pass resolutions. The Bank has two (2) types of meeting as stipulated in its 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.

In accordance with Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or in absentia, the Bank's 2025 annual stockholders' meeting (ASM) was conducted virtually by secure videoconference facility at **https://asm.unionbankph.com**, and facilitated at the 47th, UnionBank Plaza, Meralco Ave. cor. Onyx St., Ortigas Center, Pasig City last April 25, 2025.

Before the ASM

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 Definitive Information Statement contained the rationale and explanation for each agenda item which required shareholders' approval, the profile and business experience of the directors and nominees seeking election/re-election and identified the auditor seeking re-appointment. Proxy form was also made available in the document.

During the ASM

Director 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. The Corporate Secretary recorded the minutes of the proceedings. The Chairman thanked the stockholders who attended the meeting via livestreaming, who have voted in absentia through the Bank's online voting portal, and who submitted their proxy forms appointing the Chairman as proxy.

At the request of the Vice-Chairman, the Corporate Secretary presented the rules of conduct and procedures that govern the ASM. The Corporate Secretary explained that the stockholders have been notified of the rules of conduct and proceedings of the ASM 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. to conduct a third-party validation of the votes for the meeting.

Shareholders voted on the following agendas:

- Approval of the Minutes of the Annual Stockholders' Meeting held on April 26, 2024
- President and CEO's Annual Report on Management Operations for 2024
- Approval of the Annual Report of Management on Operations for 2024 and the Audited Financial Statements as of December 31, 2024
- Open forum
- Ratification of past actions of the Board of Directors, Board Committees, and Management
- Appointment of the External Auditor for the year 2025
- Increase of Per Diem for Non-Executive and Independent Directors and Director's Fee of Independent Directors
- Election of directors 2025-2026

The shareholders were encouraged to express their opinions and raise any questions, either on the agenda or any other questions related to our business and operations. During the open forum, the Chairman—upon advice by the meeting moderator that there were a few questions received from stockholders sent via email through the Office of the Corporate Secretary—answered all the questions, all of which were recorded in the Minutes of the meeting.

Stockholders were also invited to submit to the Office of the Corporate Secretary via email any other questions relative to the agenda items presented at the live webcast. The Bank's answers will be sent to the stockholders' e-mail addresses.

After the ASM

The results of the meeting were disclosed to the PSE Edge and on the Bank's website on April 28, 2025. The minutes contained the voting results (which included the approving, dissenting, and abstaining votes) for all resolutions/agenda items, questions raised by shareholders and answers given by the President and CEO, and attendance of the Board members and senior officers.

DISCLOSURE AND TRANSPARENCY

Transparency is one of the core principles of UnionBank's governance framework. To ensure better protection of the rights of its shareholders and other stakeholders, full disclosure of its financial performance, results of operations, governance policies, programs and procedures, and other developments in the organization, is imperative.

Company Website

UnionBank's 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. The 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
- Copy of the Bank's Dividend Policy
- Notice and minutes of the annual stockholders' meeting
- Company's constitution which includes the Bank's By-laws and Articles of Incorporation

Annual and Sustainability Report

The Bank issues its Annual and Sustainability Report (ASR) to promote greater disclosure and transparency to the public. The ASR outlines the Bank's key achievements over the past year and includes discussions on corporate objectives; financial and non-financial performance indicators; the profile of the Board and key officers; the corporate governance framework; sustainability framework and Corporate Social Responsibility (CSR); dividend policy; and the statement of management's responsibility for the financial statements, among others. Sustainability matters, including CSR initiatives, are embedded and discussed across relevant sections of the ASR.

Financial Statements

UnionBank also releases its annual and quarterly reports to convey its 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.

The Bank's 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.

The 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 PHP 16.0 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 PHP 3.2 billion in Third Quarter, PHP 6.5 billion Year-to-Date	October 27, 2025

For queries, you may contact our Investor Relations Officer:

Carlo I. Eñanosa
34/F UnionBank Plaza,
Meralco Avenue corner Onyx and Sapphire Roads
Ortigas Center, Pasig City 1605
M: +63 917 825 0273
Email: investorrelations@unionbankph.com

SUSTAINABILITY GOVERNANCE

GRI 2-12, 2-13, 2-14

Board Oversight of Sustainability

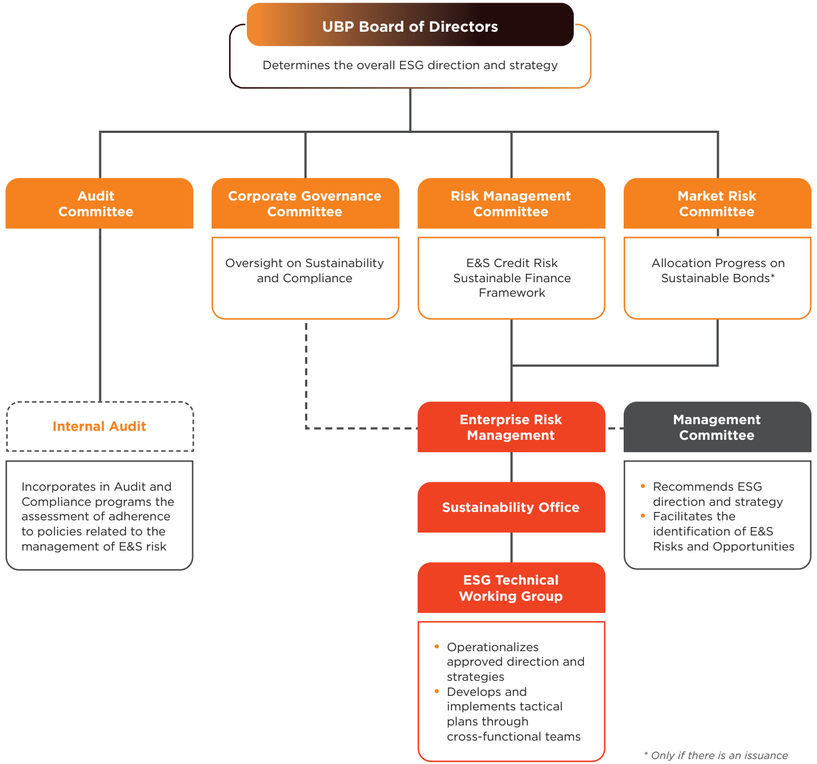
IFRS S2 6.A.IV AND V

UnionBank maintains strong governance structures to ensure sustainability considerations are embedded in strategic decisions, risk management, and day-to-day operations. Its Board of Directors, through the Board Committee on Corporate Governance, provides oversight of sustainability matters, including the management of material risks and opportunities. The Chairman and the CEO set the tone from the top, reinforcing the Bank's commitment to responsible and transparent business practices.

At the management level, the ESG Technical Working Group (TWG) coordinates the identification, monitoring, and management of sustainability-related issues across the Bank. Its members represent key business and risk units, including:

- Human Resource Group
- Corporate Governance and Compliance
- Treasury
- Risk
- Internal Audit
- Corporate Banking
- Commercial Banking
- Private Banking
- Consumer Banking
- Business Services Group

E&S GOVERNANCE STRUCTURE



** Only if there is an issuance*

The TWG reports to the Senior Management, ensuring sustainability insights inform enterprise planning, risk assessments, and operational decisions.

The Bank's sustainability governance is further supported by a suite of policies that guide risk management, ethical conduct, business continuity, and responsible finance, including the Sustainability Policy, Wholesale Credit Risk Policy, Operational Risk Management System Manual, Third Party Due Diligence Framework, Business Continuity Management System Manual, Code of Conduct, and Investment Policy Guidelines.

The Sustainability Office under the Enterprise Risk Management (ERM) Group reflects the Bank's recognition of sustainability as both a strategic priority and a material business risk and opportunity.

Sustainability activities at UnionBank are coordinated through a designated Sustainability Office, led by the Sustainability Head, which is responsible for sustainability strategy execution, policy implementation, performance monitoring, and sustainability reporting. The role works across business units and control functions to integrate sustainability considerations into enterprise risk management processes, product development, credit and investment activities, and stakeholder engagement.

Roles for Climate-Related Responsibilities

IFRS S2 6.B

Management reviews the Bank's ESG direction and strategy and ensures that climate-related risks and opportunities are integrated into business operations and risk assessments. They provide oversight and guidance to the ESG Technical Working Group, ensuring effective execution of approved sustainability initiatives and alignment across units.

Management also evaluates the relevance of ESG policies as conditions evolve and oversees reporting and disclosures prepared by the Sustainability Office. Through these responsibilities, management exercises the governance processes, controls, and procedures needed to monitor, manage, and oversee climate-related risks and opportunities, consistent with the Bank's sustainability framework.

Sustainability Policy

GRI 2-23, 2-24

UnionBank recognizes that ESG factors present both risks and opportunities that can influence the Bank's performance, resilience, and long-term value creation. In line with its commitment to responsible banking, the Bank integrates sustainability principles into its governance structures, strategic priorities, risk management systems, and day-to-day operations. This approach ensures alignment with applicable Philippine regulations and adherence to globally accepted sustainability best practices.

The Sustainability Policy serves as a formal commitment that reinforces and complements the Bank's existing corporate policies, risk frameworks, and business principles. It applies to all products and services, all organizational units, and all UnionBank-owned or partially owned entities. The commitments outlined in this policy extend to all sites where it operates and inform its engagement with customers, partners, and other stakeholders.

UnionBank Commitments

UnionBank advances sustainability by leveraging its digital transformation strategy and investing in initiatives that create meaningful environmental and social benefits for its stakeholders. In its daily operations and across the organization, the Bank commits to:

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

Sustainability Framework

GRI 2-25

UnionBank's Sustainability Framework reflects its belief that long-term value creation emerges when it uplifts People, safeguards the Planet, and advances its Purpose of reimagining banking to uplift lives. In 2025, it continues to deepen and operationalize this framework, ensuring that its sustainability agenda remains dynamic, forward-looking, and fully integrated into the Bank's strategic direction.

Centered on People, Planet, and Purpose and anchored in the focus areas of Digital Transformation, Sustainable Finance, and Inclusive Prosperity, the framework guides the Bank in building a resilient, ethical, and future-ready institution that is responsive to the evolving needs of its customers, communities, and regulators.

PEOPLE: Empowering Individuals and Communities

The Bank believes that empowered people—employees, customers, and communities—are essential to a thriving digital and sustainable economy. In 2025, UnionBank strengthened its people-centered commitments by enhancing employee capability-building on sustainability, expanding access to digital financial services, and investing in community programs aligned with social development priorities.

Through its digital transformation strategy, the Bank continues to unlock opportunities for Filipinos by delivering more accessible, secure, and user-friendly digital solutions. Its financial inclusion initiatives, including micro-entrepreneur support, digital onboarding for underserved segments, and partnerships with local communities, enable broader participation in the formal financial system.

The Bank's sustainability journey places strong emphasis on employee well-being, diversity and inclusion, transparent governance, and data privacy—ensuring it builds a culture that champions integrity, innovation, and accountability.

PLANET: Safeguarding Environmental Resilience

UnionBank recognizes the urgent need to address climate-related risks and to support the transition to a low-carbon, climate-resilient economy. In 2025, the Bank advanced the integration of climate considerations into risk management, strengthened screening processes under its Environmental and Social Risk Management System (ESRMS), and increased attention to measuring and reducing the environmental footprint of its operations.

The Bank's Sustainable Finance agenda continues to grow, enabling capital to flow toward green, climate-aligned, and socially beneficial activities. Through the Sustainable Finance Framework, it supports renewable energy developers, resource-efficient businesses, climate-resilient infrastructure, and enterprises that contribute to national and global sustainability goals.

Operationally, the Bank refined initiatives to reduce emissions, enhance energy efficiency in branches and offices, and promote responsible resource consumption. These actions reflect its belief that environmental stewardship is a shared responsibility and a driver of long-term resilience.

PURPOSE: Transforming Banking for a Sustainable Future

UnionBank's Purpose—to reimagine banking to uplift lives—anchors its commitment to integrating sustainability into every aspect of its business. As the Bank continues to evolve as a next-generation bank, it leverages digital innovation to create scalable, future-ready solutions that accelerate sustainable development.

In 2025, the Bank strengthened governance structures supporting the Sustainability Office, enhanced cross-functional ESG integration, and aligned internal processes with emerging regulatory expectations from the BSP, SEC, and global standards. This ensures that UnionBank remains agile and well-positioned to respond to sustainability risks and opportunities, and to meet disclosure requirements.

Purpose guides the Bank's decisions on where to focus its resources, how it designs products, and how it creates positive impact across the financial ecosystem. It grounds UnionBank's role as a responsible financial institution committed to building a more inclusive, climate-resilient, and digitally enabled Philippines.

Anchored on Three Strategic Focus Areas

Digital Transformation

Driving innovation that enhances accessibility, operational efficiency, and customer experience while enabling scalable sustainability solutions.

Sustainable Finance

Mobilizing capital toward environmentally and socially beneficial projects, aligned with international benchmarks and national development goals.

Inclusive Prosperity

Ensuring that the benefits of digital banking and financial growth reach underserved populations, SMEs, and vulnerable communities—empowering them to thrive in a changing world.

A Framework for Impact

Together, People, Planet, and Purpose form the foundation of UnionBank's sustainability strategy—ensuring that it grows responsibly, innovates ethically, and contributes meaningfully to nation-building. Through this framework, it reaffirms its commitment to embedding sustainability in everything it does, to drive value creation for its stakeholders, and to shape a more resilient and equitable future.

Commitment to Transparency and Accountability

UnionBank's governance structures ensure that sustainability and climate-related performance are regularly monitored, reviewed, and disclosed with transparency. It continues to strengthen alignment with emerging global standards, reinforcing the Bank's commitment to responsible banking, long-term value creation, and the resilience of the communities and markets it serves.

Climate Strategy

IFRS S2 6.A.IV

UnionBank recognizes that climate risks are financial risks, and that managing them effectively is essential to ensuring long-term resilience, operational continuity, and sustainable value creation.

The Bank's approach focuses on four core components: Sustainable Finance, Climate Resilience and Readiness, Climate Aligned Lending, and Mitigation and Operational Efficiency. These initiatives strengthen the Bank's ability to support a low-carbon, climate-resilient economy while protecting its balance sheet and enabling responsible growth.

Sustainable Finance

UnionBank aligns its lending and investment decisions with the Bangko Sentral ng Pilipinas (BSP) Sustainable Finance Taxonomy and its own Sustainable Finance Framework, ensuring that it supports activities that drive low-carbon development, resource efficiency, and climate resilience.

The Bank's sustainable finance portfolio includes financing for renewable energy, energy efficiency, green buildings, climate-resilient infrastructure, and investments that contribute to resilient and inclusive growth. Through this commitment, UnionBank helps catalyze the transition to a more sustainable Philippine economy.

Climate Aligned Lending and Risk Integration

UnionBank integrates Environmental and Social Risk Management (ESRM) into credit evaluation processes, ensuring that lending decisions reflect both the risks and opportunities associated with climate change.

Through enhanced due diligence, the Bank assesses:

- Borrowers' exposure to physical risks (e.g., typhoons, flooding, extreme heat)
- Transition risks (e.g., regulatory shifts, technology adoption, carbon exposure)
- Their capacity to adapt or align with emerging sustainability standards

This integration strengthens portfolio resilience, supports responsible lending, and ensures that capital flows to clients and sectors prepared for the transition to a sustainable economy.

Climate Mitigation and Operational Efficiency

UnionBank continues to reduce its environmental footprint by:

- Tracking and monitoring Scope 1 and Scope 2 greenhouse gas (GHG) emissions
- Implementing energy-saving programs across branches and offices
- Leveraging digital tools to optimize resource use
- Exploring opportunities to expand monitoring to relevant Scope 3 categories

These efforts support both operational efficiency and the Bank's broader climate commitments.

Climate Resilience and Readiness

UnionBank maintains comprehensive measures to safeguard business continuity during severe weather events.

Its Resiliency Group leads response planning, scenario analysis, and readiness assessments across facilities. The Incident Response Team (IRT) activates during climate-related disruptions to protect critical operations and ensure customer access to essential services.

By strengthening operational resilience and digital infrastructure, the Bank maintains continuity of service even during extreme climate events—an increasingly vital commitment given the Philippines' climate vulnerability.

Alignment with Standards and Regulatory Guidance

UnionBank's climate strategy is implemented in accordance with:

- Environmental and Social Risk Management System (ESRMS)
- BSP Circular No. 1128 (Environmental & Social Risk Management)
- BSP Circular No. 1187 (Sustainable Finance Taxonomy)
- UnionBank's Sustainable Finance Framework (SFF)

Transition Plan toward PFRS Adoption

As publicly listed companies in the Philippines move toward adopting IFRS S2 Climate-Related Disclosures, UnionBank is implementing a phased transition plan aligned with its risk appetite and strategic direction.

Governance and Oversight Enhancement

UnionBank is strengthening its Board and management oversight of climate-related risks, clarifying roles, and updating policies to align with IFRS S2 governance expectations.

Deepening Climate Scenario Analysis and Risk Processes

UnionBank is upgrading its climate scenario analysis, stress-testing methodologies, and risk management tools to meet IFRS S2 requirements for transition and physical risk assessment.

Improving Data Systems, Metrics, and Disclosure Readiness

UnionBank is enhancing data infrastructure to support consistent and reliable climate disclosures, including:

- Financed emissions estimation
- Climate-aligned portfolio metrics
- Granular climate risk indicators across lending and operations

Building Internal Capability and Cross-Functional Integration

UnionBank is conducting capacity-building sessions and aligning internal processes across risk, finance, sustainability, and business units to ensure readiness for full alignment with IFRS S2.

Responsible Supply Chain Management

GRI 3-3, 308-2, 414-2

UnionBank implements a responsible supply chain management framework anchored on BSP regulations, particularly the circulars on Outsourcing and IT Risk Management. These regulatory standards are operationalized through the Bank's Outsourced Services Management Manual, Guidelines on Accreditation of Suppliers of Products and Services, and Purchasing Guidelines, as summarized below:

1. The Bank evaluates the level of risk and materiality associated with each engagement. Key considerations include the vendor's financial condition, reputation, technical capability, cost, aggregate exposure to the vendor, risks to the confidentiality, integrity, and availability of customer and bank data, and the potential operational impact should the vendor fail to deliver the required products or services.

2. The Bank's governance units conduct a thorough due diligence assessment. This covers information security, IT risk, data privacy, resiliency, social and environmental risk, operational risk, capacity to comply with regulatory and government requirements, and adherence to AI governance standards.

3. Accredited vendors are subject to periodic monitoring based on their risk and materiality classification. Monitoring activities include performance appraisals, financial reviews, and due diligence assessments, all using the same criteria as those applied during accreditation. Vendors are likewise required to update their annual documentary requirements.

In 2023, the Bank enhanced its outsourcing process by embedding a sustainability assessment aligned with BSP Circular 1128. In 2024, the Bank took this further by integrating Environmental and Social Risk Management (ESRM) criteria to ensure its partners can manage disruptions, sustain service delivery, and support UnionBank's long-term sustainability objectives. This shift makes ESG performance a core requirement across the Bank's partner ecosystem.

UnionBank also tests the business continuity plans (BCP) of all critical service providers. Such evaluations help the Bank prepare for service disruptions and protect customer experience. Every vendor contract includes performance metrics and privacy and confidentiality clauses that are aligned with the Data Privacy Act and applicable laws.

Results of the review are reported to the Operational Risk and Management Committee as part of the Bank's oversight.

Insights on Procurement Practices

UnionBank's procurement framework promotes fairness, transparency, and responsible sourcing by requiring competitive processes, such as multi-supplier canvassing or formal bidding, and by enforcing strict segregation of duties throughout the purchasing cycle.

Ethical standards—including conflict-of-interest controls and adherence to related-party transaction policies—are integrated into supplier interactions to uphold governance expectations. Supplier selection criteria extend beyond cost to include delivery performance, capability to meet technical requirements, and historical service quality, while accreditation procedures ensure that only qualified and reliable vendors are engaged.

Digitized procurement processes through SAP Ariba enhance traceability, documentation integrity, and accountability from request to payment. Standardization of frequently used items supports resource efficiency and consistent quality, contributing to sustainability objectives. Overall, these practices reinforce environmental, social, and governance goals by promoting ethical sourcing, operational discipline, and transparent decision-making.

CitySavings and Bangko Kabayan follow the same philosophy. Their branches are community-centered by design, promoting financial inclusion and directly supporting the neighborhood suppliers.

Each year, Bangko Kabayan conducts performance reviews of its vendors using a standardized monitoring tool. The review covers reputation, timeliness, and responsiveness, quality of services or products, and compliance with government regulatory requirements.

Insights on Supplier Corrective and Preventive Action Report (SCPAR)

UnionBank implements a Supplier Corrective and Preventive Action Report (SCPAR) as its formal incident-reporting mechanism. An SCPAR is issued whenever a supplier non-conformity occurs, which includes customer complaints, Service Level Agreement (SLA) breaches, or recurring product/service issues. The incident is documented through a standardized SCPAR Form, which outlines the required timelines for suppliers to submit corrective and preventive actions.

The procuring Business Unit monitors each case until the actions are implemented and verified for effectiveness to prevent recurrence. Vendor Management maintains a centralized SCPAR log and issues monthly reports to the Operational Risk and Management Committee to ensure transparent tracking, proactive escalation, and continuous improvement in supplier performance and compliance.

The Bank holds its suppliers and outsourced service providers (OSPs) to high standards of performance and accountability. When service gaps or issues arise, the Supplier Corrective and Preventive Action Report (SCPAR) process is activated to ensure swift, structured resolution. Requesting units issue an SCPAR for incidents such as:

- Customer complaints
- Breaches of SLA
- Repeated service issues of a similar nature within six months

Suppliers are required to submit corrective and preventive actions, which the requesting unit evaluates for adequacy and effectiveness. If controls are in place and working, the incident is closed. If not, further improvements are required. UnionBank's General Services (GS) team monitors SCPAR progress. It provides regular updates to ensure supplier issues are resolved and performance is continuously improved.

Incidents are documented through a standardized SCPAR Form, which outlines the required timelines for suppliers to submit corrective and preventive actions. The Business Unit monitors each case until the actions are implemented and their effectiveness is verified to prevent recurrence. Vendor Management maintains a centralized SCPAR log and issues monthly reports to ensure transparent tracking, proactive escalation, and continuous improvement in supplier performance and compliance.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS (IN %)

GRI 204-1

Disclosure	UBP	CSB	BK	UD
Procurement budget used for significant locations of operations that is spent on local suppliers	73	49	N/A	N/A

NEW SUPPLIERS SCREENED (IN #)

GRI 308-1, 414-1

Disclosure	UBP
New suppliers screened using an environmental criterion	11
New suppliers screened using a social criterion	11

Whistleblowing Mechanism

UnionBank's Whistleblower Policy is intended to assist individuals—including suppliers—in reporting malpractice they have discovered and to provide protection to whistleblowers.

The Bank ensures 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.

A hotline was set up to ensure the confidentiality of reports, whose merits will be evaluated by an investigating body and subsequently escalated to the Discipline Committee or the Compliance and Corporate Governance Office, as needed, and accorded the appropriate course of action.

SUPPLIERS COVERED BY WHISTLEBLOWING POLICY (IN %)

Disclosure	UBP	CSB	BK	UD
Contractors, suppliers, and service providers covered by and with written acknowledgment of the Whistleblowing Policy (as part of the bidding process)	100	100	100	N/A

REIMAGINING GOVERNANCE

Governance as a Competitive Advantage

UnionBank's Four Golden Arrows Reflect a Culture Built on Integrity in Action

While governance is often articulated through policies, frameworks, and disclosures, its real test lies far from paper, in daily practice. It is reflected in decisions made under pressure, in accountability that holds even when no one is watching, and in an organizational culture that reinforces integrity and ethical conduct at every level.

UnionBank remains firmly committed to this standard of governance, as evidenced by its Four Golden Arrows award received in the 2024 ASEAN Corporate Governance Scorecard (ACGS). This recognition affirms the Bank's continued adherence to transparency, accountability, and best practices in corporate governance.

Four Golden Arrows — and Why It Matters

The Golden Arrow Awards, jointly conferred by the Institute of Corporate Directors (ICD) and the Securities and Exchange Commission (SEC), set the highest standard for corporate governance in the Philippines. These are based on **the ASEAN Corporate Governance Scorecard (ACGS)**, a rigorous framework that measures compliance with the Philippine Code of Corporate Governance and internationally recognized best practices. Companies are assessed and rated on a scale of one to five arrows, with each additional arrow representing a significantly higher level of governance maturity.

In 2025, the **Bank was once again awarded Four Golden Arrows for its 2024 ACGS performance**, marking its second consecutive year receiving this distinction, this time alongside fellow Aboitiz-listed companies, Aboitiz Equity Ventures and Aboitiz Power. This marks the first time in the Group's history that all three listed companies have achieved this distinction simultaneously, clear evidence that governance excellence across the Aboitiz Group is systemic rather than isolated. What makes the recognition especially meaningful is the standard against which it was measured. The 2024 assessment relied on the revised Scorecard, which placed greater emphasis on sustainability and organizational resilience. It strengthened board accountability alongside the traditional governance pillars and sets a notably higher bar than previous versions.

Earning Four Golden Arrows under tougher criteria is therefore a more significant achievement than earning the same rating under the old framework. It affirms not only the strength of UnionBank's existing governance practices but also the organization's ability to evolve while maintaining trust, accountability, and long-term value for all stakeholders.

For UnionBank, the award reflects governance practices deliberately built and continuously strengthened over the years. These include rigorous board oversight and accountability, transparent and timely disclosures, and active stakeholder engagement, which are embedded practices that flow through all levels of the organization, from the boardroom to frontline operations.

More importantly, strong governance creates real and tangible business value. Investors weigh governance quality when allocating capital. Regulators extend greater trust to well-governed institutions. Customers choose banks they believe are accountable and transparent. Over time, these advantages compound quietly into a competitive edge that is genuinely hard to replicate.

Risk Management That Keeps Pace

Governance without strong risk management is just an intention. Protecting an institution and its customers depends on clear accountability and disciplined execution. At UnionBank, this is anchored on a Three Lines of Defense model, where responsibilities are defined across Business and Functional Units and supported by independent oversight. This structure helps ensure that risks are identified early, understood in context, and managed within each area's scope.

As the Bank continues to expand its digital capabilities, risk management has evolved alongside it. Enhancements in fraud detection across digital transactions and onboarding strengthen controls at key entry points, where risks are most dynamic. As more customer interactions move online, these risks continue to evolve and require constant attention.

At the same time, Enterprise Risk Management (ERM) has strengthened how risks are surfaced, assessed, and acted on across the organization. There is a continued focus on improving consistency in risk assessments, reinforcing governance discipline across both frontline and support units, and increasing the visibility and escalation of issues and emerging risks to support more timely and informed decisions.

Together, these efforts reflect an approach that is becoming more integrated and forward-looking. By embedding accountability into day-to-day operations and strengthening the resilience of critical processes, UnionBank is better positioned to anticipate disruptions, respond effectively, and sustain reliable service delivery as the business continues to grow.

Climate Risk: Taking the Long View

Of all the risks a Philippine bank must manage, climate change is among the most complex and dynamic. The Philippines sits at the crossroads of the Pacific's most active storm tracks. Typhoons, flooding, and extreme weather events aren't hypothetical tail risks here. This is the reality for millions of Filipinos and the businesses that serve them.

UnionBank's response to this operates on two levels. The first is immediate. When disaster strikes, we ensure that financial solutions remain intact so communities can recover. The goal is to ensure that financial disruption doesn't compound the physical damage that customers are already dealing with.

The second is structural. As the Philippine economy moves away from carbon-heavy activities, managing the financial impacts is crucial. Climate-related risks are treated as material financial risks and are integrated into decision-making at the strategic, risk governance, and capital planning levels. Through data-driven risk assessment tools and ongoing monitoring, we reinforce accountability, safeguard asset quality, and ensure disciplined capital allocation aligned with long-term resilience and value creation. We are improving how we lend while managing E&S risks to help customers during this transition. We want UnionBank to become a true partner in creating sustainable business models.

Culture, Not Mere Compliance

The difference between a bank with strong governance and one with merely sound governance policies is fundamental.

Policies can be written quickly. A good governance culture, however, is built over time. It is evident in the difficulty of making decisions, especially under pressure. It is reflected in how accountability is upheld when issues arise, how conflicts of interest are managed, and how leaders engage stakeholders, particularly when the message is not favorable.

At UnionBank, governance is embedded in the organization's operating rhythm. It is seen in how the board exercises oversight, how disclosures are prepared and shared, and how responsibility is owned at every level of the organization. As we continue to grow with more customers, broader product offerings, and expanding digital capabilities, maintaining strong governance becomes even more crucial. Receiving the Four Golden Arrows is not an end state. This confirms that our foundation is strong and built to endure.

RISK MANAGEMENT FRAMEWORK

GRI 2-25

OVERALL RISK MANAGEMENT CULTURE AND PHILOSOPHY

UnionBank operates in accordance with its established risk philosophy, which holds that prudent risk-taking is fundamental to achieving sustainable growth and delivering long-term value. It must balance business innovation and profitability with financial resilience, regulatory compliance, and the preservation of public trust.

Risk management is embedded in the Bank's strategic planning and day-to-day operations. The Board of Directors sets the tone from the top by approving, reviewing, supervising, and overseeing the Bank's risk strategy, risk appetite, policies, and limits. Senior Management, with the support of Board-level and management-level risk committees, is responsible for implementing this framework and ensuring that risk considerations are fully aligned with business strategies.

Independent risk oversight is provided by the **Enterprise Risk Management** function, which operates under the **Three Lines of Defense model** to promote accountability, transparency, and a strong risk culture across the Bank.

Risk Appetite and Strategy

UnionBank's risk appetite is the level of risk that it is prepared to accept in pursuit of its business objectives and strategies. It is consistent with UnionBank's risk-taking capacity.

The Bank's risk appetite is set by the Board of Directors. A single number cannot define the risk appetite as it has many dimensions and is a combination of regulatory requirements and internal policy limits.

The Bank's appetite for risk is influenced by a range of factors, including whether a risk is consistent with its core strategy and whether an appropriate return can be achieved from taking that risk. The Bank has a lower appetite for risks that do not align with its core strategy.

The Bank's risk appetite articulates the level and types of risk the Bank is willing to accept in pursuit of its strategic objectives, consistent with its risk-taking capacity and commitment to safety and soundness. Approved and overseen by the Board of Directors, the Bank's risk appetite reflects a combination of regulatory requirements, internal policy limits, and qualitative considerations.

This guides risk-taking decisions across the organization and is anchored on alignment with the Bank's core strategy and the pursuit of appropriate risk-adjusted returns, with a lower appetite for risks that may adversely impact the Bank's reputation.

BANK-WIDE RISK GOVERNANCE STRUCTURE AND RISK MANAGEMENT PROCESS

UnionBank manages risks on an enterprise-wide basis through the Three Lines of Defense model:

- Business and functional units act as the first line of defense by managing the risks inherent in their activities
- Independent oversight is provided by Enterprise Risk Management, Compliance, Legal, Controllership, and Information Security as the second line of defense
- Internal Audit provides independent assurance as the third line of defense

This structure is supported by active Board oversight and transparent engagement with regulators and external auditors.

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

The BOD is primarily responsible for setting the risk appetite, approving risk parameters, credit policies, and investment guidelines, and establishing the Bank's overall risk-taking capacity. To fulfill its responsibilities in risk management, the BOD has established the following Committees, each with the functions described below.

1. The **Executive Committee (EXCOM)**, composed of seven (7) members of the BOD, exercises certain functions as delegated by the BOD, including, among others, the approval of credit proposals, asset recovery, and real and other properties acquired (ROPA) sales within its delegated limits.
2. The **Risk Management Committee (RMC)**, composed of seven (7) members of the BOD, the majority of whom are independent directors, including the Chairman, shall advise the Board of the Bank's overall current and future risk appetite, oversee Senior Management's adherence to the risk appetite statement, and report on the state of risk culture of the Bank. It shall oversee the risk management framework and function.
3. The **Market Risk Committee (MRC)**, composed of nine (9) members of the BOD, the majority of whom are independent directors, including the Chairman. The Committee 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.
4. The **Operational Risk Management Committee (ORMC)** is composed of seven (7) members of the BOD, all of whom are non-executive, with the Chairman being an independent director. The Committee has the principal responsibility to review risk management policies and practices relating to bank-wide operational risk.
5. The **Corporate Governance Committee (CorpGov)** is composed of nine (9) members of the Board, including five (5) independent directors. It is responsible for ensuring the Board's effectiveness and due observance of good corporate governance principles and guidelines. It brings to the Board's attention possible improvements to the policies, procedures, charter, practices, and structure to ensure conformity with the requirements of good corporate governance. It also has oversight of sustainability matters, in compliance with existing regulations and ethical responsibility to its stakeholders, and ensuring that appropriate monitoring systems are in place with regard to the deployment and use of ESG-related products.
6. The **Audit Committee (AudComm)** is composed of seven (7) members, including four (4) Independent Directors. All its members are appointed by the Board of Directors, with most members, including the Chairman, preferably having accounting, auditing, or related financial management expertise. The Audit Committee has an ongoing responsibility to assess the effectiveness of the control environment, including the interrelation among other internal control components. It also serves as the principal agent of the BOD in ensuring independence of the Bank's external auditors and the internal audit function, the integrity of management, and the adequacy of disclosures and reporting to stockholders.

ENVIRONMENTAL AND SOCIAL (E&S) RISK MANAGEMENT

GRI 3-3, 2-24

E&S Policy

The Bank's E&S Policy serves as the foundation of its E&S Risk Management System (ESRMS). This policy includes guidance on the conduct of E&S Due Diligence. Furthermore, E&S risks are considered when assessing the client's credit risk. The Bank continuously strives to improve its ESRMS to accurately evaluate E&S risks and their possible impact on the Bank and its borrowers.

Emerging E&S Risks Across Priority Sectors

Apart from the existing E&S risks that affect its borrowers, UnionBank has identified several emerging risks across its top sectoral exposures. These emerging risks can affect borrowers through higher operating and capital expenditure, delays in project execution, market-access and permitting constraints, and reputational exposures. This may lead to reduced creditworthiness among the borrowers due to weaker cash flow and lower debt service capacity.

Sector	Emerging E&S Risk	Potential Impacts on Borrowers
Gaming & Leisure	Growing community or reputational backlash / loss of social license to operate	• Delays or cancellations of expansions due to community opposition • Reduced tourist / customer demand due to negative perception • Increased scrutiny from regulators and media
	Stricter regulations	• Higher costs from compliance requirements • Licensing challenges or additional regulatory conditions • Restrictions on platform access for online gaming during operating hours, land use, or development plans for casinos
Real Estate	Transition to low-carbon building standards	• Higher CapEx / OpEx for green construction or retrofits • Declining asset value for noncompliant buildings • Reduced investor / tenant demand for high-emission properties
	Extreme heat	• Decrease in productivity and efficiency of workers • Higher potential for workers' health risk and increase in HMO costs
Energy	Mandated carbon pricing or carbon taxes	• Increased operational costs and reduced profitability • Higher electricity prices, affecting demand and affordability • Competitive disadvantage vs. low-carbon alternatives
	Stranded asset risk for high-emitting facilities	• Early retirement, impairment, or write-downs of fossil assets • Difficulty securing financing / refinancing due to climate policies • Long-term revenue decline as markets shift toward cleaner energy
Telecommunications	Decarbonization pressure (energy intensive 5G, data centers)	• Rising energy costs impacting profitability • Significant CapEx needed for renewable energy or energy efficiency • Increased scrutiny from regulators and investors on carbon footprint
	Regulatory or reputational risks from privacy / data ethics issues	• Fines, sanctions, or operational restrictions for noncompliance • Customer loss or trust erosion after data breaches

The Bank considers these emerging E&S risks in both its risk management and strategy planning. In its commitment to support its borrowers, the Bank also continuously and proactively engages its borrowers in identifying and managing E&S risks.

Impact of 2025 Top Threats and Hazards

Top Threats Identified (2025)

Key Operational Areas Affected

Across the Bank's 2025 top threats, the same core operational areas remain sensitive to disruption. These include digital and payments platforms, branch and customer servicing, technology infrastructure, workforce availability, and third-party-supported services. Although the nature of each threat differs, the ORRM assessment reinforces a consistent theme: many banking services rely on real-time connectivity, system access, and coordinated operational workflows. When these enablers are affected, regardless of the cause, the same operational areas experience constraints.

Operational Impact on the Bank

The operational impacts resulting from these threats tend to converge on similar outcomes. Disruptions to connectivity, system access, or facility readiness can limit customer access to digital channels, affect ATM and payment processing, slow down transaction handling at branches, and reduce the Bank's ability to verify balances and post transactions in real time. Limited staffing—whether due to health-related events, extreme weather, or safety concerns—can slow operations and delay critical functions.

Even with different underlying triggers—whether physical incidents, cyber or network outages, or people-related constraints—the practical effect is comparable: essential services may operate at reduced capacity, shift to manual or deferred processing where feasible, or pause until key systems and connectivity are restored. This pattern holds true even in non-physical events such as cyber or network outages, underscoring that varied threats ultimately impact the same services, functions, and customer touchpoints.

The Bank's Threats and Hazards Impact Assessment conducted in 2025 identifies environmental, social, and technology-related risks that may affect operational resilience and service continuity. These emerging risks—including extreme weather events, public health crises, and technology disruptions—may impact the availability of banking services, workforce capacity, and critical infrastructure.

By assessing the operational implications of these hazards across key business units, the Bank strengthens its business continuity planning, disaster recovery capabilities, and technology resilience to ensure reliable financial services and protect employees and customers during disruption events.

Implementation and Progress of E&S Risk Management Initiatives

UnionBank maintains a robust Environmental and Social Risk Management System (ESRMS) that remains compliant with BSP Circular 1128 and Memorandum No. 2022-042 and is continually refined to stay responsive to the Bank's needs. Ongoing enhancements include regular reviews and updates of E&S policies, procedures, and tools, as well as upgrades to the credit scoring model to better integrate E&S risk into credit analysis and to understand its portfolio impact better. E&S risks, along with updates and issues on the ESRMS, are reported quarterly to the Board of Directors to facilitate active oversight and timely management action.

Effective implementation is anchored in close collaboration between the Environmental and Social Risk Team, the Sustainability Team, and frontline relationship managers. Continuous support and training equip relationship managers with the knowledge and tools to integrate E&S considerations in client engagements, recognizing their critical role as primary points of contact.

In 2025, the Bank strengthened its sustainable finance agenda by rolling out an enhanced tool for aligning with the Sustainable Finance Taxonomy Guidelines (SFTG), designed to streamline processing and improve user efficiency. Training sessions and workshops accompanied the rollout to ensure proper utilization and refresh sustainable finance principles, reflecting the Bank's commitment to complying with BSP Circular 1187 and contributing to the mobilization of capital toward sustainable initiatives.

Operational Risk Management (ORM) has embedded Environmental & Social (E&S) risk within its framework to strengthen resilience and align with sustainability objectives. E&S risk applicability has been incorporated into the ORM Framework and Manual, and E&S risk event types have been configured within the Governance, Risk, and Compliance (GRC) platform to enable structured categorization, tracking, and reporting of E&S-related incidents, issues, and risks identified through RCSA.

ORM also actively participates in the ESG Technical Working Group to ensure that processes reflect emerging E&S risk trends, regulatory requirements, and stakeholder expectations. These enhancements have improved visibility of E&S-related operational risks, strengthened compliance and governance, and created a data-driven foundation for continuous improvement.

To reinforce both resiliency and ESG initiatives, the Bank updated and consolidated all Business Continuity Management System (BCMS) documentation under the Enterprise Resiliency Framework (ERF), ensuring full alignment with BSP Circular 1203. Severe but plausible scenarios are embedded within the Threat and Hazard Impact Assessment (THIA) and ESG-related threats ranking among the Bank's top risks have corresponding response plans that are regularly reviewed and approved, thereby strengthening BCMS objectives and enhancing overall operational resilience.

Within the SME segment, environmental and social considerations are integrated into the credit process in line with the MSME Risk Policy and BSP Circular 1187. All new SME loan bookings and renewals undergo Environmental and Social Due Diligence (ESDD) and SFTG screening as part of onboarding and annual review. As of December 2025, approximately 10% of the SME credit portfolio has completed ESDD and SFTG assessment, with accounts classified in accordance with the Sustainable Finance Taxonomy where applicable; the remainder is being assessed on a rolling basis aligned with annual renewals.

Accounts with incomplete or pending requirements are tracked and subject to temporary controls until compliance is completed. At the same time, those within the SFTG scope undergo further review and classification by the Enterprise Risk Management–Sustainability Team as the second line of defense.

There were no Amber-classified accounts as of December 2025. Additional enhancements to streamline SME ESDD and SFTG processing are planned as part of a future platform consolidation initiative.

Operational Risk Management (ORM)

UnionBank maintains a risk governance framework with board-level oversight and operational risk management structures aligned with the three lines of defense model.

The Operational Risk Management Charter outlines the responsibility to review bank-wide operational risk policies and practices.

This includes approving the Operational Risk Management Framework, which covers business line functions and integrates environmental and social (E&S) considerations into operational risk requirements.

First Line of Defense–Business Units: Business units own and manage operational risks, including E&S risks, within their day-to-day activities. They are responsible for identifying, assessing, and mitigating risks through established controls and processes, and for reporting incidents and issues via the Governance, Risk, and Compliance (GRC) system. Risk and Control Self-Assessments (RCSA) include ESG risk statements to evaluate inherent and residual risks and control effectiveness.

Second Line of Defense–Operational Risk Management (ORM): ORM provides independent oversight and challenge to the first line. This includes setting policies, maintaining the ORM Framework, monitoring compliance, and ensuring E&S risk integration. ORM reviews risk assessments, tracks ESG-related risk events in the GRC system, and escalates material issues to Senior Management. ORM also participates in ESG Technical Working Groups and collaborates with the Sustainability Risk team under ERM to jointly monitor and develop Key Risk Indicators (KRIs) specific to E&S risks.

Resiliency

Threats and Hazards Impact Assessment (THIA)

The Resiliency Team ensures the integration of Environmental, Social, and Governance (ESG) factors into the Bank's resiliency processes through the Threat and Hazard Impact Assessment (THIA) and by establishing UnionBank's Enterprise Resiliency Framework (ERF).

In line with BSP Circular No. 951 and the newly issued BSP Circular No. 1203 on Operational Resilience, the Bank evaluates ESG-related threats to ensure its capability to maintain delivery of critical services even during severe disruptions. This approach strengthens its overall preparedness posture by embedding ESG considerations into risk identification, impact assessment, and resilience planning.

To reinforce both Resiliency and ESG initiatives, the Bank updated and consolidated all BCMS documentation under the Enterprise Resiliency Framework (ERF). This ensures full alignment with BSP Circular No. 1203 and incorporates severe-but-plausible scenarios within the Threat and Hazard Impact Assessment (THIA). ESG-related threats that rank among the Bank's top risks have corresponding Response Plans and are regularly reviewed and approved, thereby strengthening BCMS objectives and enhancing overall operational resilience.

Wholesale Risk Management

Environmental and Social Risk Management System (ESRMS) and Sustainable Finance Taxonomy Guidelines (SFTG)

UnionBank ensures that its ESRMS remains compliant with BSP Circular 1128 and Memorandum 2022-042, and is responsive to the Bank's needs. It continuously develops and improves its E&S Risk Management by regularly reviewing and updating its E&S policy, procedures, and tools.

The credit scoring model is also being enhanced to more effectively integrate E&S risk into credit analysis and to better understand its impact on the Bank. Furthermore, E&S risks, including updates and issues related to ESRMS, are reported quarterly to the Board of Directors to facilitate active monitoring and management of E&S risks.

To ensure effective implementation of E&S Risk Management, the Environmental and Social Risk Team and the Sustainability Team actively engage with relationship managers. Continuous support and training are provided to equip them with the necessary knowledge and tools, recognizing their critical role as the primary point of contact for clients. The Bank views relationship managers as key partners in integrating E&S risk considerations and in helping clients manage their own E&S risks.

In 2025, the Bank strengthened its sustainable finance initiative by developing an enhanced tool for assessing alignment with the Sustainable Finance Taxonomy Guidelines (SFTG). The improved tool is designed to streamline the process and improve efficiency for users.

To support its rollout, the Bank conducted training sessions and workshops to ensure proper utilization and provide a refresher on sustainable finance principles. These efforts reflect UnionBank's commitment to complying with BSP Circular 1187 and contributing to the mobilization of capital toward sustainable initiatives.

E&S Risk Exposures per Industry

SASB FN-CB-410A.2

As of 2025, the highest exposures are concentrated in the gaming and leisure, real estate, energy, and telecommunications sectors. These sectoral exposures comprise 72% of the Outstanding (O/S) Balance.

As of the publishing of this report, UnionBank's E&S Risk exposure data is based solely on the outstanding balances of borrowers as of year-end 2025. Furthermore, the data only includes the wholesale portfolio covered by the E&S policy of the Bank.

Industry	O/S (Php Millions)	% O/S
Gaming and Leisure	36,370.00	24.90
Real Estate	27,532.30	18.85
Energy[a]	22,733.90	15.57
Telecommunications	18,440.00	12.63
Roads and Bridges	13,298.30	9.11
Manufacturing	6,713.40	4.60
Water Services	6,091.40	4.17
Wholesale and Retail Trade	4,603.60	3.15
Mining	3,313.70	2.27
Financing/Insurance Activities	2,328.50	1.59
Construction	1,433.50	0.98
Transportation and Storage	1,099.10	0.75
Information and Technology	666.70	0.46
Fishing and Aquaculture	579.00	0.40
Medical Services	444.00	0.30
Education	327.30	0.22
Transportation	31.10	0.02
Memorial Services	20.00	0.01
Shipyard	13.00	0.01
Grand Total	146,039.00	100.00

[a] *28.54% of O/S Balance under the energy industry is renewable energy.*

CLIMATE-RELATED RISKS AND OPPORTUNITIES

UnionBank's climate-related business environment in 2025 continues to be at the forefront of determining its environmental and social (E&S) risks. The following section presents both risks and opportunities as the Bank continues to integrate climate considerations into its strategy, risk management, and lending activities.

Physical Risks from Extreme Weather

The Philippines is highly exposed to climate hazards such as typhoons, floods, and heat stress. These events can directly disrupt bank operations and damage borrower assets. Extreme weather may affect the value and productivity of clients' assets, disrupt supply chains, and increase insurance costs, ultimately affecting borrowers' ability to repay loans.

Physical climate risks can also affect the Bank's own operations. Severe weather may damage office buildings, disrupt facilities, and limit workforce availability or transportation, requiring business continuity and disaster response planning.

Exposure is potentially significant because many of the Bank's physical assets and customers are located in regions vulnerable to tropical cyclones, particularly in Calabarzon, Central Visayas, and the National Capital Region.

Credit and Portfolio Risks from Climate Impacts

Climate change may also increase the Bank's credit risk if borrowers in climate-sensitive sectors experience financial stress. For example, damage to property or production assets caused by climate events can reduce business output and cash flows, potentially leading to increased risk of loan defaults.

At a systemic level, severe climate events, such as typhoons, could increase non-performing loans in Philippine banks while simultaneously weakening their capital positions under extreme scenarios.

Transition Risks from the Shift to a Low-Carbon Economy

The transition toward a low-carbon economy creates risks for financial institutions and their borrowers. Policy changes, carbon pricing, and stricter environmental regulations could increase costs or reduce the viability of carbon-intensive businesses.

This may affect the valuation and creditworthiness of companies in the Bank's loan or investment portfolio, particularly if they face stranded assets, higher operating costs, or declining demand due to decarbonization policies. Additionally, reputational risks may also arise if the Bank is perceived as supporting environmentally harmful activities or failing to comply with emerging sustainability standards.

Growth in Sustainable Finance

However, it is this same climate transition that creates opportunities for the Bank to expand towards sustainable financing. It has already aligned its operations with sustainability frameworks and regulatory guidance, including sustainable finance taxonomy guidelines issued by the BSP.

This enables the Bank to support financing for environmentally responsible investments and projects, such as renewable energy, climate-resilient infrastructure, and sustainability-linked financial products.

Digital Innovation Supporting Sustainability Initiatives

The Bank's strong digital capabilities can also create opportunities to support sustainable banking practices. Advanced analytics and AI tools can help evaluate the environmental impact of lending portfolios and identify sustainable investment opportunities, while digital infrastructure can improve operational efficiency and reduce energy use.

Enhanced Risk Management and Operational Resilience

Integrating climate risks into enterprise risk management allows UnionBank to improve long-term financial resilience. The Bank has implemented environmental and social risk management systems and uses digital tools and data analytics to evaluate climate exposures and protect its balance sheet.

METRICS AND TARGETS

Climate Metrics and Targets

IFRS S2 6.A.IV

To strengthen transparency and accountability, UnionBank tracks and discloses key climate-related metrics:

Greenhouse Gas (GHG) Emissions

The Bank measures Scope 1 and Scope 2 emissions and plans to expand Scope 3 coverage as data availability and methodologies mature.

In 2025, the Bank recorded total emissions of 14,450.95 tCO_2e, comprising 926.95 tCO_2e in Scope 1 and 13,524.00 tCO_2e in Scope 2 emissions. The observed increase in total emissions (vs. 2023 and 2024) is attributable to the Bank's expanded and strengthened data collection processes. This change reflects more comprehensive measurement coverage, supporting improved accuracy, data integrity, and transparency going forward.

These metrics demonstrate the Bank's ongoing efforts to measure and understand its operational emissions as a foundation for setting reduction targets in the future.

Energy Consumption and Efficiency

The Bank monitors energy use across its network and implements programs to reduce consumption and improve operational efficiency.

The Bank tracks energy consumption across its facilities to improve resource efficiency and reduce emissions. In 2025, the Bank reported total energy consumption of 136,299.312 GJ. The Bank also advances energy-efficient building operations through green building certifications, increasing the number of LEED-certified branches to 27 as of 2025, up from 22 in previous years.

In addition, the Bank's digital transition to digital platforms such as the Digital Transaction Portal (DTP), UB Online, The Portal, and digital onboarding channels has significantly minimized the need for printed forms and over-the-counter processing. By the end of 2025, 71% of all branch transactions (10.8 million transactions) were completed digitally via DTP. Corporate customers have also strongly adopted The Portal, which showed an 55.4% increase in processed transactions from 34.2 million in 2024 to 42.6 million in 2025.

These metrics reflect UnionBank's commitment to energy efficiency and environmentally responsible operations, supporting long-term emissions reduction.

Carbon Footprint Reduction Targets

The Bank is developing measurable targets for emissions reduction and energy savings, aligned with global best practices and emerging regulatory guidance.

The Bank is in the process of developing measurable emissions reduction and energy efficiency targets aligned with evolving regulatory guidance and global best practices. While the Bank actively monitors emissions, specific reduction targets have not yet been formalized or disclosed publicly.

In support of future target-setting, the Bank is investing in LEED-certified locations, improving operational efficiency, and enhancing energy use monitoring programs.

Sustainable Finance Portfolio

The Bank tracks the share of loans and investments aligned with the BSP Sustainable Finance Taxonomy and UnionBank's Sustainable Finance Framework.

The Bank reports climate-adaptation and mitigation aligned metrics within its Sustainable Finance Framework. These range from annual data on renewable energy generation to the allocation of proceeds to eligible green and social assets. In 2021, the Bank also issued a USD 150 million Social Bond that supported 3,440 MSME loans, as disclosed in its 2023 performance summary.

The Framework ensures tracking of the proportion of loans and investments aligned with the BSP Sustainable Finance Taxonomy and the Bank's Sustainable Finance Framework, with reporting conducted through annual allocation and impact disclosures.

These indicators demonstrate how UnionBank channels capital toward sustainable and climate-aligned activities.

Climate Risk Integration

The Bank is continuously reviewing existing processes and developing new ones to ensure that climate risks are embedded in credit assessments, capital allocation decisions, and operational resilience planning. It has institutionalized enhanced sustainability governance mechanisms through strengthened ESG monitoring processes and updated risk policies.

These process-level indicators demonstrate how the Bank systematically integrates climate-related risks into existing risk management frameworks and decision-making processes.

CREATING VALUE AS A DIGITAL-FIRST, NEXT-GENERATION BANK

UnionBank creates value for its stakeholders by leveraging its position as a digital-first, next-generation bank, with a focus on technology-driven services, financial inclusion, and sustainable growth. Through its digital platforms, data analytics capabilities, and innovation-driven culture, the Bank enhances value creation for customers, employees, shareholders, communities, and regulators.

STATEMENT OF VALUE CREATION

The Bank believes that creating value is a shared responsibility that requires active collaboration with everyone it serves. It drives growth by aligning its digital transformation with the actual needs and goals of its stakeholders.

By treating engagement as a core part of its strategy, the Bank turns stakeholder feedback into practical solutions. This ensures that the Bank leadership in the industry translates into real progress for the community and helps it build a bank that is ready for the challenges of the future.

The Bank's commitment to value creation is built on a simple foundation: combining its technological capabilities with the diverse insights of its stakeholders. The Bank recognizes that its long-term success depends on the well-being and prosperity of the people and businesses around it.

STAKEHOLDER ENGAGEMENT STRATEGY

GRI 2-25, 2-26, 2-29, 207-3

The Bank continues to identify, understand, and respond to the expectations and concerns of its key stakeholders, including customers, employees, investors, regulators, and communities. Structured engagement helps the Bank ensure that business decisions, products, and policies remain aligned with stakeholder needs and evolving market conditions.

Through effective stakeholder engagement, the Bank strengthens trust, transparency, and accountability, which are essential elements of strong corporate governance and sustainable business practices. By maintaining open communication channels and regularly gathering stakeholder feedback, organizations can identify potential risks early, address issues proactively, and improve decision-making.

UnionBank's Stakeholder Engagement Approach

The Bank identifies stakeholders based on their influence on its operations and their interest in the Bank's performance and impact. Engagement activities are tailored to each group and conducted at varying frequencies—daily, weekly, or annually—depending on the nature of the interaction and the issues raised. Insights gathered from these engagements inform the Bank's policies, risk management, customer experience initiatives, employee programs, and sustainability priorities.

Stakeholder Groups and Engagement Strategies

Below is an integrated summary of UnionBank's key stakeholders, their primary concerns, how it engages with them, and how the Bank responds.

Typical Concerns	Channels of Engagement	UnionBank's Response
Customers		
• Access to customer service • Product-related inquiries • Safety, security, and reliability of digital platforms • Data privacy and protection • User experience and accessibility	• Online channels • Customer service hotline and chatbot • Branch touchpoints • Customer feedback mechanisms, including Net Promoter Score (NPS) surveys • Reports through the Bangko Sentral ng Pilipinas Consumer Assistance Unit	• 24/7 customer support and dedicated teams for handling inquiries, complaints, and product issues • Enhanced customer experience programs and system upgrades • Strengthened data privacy and cybersecurity protocols • Continuous improvement based on customer feedback insights • Regular updates to digital platforms to improve reliability, accessibility, and ease of use
Employees		
• Health and medical benefits • Loans and government-mandated benefits • Inclusive and safe work environment • Career development and training • Employee well-being	• HR Helpdesk and Employee Services • Daily communications via internal channels • Employee Relations Initiatives • Town halls, learning sessions, and performance reviews	• Comprehensive employee health programs (HMOs, medical reimbursements, fitness initiatives) • Mandatory annual safety and emergency response trainings • Learning and development programs focused on digital, leadership, and sustainability skills • Employee engagement initiatives and recognition programs • Mental health support, counseling, and well-being campaigns
Communities		
• Support for livelihood and community development • Access to financial literacy programs • Engagement in social and digital inclusion initiatives	• Partnerships with NGOs, LGUs, and foundations • Community programs and events (through employee volunteers) • UnionBank website and social media	• Deployment of community-focused programs (e.g., GoBeyond initiatives) • Financial literacy and digital skills training • MSME empowerment programs and support for local entrepreneurs • Partnerships with schools and community organizations to advance digital inclusion
Regulators, Government Agencies, and Industry Bodies		
• Compliance with regulatory guidelines • Health, safety, cybersecurity, sustainability, and risk management practices • Environmental and social safeguards	• Regular regulatory submissions and consultations • Audits and inspections • Industry associations and working groups	• Timely and transparent compliance with BSP, SEC, and other regulatory requirements • Publication of the Annual and Sustainability Report and other mandated disclosures • Active participation in regulatory consultations and industry working groups • Strengthening of policies, systems, and controls in line with emerging regulatory guidance
Shareholders and Investors		
• Financial performance and responsible growth • Risk management • Long term sustainability of the Bank • Corporate governance and transparency	• Annual Stockholders' Meeting • Quarterly financial results briefings • Investor Relations updates • Direct engagements with analysts and institutional investors	• Transparent and timely disclosures of financial and ESG performance • Regular investor briefings and open communication channels • Robust governance practices and board oversight • Strengthening of risk management frameworks, including cybersecurity, climate risk, and operational resilience

The Bank ensures that **material ESG topics**, including economic, environmental, social, governance, and other sustainability-related risks and opportunities, are systematically identified, assessed, and discussed across governance and stakeholder engagement platforms. These topics are regularly taken up in relevant Board and Management Committees, particularly those overseeing risk, strategy, and sustainability, to support informed decision-making.

In line with its commitment to transparency and accountability, the Bank also communicates and discusses material topics with shareholders and the broader investment community through investor briefings, disclosures, and ongoing engagement channels. This integrated approach enables the Bank to align its strategy with evolving stakeholder expectations and regulatory requirements, while embedding ESG considerations into enterprise-wide risk management and business planning processes.

Commitment Moving Forward

UnionBank will continue expanding its stakeholder engagement mechanisms—including digital feedback platforms, enhanced transparency tools, and more frequent sustainability dialogues—to ensure that its actions remain grounded in stakeholder needs. These insights directly inform the Bank's strategy, risk management, and sustainability roadmap, reinforcing its commitment to responsible and inclusive growth.

Stakeholder Engagement

The Bank places strong importance on meaningful and continuous stakeholder engagement, recognizing it as a cornerstone of transparent governance, customer-centric innovation, and credible sustainability reporting. Its commitment to **Integrity, Magis, and Ubuntu** guides how the Bank listens, responds, and co-creates value with the people and groups who influence—and are influenced by—its actions.

Throughout 2025, the Bank engaged closely with its key stakeholders—**customers, employees, investors, regulators, communities, and partners**—to understand their evolving needs and expectations amid rapid digital transformation, expanded retail operations, and the ongoing integration of sustainability across the Bank.

Consistent with its customer-obsessed approach and the culture highlighted in the Sustainability Report, engagement activities helped identify priority issues such as digital access, cybersecurity, financial inclusion, employee development, responsible lending, and climate-related risk management.

These insights directly informed the Bank's policies, product development, and sustainability strategies. For instance, feedback from customers and enterprise clients supported service enhancements across its digital platforms, reinforcing the Bank's commitment to innovation and superior customer experience.

To ensure continuous dialogue, the Bank uses a variety of **in-person and digital channels**, reflecting its multi-platform engagement model. These include customer surveys and service touchpoints, employee town halls and capability programs, investor briefings, regulatory consultations, sustainability forums, and community-based initiatives under the Bank's social responsibility and financial inclusion pillars.

The Bank's interdepartmental Technical Working Groups also provide structured updates on material ESG matters throughout the year, strengthening data governance and cross-functional decision-making.

By integrating stakeholder feedback into its strategy and operations, UnionBank strengthens its ability to create shared and sustained value. This continuous engagement loop ensures that its transformation journey—powered by digital innovation, risk discipline, and sustainability commitments—remains aligned with the expectations of those it serves and the long-term aspirations of the communities it supports.

Reimagining Banking

UnionBank is uplifting lives through a value-led strategy that puts customers first

Banking is changing. The question is no longer whether we can process transactions faster or offer more products. The real question is whether we can genuinely improve people's lives. At UnionBank, the answer is clear: banking should uplift, not just enable.

This philosophy drives everything we do. From the smallest everyday transaction to the most complex financial solution, we're guided by a single purpose: reimagining banking to uplift lives. It's a commitment that shapes our strategy, our operations, and every customer interaction.

At the heart of this transformation is our desire to deliver experiences that make a real difference. This reflects a fundamental shift in how banking creates value, moving beyond transactional relationships to meaningful partnerships that help Filipinos achieve their goals and secure their futures.

Value Over Volume

Our focus is on making sure we actually deliver on the value we promise. That commitment anchors everything: strengthening our platforms for the 18 million-plus customers who already trust us, while carefully expanding to reach 20 million by 2026. We're growing steadily—adding 1.5 to two million new retail customers annually. We've added 300,000 new credit card customers this year through new offerings, each designed to make banking more accessible and relevant to real needs.

The NextGen Bank for Every Generation

What makes a bank "next generation?" For us, it means delivering superior banking experiences to all those with financial requirements—from tech-savvy younger users to traditional brick-and-mortar banking clients—across any channel they may need. A next-generation bank should work well for everyone it serves, through every way they want to interact with us.

This vision drives how we design our platforms. Our digital tools need to be intuitive for Gen Z users who've grown up with smartphones and equally clear for older customers who may be less comfortable with technology.

Customer feedback tells us we're succeeding. UnionBank Online, the country's most downloaded banking app and a multiple award-winner for digital banking excellence, is consistently praised for its ease of navigation. This is because we designed it around how people naturally move through tasks, not around how banks prefer to organize information. The same principle applies to the digital tablets in our branches. Our idea of inclusivity means more customers get onboarded as banking becomes more digital, not fewer.

A Different Way Forward

Our value-led strategy represents a different way forward for Philippine banking, one where growth and customer value work together rather than compete. Where technology amplifies human capabilities instead of replacing them. Where every innovation serves a clear purpose: uplifting lives.

This is what next-generation banking looks like. And at UnionBank, it's already here.

SUSTAINABILITY STRATEGY

UnionBank's sustainability strategy is anchored on its values of **Integrity, Magis, and Ubuntu** and reflects its commitment to responsible, inclusive, and future-ready banking. Guided by its Sustainability Policy, the Bank integrates environmental, social, and governance (ESG) considerations into its governance structures, risk processes, and day-to-day operations to ensure long-term resilience and value creation.

The Bank's strategy is built on three pillars—**People, Planet, and Purpose**. It empowers its workforce and communities through financial inclusion and capability-building; reduces its environmental footprint and strengthens climate resilience through the Environmental and Social Risk Management System (ESRMS); and drives responsible growth through strong governance, transparent reporting, and sustainable finance.

As a digital trailblazer, the Bank leverages technology to expand access, improve efficiency, and enhance customer experience. Supported by Board oversight, Senior Management leadership, and cross-functional ESG coordination, UnionBank remains committed to enabling meaningful, sustainable progress for its customers, communities, and the country.

Our Journey

Since embedding sustainability into its corporate strategy in 2017, UnionBank has progressively strengthened the integration of environmental, social, and governance (ESG) considerations into its governance, risk management, and business operations. The Bank's journey reflects a transition from foundational sustainability commitments to enterprise-wide ESG integration and sustainable finance leadership.

This evolution has been guided by the Bank's ambition to create inclusive prosperity, responsible banking practices, and long-term value for stakeholders.

SUSTAINABILITY EVOLUTION TIMELINE

FOUNDATION

2017 – 2018

ESTABLISHING THE SUSTAINABILITY FOUNDATION

- Launch of formal sustainability strategy and governance structure
- Initial identification of material ESG topics
- Alignment with global sustainability frameworks and responsible banking principles

INTEGRATION

2019 – 2020

INTEGRATING ESG INTO STRATEGY AND OPERATIONS

- Strengthened sustainability governance and oversight
- Initial integration of ESG considerations into risk management and operations

SCALING

2021 – 2022

SCALING SUSTAINABLE FINANCE AND ESG PROGRAMS

- Developed sustainable finance initiatives and green financing activities
- Strengthened ESG risk management practices
- Expanded sustainability reporting aligned with global standards

INSTITUTIONALIZATION

2023 – 2024

INSTITUTIONALIZING ESG ACROSS THE ORGANIZATION

- Integration of ESG principles into core banking operations and policies
- Continued expansion of sustainable finance initiatives and partnerships

ENTERPRISE INTEGRATION

2025

ADVANCING ENTERPRISE-WIDE ESG INTEGRATION

- Bankwide materiality refresh to reflect emerging sustainability priorities
- Establishment of sustainable finance targets to guide future portfolio growth
- Strengthened ESG capacity building across business units
- Streamlining of sustainable finance implementation processes
- Embedding ESG-related KPIs across the organization

IMPACT

2026 – 2030

ALIGNMENT WITH THE PFRS S1 AND S2 BASED ON SEC MC 16 S.2025 TRANSITION RELIEFS

- Updating governance, strategy, and controls consistent with PFRS S1 and S2 requirements
- Submission of PFRS S1 and S2 compliant sustainability report with comparative data
- Transitioning from climate-first to full material sustainability disclosures
- Transitioning to include Scope 3
- Mandatory limited external assurance for Scope 1 and Scope 2 (FY 2028)
- Board-approved fully compliant sustainability report disclosures

REIMAGINING VALUE CREATION FOR EVERY FILIPINO

GRI 3-3

As a NextGen bank, UnionBank is committed to fiscal discipline and strategic investments, enabling the Bank to operate, lend, invest, and grow sustainably. This section provides an overview of the Bank's fiscal position in 2025, including customer deposits, borrowings, issued capital instruments, and retained earnings.

FINANCIAL RESOURCES AND KEY PERFORMANCE INDICATORS

UnionBank's fiscal strategy is anchored in its strengths as a digital leader and a NextGen bank, ensuring it can deliver sustainable value to stakeholders while remaining agile amid macroeconomic and market changes. By prioritizing capital efficiency, funding stability, and profitability, the Bank continues to strengthen its foundation for long-term growth.

UnionBank aims to:

- Maintain capital levels well above regulatory requirements set by the Bangko Sentral ng Pilipinas (BSP)
- Deliver sustainable returns through measured growth strategies and optimized capital allocation
- Ensure stable and diversified funding to support long-term growth

UnionBank's capital management approach is guided by its Internal Capital Adequacy Assessment Process (ICAAP), which aligns capital planning with the Bank's risk appetite and strategic priorities.

The Bank's dividend policy is established to ensure a balanced approach between delivering sustainable shareholder returns and maintaining a strong financial and capital position. The Bank intends to declare regular cash dividends on common shares in two equal semi-annual installments:

- First tranche: PHP 0.50 per share, to be declared every February
- Second tranche: PHP 0.50 per share, to be declared every July

This declaration of dividends will formally take effect on the beginning of the 2027 calendar year onwards. Declaration and payment of dividends are subject to the availability of unrestricted retained earnings and approval of the Board of Directors.

The Board may also authorize special cash dividends (at its discretion) when financial results and market conditions permit, provided such distributions do not compromise the Bank's strategic priorities. Any issuance of stock dividends will require prior clearance from the relevant regulatory authorities, and all dividend declarations shall comply with all applicable regulatory requirements.

The cash dividend declaration and payout will depend on several factors, including profitability, cash flow, capital requirements, prevailing market conditions, and regulatory approvals. While the Bank is committed to providing stable and competitive returns to shareholders, it reserves the right to adjust or defer dividend payments in circumstances where significant projects, strategic initiatives, or other developments require substantial funding.

This approach ensures that resources are preserved to support sustainable growth and strengthen the Bank's financial position. The Board will periodically review this policy to ensure its continued alignment with regulatory standards, market practices, and the Bank's long-term objectives.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (IN PHP BILLION)

GRI 201-1

Summary Based on Group Figures	2023	2024	2025
Economic value generated	**83.32**	**85.66**	**82.18**
Economic value distributed	**74.12**	**73.63**	**72.18**
Payments to employees	13.55	14.12	15.59
Salaries and employee benefits	13.55	14.12	15.59
Payments to suppliers	23.35	22.51	24.85
Occupancy	1.16	1.17	1.25
Depreciation and amortization	2.67	2.84	3.83
Miscellaneous	19.52	18.50	19.77
Payments to capital providers	26.59	25.71	20.12
Deposit liabilities	15.79	12.49	9.44
Bills payable and other liabilities	10.80	13.22	10.68
Payments to governments	10.59	11.27	11.59
Taxes and licenses	5.94	6.10	5.93
PDIC + supervision fees	2.01	1.52	1.46
Tax expense	2.64	3.65	4.20
Payments to communities	0.04	0.02	0.03
Donations	0.04	0.02	0.03
Economic value retained	**9.20**	**12.03**	**10.00**

FINANCIAL STRATEGY AND COST MANAGEMENT

UnionBank's financial strategy ensures sustainable growth, optimized profitability, and resilient capital and funding structures. The Bank's strategy focuses on the following:

1. **Capital Optimization**
   - Maintain strong capital adequacy ratios above BSP regulatory requirements
   - Balance growth and shareholder return while preserving financial resilience
   - Focus on higher-yielding segments and capital-light fee income business
2. **Funding Diversification**
   - Strengthen UnionBank's deposit base by capturing low-cost Current Account Savings Account (CASA) through innovative offerings
   - Selectively access wholesale funding and debt capital markets to support long-term liquidity and business expansion
   - Ensure a balanced funding mix to mitigate concentration risk
3. **Profitability Management**
   - Focus on high-yielding consumer loans to increase margins
   - Diversify income streams by building capital-lite businesses such as fees, transaction banking, and wealth management
   - Maintain a disciplined approach to balance sheet management to optimize Net Interest Margin (NIM), Net Credit Margin (NCM), and Return on Equity (ROE)

Cost Management

By managing costs strategically and focusing on efficiency gains, UnionBank continues to strengthen its financial position while investing in key growth areas. This disciplined approach ensures that the Bank's resources are allocated to where it generates the greatest value for stakeholders.

Effective cost management is critical to sustaining profitability and operational efficiency. The Bank's approach is centered on efficiency, productivity, and strategic investment:

Operational Efficiency
- Streamlining processes and leveraging digital platforms to reduce operational overhead
- Enhancing automation in back-office operations to optimize the cost-to-income ratio
- Investing in back-end infrastructure to improve operational resiliency and systems reliability

Strategic Investment
- Targeted investments in digital banking, resiliency, cybersecurity, and regulatory / compliance requirements to holistically enhance customer experience
- Prioritizing technology upgrades that drive long-term savings while improving service quality

Expense Discipline
- Ongoing deep-dive review of key cost areas across the Bank
- Implementing cost-control measures without compromising service delivery or compliance
- Implementing policies to ensure all spending is reviewed, monitored, and adds value to the Bank

REIMAGINING WEALTH MANAGEMENT

Raising the Standard for Wealth Management

UnionBank is Earning Global Recognition While Reshaping Asset Management in the Philippines

Wealth management in the Philippines isn't what it used to be—and that's a good thing. A big generational shift is happening now. Younger, globally minded Filipinos are stepping up. They are taking control of family fortunes and building their own.

Investment products once locked behind offshore accounts are now accessible locally. And technology is making sophisticated financial planning available to more people.

UnionBank is at the forefront of this transformation. We are not only adapting but also driving progress. With global recognition, a key merger, and enhanced services, we support Filipinos in building wealth today.

Global Recognition

Recognition tends to follow results, and in 2025, the results were hard to ignore.

UnionBank has been named the **Best Wealth Management Bank in the Philippines**. This recognition comes from The Asian Banker's Global Excellence in Retail Finance Awards. This award demonstrates our wealth management expertise, commitment to financial innovation, and ability to delight clients. We cater to everyone, from emerging affluent individuals to high-net-worth investors who seek the best.

At the Global Private Banker Innovation Awards 2025, UnionBank took home three distinctions: **Best Private Bank for Succession Planning in the Philippines, Excellence in Intergenerational Services**, and **Highly Acclaimed for Best Private Bank for Client Experience**. We received a Highly Commended award for Best Private Bank in the Philippines at the Asset Triple A Private Capital Awards in Hong Kong. They praised our digital approach, client solutions, and responsive mindset.

These awards reflect independent assessments by respected institutions that our wealth capabilities have genuinely reached global standards.

The ATRAM Merger: Building Something Bigger

A key event for UnionBank's wealth management in 2025 was a merger that significantly enhanced our capabilities.

By merging our trust subsidiary with the ATRAM Group, we became the fourth-largest private asset management firm in the Philippines. We took a 27.5% share in ATR Asset Management (AAMI). In return, AAMI purchased 100% of our trust subsidiary, UnionBank Investment Management and Trust Corporation. We now manage approximately PHP 485 billion in assets.

The rationale is straightforward, but the outcome is genuinely powerful. UnionBank brings digital capabilities, a customer base of over 18 million, and deep experience in digital-first banking. ATRAM brings world-class investment expertise and a strong track record across fixed income, equities, and alternative assets. Together, the combined entity can deliver what neither institution could fully offer on its own: institutional-quality portfolio management, accessible to a far broader group of Filipino investors than ever before.

This isn't just a bigger asset management firm. It's a more capable one, and the benefits flow directly to clients.

Built for the Next Generation

Here's a number worth paying attention to: by 2030, an estimated 60% of the global wealth management market will be made up of Millennials and Gen Z investors. That shift is already underway in the Philippines. And it's reshaping what clients expect from their wealth managers—faster digital access, products aligned with their values, and advisors who understand that this generation thinks about money differently.

We're well-positioned for that transition. Our digital platforms focus on how the next generation works and invests. They are intuitive, mobile-first, and designed to grow with clients as their wealth and needs increase. Our educational programs train younger family members to handle inherited wealth wisely. This need becomes more pressing each year as wealth transfers increase. Our Private Banking proposition is known for its skills in succession planning and services for different generations, demonstrating our genuine ability to help families navigate transitions while preserving their legacy.

The wealth management landscape in the Philippines is evolving faster than at any point in recent memory. UnionBank isn't watching that happen. We're shaping what it becomes.

REIMAGINING OPERATIONAL RESILIENCY FOR NEXTGEN BANKING

UnionBank ensures that its focus on next-generation banking underpins service delivery, operational efficiency, and customer experience. This section details the Bank's infrastructure, investments in branch modernization, and digital platforms, outlining how they support business growth while ensuring resilience against operational risks.

STRATEGIC & FUTURE OUTLOOK

The Bank invested in future-ready infrastructure that supports its ambition to become the most loved and preferred NextGen bank for all generations. While the Bank's strategy is anchored on digital platforms and ecosystem partnerships, physical infrastructure will remain an important enabler of innovation, operational resilience, and seamless customer experiences.

A key pillar of this roadmap is the UnionBank Innovation Campus, which was developed as a long-term hub for technology development, fintech collaboration, and digital talent cultivation. As the Bank expands its digital capabilities, the campus strengthened research and development activities, accelerated innovation programs, and provided additional operational capacity to support business continuity and long-term growth.

In parallel, the Bank will continue evolving its physical distribution network to complement its digital-first model. The ARK Branches will increasingly function as digitally enabled service hubs that emphasize self-service, paperless transactions, and advisory-led customer engagement.

Through these investments, UnionBank is building a resilient, innovation-driven infrastructure that will support scaling digital services, deepen its nationwide reach, and enable the Bank to deliver long-term value to customers, communities, and the Philippine economy.

PHYSICAL INFRASTRUCTURE & ASSETS

Branch Network

UnionBank's branch network continues to evolve, balancing physical presence with digital accessibility to meet diverse customer needs.

Disclosure	2023	2024	2025
Total Branches	385	383	388
Digital Platforms	7	7	7
Automated Teller Machines (ATMs)	602	603	602

Digital and IT Infrastructure

To further support UnionBank's aspirations for next-generation banking services, continuous investments are made in secure, scalable IT infrastructure, ensuring seamless service delivery across channels.

REIMAGINING WEALTH MANAGEMENT

Where Premium Meets Personal

UnionBank's Wealth Centers are Redefining High-Net-Worth Banking

Walking into a bank branch has rarely been anyone's idea of a good experience. The queues. The impersonal counters. The sense that you're being processed rather than served. For most customers, it's a necessary inconvenience. For high-net-worth clients with complex financial needs and very little time to spare, it has long been a source of genuine frustration.

UnionBank set out to fix that—not by tweaking the standard branch model, but by rethinking it entirely. The result is our NextGen Wealth Centers. The flagship at The Ark on Ayala Avenue in Makati demonstrates what premium banking should be. It's designed around the client, not just the institution.

The Ark: Built from a Blank Page

Most bank branches start with a floor plan and work backward. The Ark Wealth Center started with a question: how do high-net-worth clients actually want to bank?

To find out, our team did in-depth interviews with relationship managers. We studied how clients move through spaces. We also looked at which services they value and which ones cause issues.

The design that emerged from that research feels immediately different from the moment you walk in. There are no queues. No waiting alongside walk-in customers. No sense of urgency pushing you toward the exit. Clients arrive in a receiving area built exclusively for Elite and Private Banking clients. It's a signal, from the very first step, that this is a different kind of experience.

Private meeting and tellering rooms allow clients to discuss complex financial matters with complete confidentiality. If you are dealing with succession planning, making big investments, or discussing family wealth, privacy is a must.

The Gold Lounge anchors the Elite client experience. This private space is perfect for high-value transactions. It combines comfort with an in-branch café that serves complimentary drinks. After all, important financial discussions thrive in a relaxed atmosphere, not under pressure. The space was designed to support the kind of unhurried, relationship-building dialogue that wealth management actually requires.

And woven through all of it is technology that improves human service. Wealth relationship managers use AI tools to provide data-driven insights in every meeting. The result is the best of both worlds: the warmth and judgment of a person who knows you, backed by the precision of live financial intelligence.

The Vault: For What Matters Most

Some wealth can't be stored in a portfolio. Clients with valuable assets—like art, jewelry, important documents, and family heirlooms—need a safe place to store them. This is as crucial as making smart investments.

The Vault at The Ark is the answer to that question. This isn't just a standard safe deposit facility. It's made for art collectors and those with high-value assets. Advanced security technology, a carefully configured environment, and a level of care and attention that matches the value of what's being protected. Reserved for select clients, The Vault brings physical asset security fully into the banking relationship, so clients don't have to look elsewhere for peace of mind.

Three Cities, One Standard

The Ark is the flagship, but the model is built to travel. UnionBank currently operates Wealth Centers at three locations: The Ark in Makati, San Juan, and Cebu City. The expansion has been deliberate—getting the experience right before scaling it, rather than growing fast and correcting later.

We're looking to expand to more existing centers and other key cities. As the next generation of high-net-worth clients emerges across the country, not just in Metro Manila, the need for this level of service is growing in tandem.

Built for What's Next

Younger wealth holders have different expectations. They want smooth digital experiences. Yet, they also value real human help when decisions become complex. They want banking environments that feel contemporary and accessible. They want their advisor to know them—not just their portfolio—and to bring real insight to every conversation, not a generic template.

The Ark was built with exactly that in mind. The AI-assisted environment brings technology into physical banking in a way that supports human connection rather than replacing it. Relationship managers use digital tools to get ready for meetings. They discover important insights during discussions and follow up with personalized recommendations for each client.

Premium banking shouldn't just manage wealth. It should make the people who hold that wealth feel genuinely, consistently well-served. That's the standard the Wealth Centers were built to set—and the standard every expansion will have to meet.

REIMAGINING BANKING FOR A THRIVING FUTURE

GRI 3-3

Next-generation banking is powered by innovation—and as the leading provider of next-generation banking services, UnionBank understands that progress should never come at the expense of the environment in which it operates. This section outlines the Bank's approach to managing and disclosing key environmental areas, including energy use and emissions, greenhouse gas (GHG) emissions, water management, and materials use. Through these disclosures, the Bank aims to provide transparency on its environmental impact, strengthen accountability, and support sustainable practices aligned with evolving stakeholder expectations.

RESOURCE MANAGEMENT

Resource management underpins UnionBank's ability to operate responsibly and resiliently. The Bank manages its resource footprint by tracking key operational inputs and outputs across its facilities and subsidiaries. This ensures that the Bank not only meets current operational demands but also positions itself to respond resiliently to future challenges and opportunities.

The Bank's resource management is guided by principles of efficiency, accountability, and sustainability. It continuously optimizes capital allocation, invests in talent development, strengthens digital capabilities, and promotes responsible resource consumption. These efforts are aligned with its broader corporate objectives and risk management framework, enabling the Bank to deliver consistent performance while safeguarding stakeholder interests.

Energy Management

GRI 302-4

The Bank continues to implement practical energy conservation measures across its operations as part of its commitment to environmental stewardship and climate action. These initiatives include adopting hybrid work arrangements, such as allowing employees to work from home. This enables the Bank to reduce electricity consumption by limiting lighting and air-conditioning operations to key occupied floors on designated days.

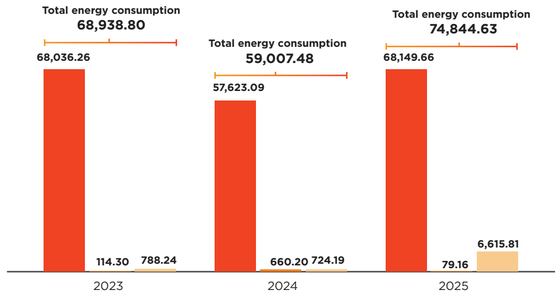
LEED-Certified Branches

27 LEED-certified branches as of 2025

In parallel, the Bank has optimized building efficiency through infrastructure improvements, including the application of window tinting in all offices to reduce heat gain from external sources, thereby easing the load on air-conditioning systems and improving overall energy performance. Together, these measures reflect the Bank's ongoing efforts to manage energy use responsibly while maintaining a safe and productive work environment.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (IN GJ)

GRI 302-1



GHG Emissions Management

GRI 305-5

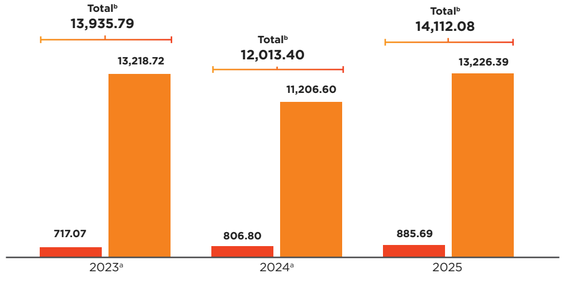
The Bank manages its greenhouse gas (GHG) emissions by measuring and understanding them, aligning its reduction targets with global climate goals, and incorporating environmental considerations into its lending and investment practices.

The Bank is taking steps to better understand its GHG emissions and explore opportunities for future reduction. While formal targets are still in development, the Bank promotes environmental awareness through employee engagement programs that highlight the importance of energy and water conservation in day-to-day operations.

In 2025, the Bank recorded total emissions of 14,112.08 tCO_2e, comprising 885.69 tCO_2e in Scope 1 and 13,226.39 tCO_2e in Scope 2 emissions. The observed increase in emissions should be viewed in the context of expanded data coverage and strengthened measurement processes, rather than a deterioration in operational efficiency. These also demonstrate the Bank's ongoing efforts to better understand its operational emissions and define a baseline for setting reduction targets.

GHG EMISSIONS (IN tCO_2e)

GRI 2-4, 305-1, 305-2



[a] 2023 and 2024 data were restated to align with updated emission factors.
[b] The data only includes information from UBP, CSB, and BK. UD does not track its GHG emissions.

The Bank reports Scope 2 GHG emissions from purchased electricity based on consumption across its operations and subsidiaries. To calculate emissions, the Bank multiplies electricity consumption data by the latest available Simple Operating Margin (OM) Emission Factors published by the Department of Energy (DOE) and applies the relevant National Grid Emission Factors (NGEF) for the Luzon-Visayas and Mindanao grids.

Water Resource Management

GRI 303-1, 303-2

The Bank monitors its water consumption to better understand usage patterns and identify areas for improvement. These insights help inform future strategies to support water conservation and contribute to the Bank's sustainability objectives.

The General Services, Facility Management, Sustainability, and Branch Channel Management units collaborate to optimize desludging activities while maintaining sanitation standards and regulatory compliance.

WATER MANAGEMENT (IN m^3)

GRI 303-3

Disclosure	2023	2024	2025
Water withdrawal	130,701.53	99,996.04	107,280.75

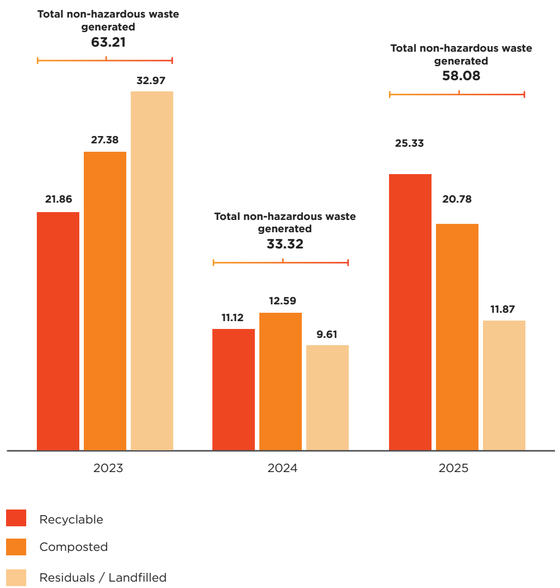
Materials and Waste Management

GRI 306-1, 306-2

The Bank continues to strengthen its recycling initiatives and ensure the responsible disposal of both non-hazardous and hazardous waste. In 2025, the Bank generated a total of 118.84 MT of waste, the majority of which was classified as non-hazardous. Hazardous waste, including busted lighting, used oil, waste electrical and electronic equipment (WEEE), oil-contaminated materials, and batteries, is disposed of safely through accredited third-party service providers in full compliance with environmental regulations.

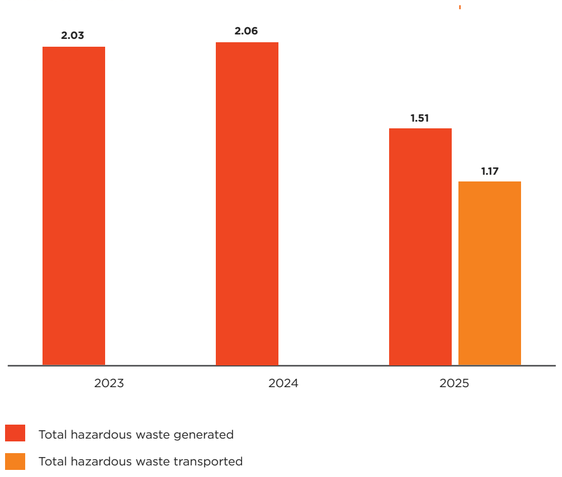
NON-HAZARDOUS WASTE (IN MT)

GRI 306-3, 306-4, 306-5



HAZARDOUS WASTE (IN MT)

GRI 306-3, 306-4, 306-5



The Bank also promotes responsible management of Furniture, Fixtures, and Equipment (FFE), such as laptops, tables, chairs, bill counters, and printers. Through reuse, donation, and proper disposal, these serviceable items are redeployed to other branches or head-office units as needed.

Still-functional assets that are no longer required are disposed of either via bidding or donation to qualified community partners. Non-repairable FFEs are disposed of through accredited waste handlers in compliance with applicable environmental regulations.

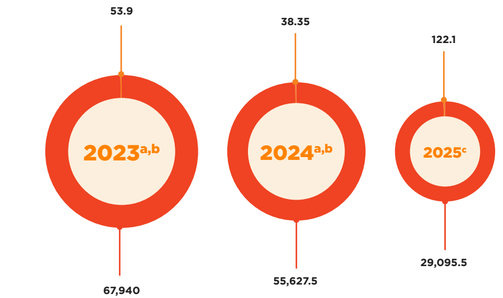
Materials Used by the Organization

The Bank has continued its Paperless Drive project, reducing paper usage and automating manual processes across branches. This initiative supports the Bank's commitment to environmental sustainability, operational efficiency, and superior customer experience.

By transitioning to digital platforms such as the Digital Transaction Portal (DTP), UB Online, The Portal, and digital onboarding channels, the Bank has significantly minimized the need for printed forms and over-the-counter processing. Additionally, in 2025, the Bank expanded the scope of the data it collects to include its subsidiaries, resulting in an increase in the data disclosed, such as overall ink use.

MATERIALS USED (IN KG)

GRI 2-4, 301-1



[a] Data on paper and ink consumption from 2023 and 2024 did not include inputs from the subsidiaries.
[b] 2023 and 2024 data were restated to reflect in kg, previously reported in reams and cartridges for paper and ink, respectively. Conversion of data was done at 2.5 kg per ream and 25 g per empty ink cartridge.
[c] 2025 data includes data from UBP, CSB, and BK. UD does not currently track its paper and ink consumption.

ENVIRONMENTAL COMPLIANCE

The Bank monitors compliance with environmental laws and regulations and reports any monetary or non-monetary sanctions arising from non-compliance.

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

GRI 2-27

Disclosure	UoM	2023	2024	2025
Total amount of monetary fines for non-compliance with environmental laws or regulations	PHP	0.00	19,500.00	0.00
No. of non-monetary sanctions for non-compliance with environmental laws or regulations	count	0	0	0
No. of cases resolved through a dispute resolution mechanism	count	0	0	0

REIMAGINING A NEXTGEN WORKFORCE FOR A FUTURE-READY ORGANIZATION

GRI 3-3

As a financial institution, UnionBank recognizes the true beneficiaries and enablers of next-generation banking: people. They are central to the Bank's ability to deliver sustainable value, recognizing that its people drive performance, innovation, and long-term growth. This section outlines the Bank's approach to managing and disclosing key workforce areas, including employee metrics, compliance with labor laws, and occupational health and safety policies.

TALENT REIMAGINED

The People Behind the Bank

How UnionBank is strengthening a unified, future-ready organization

UnionBank's transformation into a NextGen Bank is grounded in a simple belief: Great banking is ultimately about people. Sustainable performance relies on people united by purpose. They should be trusted leaders, equipped with the skills for the future, and dedicated to uplifting lives.

After we restated our Purpose, Vision, and Values in 2025, we worked on strengthening our shared foundation across leadership, culture, capability-building, and execution. In a year of change, our milestones prove that alignment at the core reinforces clarity, resilience, and momentum in the organization.

Purpose, Vision, and Values

Anchoring a Unified Organization

The Bank created a new organization by merging two banks and two leadership teams. We understand that building a strong foundation was key to long-term success. This foundation must unite different legacies with a shared identity and direction.

In 2025, the Bank launched a leadership-driven, co-creation process. Leaders from both legacy organizations worked together to restate our Purpose, sharpen our Vision, and reaffirm our Values. This process ensured clarity, consistency, and shared ownership across the unified Bank.

The Bank's refreshed Purpose, Reimagining Banking to Uplift Lives, shows how our intent has evolved. It emphasizes that innovation, responsibility, and humanity need to move forward together. Our sharpened Vision is to be the most loved and preferred NextGen Bank that sets the standard for all generations. This goal is the Bank's guiding light and inspiration.

The Bank reaffirmed our Values of Integrity, Magis, and Ubuntu, making them stronger with clear behavioral indicators. This approach helps UnionBankers put these values into action in their teams, roles, and decisions.

Aligned with this foundation, the Bank updated our Employer Value Proposition (EVP) to "U, Reimagined." The EVP clarifies the mutual promise between the Bank and our people: care and well-being through Uplift U, continuous growth through Upskill U, career mobility through Unlock U, and shared ownership of the future through The Future Is Us.

The Bank's restated Purpose, Vision, Values, and EVP now anchor our leadership and talent development. They help UnionBank manage performance and create impact. This brings the entire organization together and sets the Banks up for future success.

Leadership & Culture

Embedding Trust, Engagement, and Shared Accountability

With a clear foundation in place, we focused on embedding our Purpose, Vision, and Values into leadership behaviors and everyday culture.

The appointment of Ana A. Delgado as President and CEO reinforced continuity and stability during a year of transition. Her leadership emphasized the need for customer focus, shared accountability, and trust, drawing from her wide experience at the Bank. These elements are key to sustaining strong performance in a united organization.

Leadership engagement centered on listening as a discipline. Platforms like Future Forum, kapihAna, and Kumustahan strengthened dialogue across functions and regions. These avenues helped leaders align priorities and meaningfully respond to employee insights.

In Branch Channel Management, Kumustahan placed leadership right with frontliners across the country. These interactions boosted psychological safety, inclusion, and trust. They also ensured employees from legacy lines felt heard, respected, and empowered to contribute.

Engagement participation remained strong at 85%. Employees noted that doing their best work, feeling valued, and a commitment to quality are key to their engagement. While overall engagement slightly trailed the target, the Bank used the results to spark productive conversations and improvements across centers.

Through consistent leadership behaviors and open communication, the Bank continued to strengthen a culture that supports collaboration, innovation, and accountability—critical to a future-ready bank.

Capability & Future Readiness

Equipping People to Adapt, Grow, and Lead

Aligned with our EVP, we continued strengthening our future readiness. We invested in learning, leadership development, and AI-enabled ways of working.

The Bank's "Race to 50" campaign promoted continuous growth by encouraging employees to complete at least 50 learning hours. LinkedIn Learning provided leadership pathways for everyone, from individual contributors to senior executives. This structured development matches each career stage. Within months of launch, 31% of employees completed their pathways, reflecting strong adoption across the organization.

The Bank improved leadership skills through global academic partnerships. This helped leaders gain the strategic and organizational skills they need to navigate complexity and transformation.

A defining milestone in 2025 was the accelerated adoption of GenAI and Copilot. In six months, more than 1.1 million prompts were submitted. UnionBankers use AI to boost productivity, enhance analysis, and make better decisions. These tools helped teams focus on higher-value work while strengthening consistency and accuracy.

By positioning GenAI as human-powered assistive intelligence, the Bank reinforced responsible innovation, where technology amplifies human judgment rather than replacing it. These efforts help UnionBankers gain the confidence and skills they need to thrive in a digital-first, high-touch world.

Performance & Reliability

Reinforcing Consistency, Resilience, and Strong First-Line Defense

As integration progressed, the Bank continued to emphasize strengthening reliability and operational discipline across the unified organization.

In 2025, we applied High Reliability Organization principles at every leadership level. This created a shared framework for vigilance, accountability, and proactive risk management. This approach shifted teams from reactive responses to anticipating and preventing potential issues.

Operational outcomes showed marked improvement. The Voice Answer Rate went up from 71% to 97%. Also, the Email Response Rate grew from 63% to 88%. Over 50 HRO stories show how teams used reliability principles to strengthen processes and better protect customers.

To reinforce the first line of defense, the Bank appointed more than 30 Reliability Leads and Managers, embedded across centers. These roles strengthened ownership of controls and governance at the front lines, ensuring that reliability remains embedded in daily operations.

By working together and being accountable, we built trust with our customers, regulators, and stakeholders, supporting sustainable growth in a future-ready organization.

Purpose Beyond Banking

Extending Impact Through Collective Action

UnionBank's purpose extends beyond financial services. In 2025, UnionBankers turned shared values into real community impact.

Through GoBeyond Communities, 5,297 UnionBankers logged 2,022 volunteer hours and completed 129 CSR projects. Their efforts reached over 54,000 people nationwide.

The U-Run for a Cause 2025 raised PHP 600,000 for chronically ill children at the PGH Silahis ng Kalusugan School. This initiative showed how working together can make a real difference by combining money, time, and care.

These efforts built a shared identity among legacy organizations. They strengthened the idea that purpose brings people together and expands our impact beyond banking.

Looking Ahead

By restating our Purpose, sharpening our Vision, reaffirming our Values, and aligning our Employer Value Proposition, we strengthened the foundation of a unified, future-ready bank.

As we move forward on our NextGen journey, we have a workforce that shares our vision. They are ready with the skills for the future and dedicated to creating positive results for both customers and communities.

We are not just preparing for the future.

We are strengthening it—together.

The future IS us.

OUR WORKFORCE

UnionBank's workforce is at the core of how it creates sustainable value. As a service-driven organization, it relies on the collective capabilities, experience, and commitment of its people to deliver meaningful outcomes for its clients and stakeholders.

The Bank is committed to fostering a workplace where employees are empowered to perform at their best—supported by continuous learning, fair and inclusive practices, and a culture anchored on integrity, collaboration, and accountability. Investments in training, employee engagement, and well-being enable its workforce to remain agile and responsive in an evolving banking landscape, while contributing to stronger organizational performance and stakeholder value.

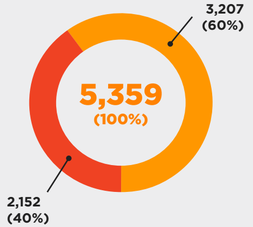
Through these efforts, UnionBank continues to build a resilient, diverse, and future-ready workforce that drives innovation, strengthens customer relationships, and supports the Bank's strategic priorities.

Employee Breakdown by Company[a]

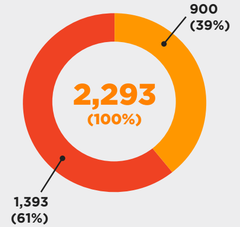
GRI 2-7

MALE FEMALE

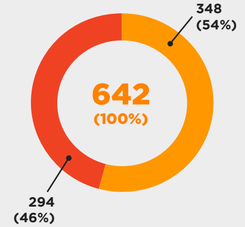
UNION BANK OF THE PHILIPPINES



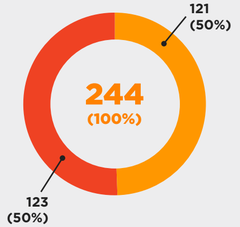
CITY SAVINGS BANK, INC. (CSB)



BANGKO KABAYAN (BK)



UNION DIGITAL (UD)



[a] *Includes regular and project-based employees*

EMPLOYEE BENEFITS

UnionBank provides a comprehensive and competitive suite of employee benefits designed to support the holistic well-being of its people at every stage of their careers. The Bank's benefits framework goes beyond statutory requirements, encompassing health and wellness programs, financial security, and work-life balance initiatives that enable employees to thrive both professionally and personally.

The Bank continuously reviews and enhances its benefits offerings to remain responsive to evolving workforce needs and market practices. This includes access to quality healthcare, insurance coverage, retirement and savings programs, and flexible support mechanisms that promote physical, mental, and financial well-being.

By investing in meaningful and inclusive benefits, UnionBank reinforces its commitment to employee care, strengthens engagement and retention, and empowers its workforce to deliver sustained value for the Bank's stakeholders.

Benefits Provided to Full-Time Employees

GRI 401-2

Benefit	Provided to full-time employees?			
	UBP	CSB	BK	UD
SSS	Yes	Yes	Yes	Yes
PhilHealth	Yes	Yes	Yes	Yes
Pag-Ibig	Yes	Yes	Yes	Yes
Parental Leaves	Yes	Yes	Yes	Yes
Solo Parent Leave	Yes	Yes	Yes	No
Vacation Leave	Yes	Yes	Yes	Yes
Sick Leave	Yes	Yes	Yes	Yes
Medical benefits (aside from PhilHealth)	Yes	Yes	Yes	Yes
Housing assistance (aside from Pag-Ibig)	Yes	No	Yes	No

Benefit	Provided to full-time employees?			
	UB	CSB	BK	UD
Retirement fund (aside from SSS)	Yes	Yes	Yes	Yes
Further education support	Yes	Yes	Yes	Yes
Telecommuting	Yes	Yes	Yes	Yes

Parental Leave

GRI 401-3

Disclosure	UoM	Male	Female	Total
Entitled to parental leaves	count	3,944	4,571	8,515
Employees who took parental leave	count	93	202	295

EMPLOYEE DEVELOPMENT PROGRAMS

GRI 404-2

UnionBank invests in the continuous development of its people to build a future-ready workforce equipped to meet evolving business and industry demands. The Bank's employee development programs are designed to enhance technical expertise, leadership capabilities, and digital proficiency, ensuring that our workforce remains agile, resilient, and customer-focused.

Through a combination of structured learning pathways, on-the-job training, leadership development initiatives, and access to digital learning platforms, the Bank provides employees with opportunities to grow and advance in their careers. These programs are complemented by performance management and succession planning processes that support the development of high-potential talent and strengthen its leadership pipeline.

The Bank tracks the effectiveness and reach of its development initiatives through key performance indicators, including average training hours per employee, program participation rates, leadership bench strength, internal promotion rates, and employee engagement scores. These metrics enable the Bank to continuously refine its learning strategies and ensure alignment with organizational priorities.

By fostering a culture of learning and development, UnionBank empowers its employees to reach their full potential while driving innovation, operational excellence, and long-term value creation for the organization.

Required Training for all UnionBankers

Every year, UnionBankers are required to complete a suite of Compliance courses in order to keep their knowledge of key topics up-to-date. The required courses include, but are not limited to:

- Code of Conduct
- Financial Consumer Protection
- Related Party Transactions
- Information Security
- Data Privacy
- Business Continuity Management Systems
- Enterprise Risk Management
- Operational Risk Management
- Whistleblower Policy
- Employee Health and Safety
- Introduction to ESG and Sustainable Finance

Sustainability Learning

In 2025, UnionBank strengthened its sustainability capability-building through a blended approach of in-person and online courses, empowering both leaders and employees. Sustainable Finance and ESG topics were integrated into the 2025 Business of Banking Masterclass for senior management, reinforcing leadership understanding of how sustainability considerations translate into sound strategy, governance, and business decisions.

In parallel, employees across the organization were empowered through LinkedIn Learning subscriptions, which enabled self-directed, on-demand access to Sustainability and ESG courses that build foundational knowledge and accelerate continuous upskilling. Building on these initiatives, the Bank is developing a 2026 learning plan to formalize and further enhance the Sustainability curriculum—shifting toward more structured learning pathways, clearer progression from basics to advanced topics, and more role-relevant content to support enterprise-wide sustainability goals.

In total, UnionBank recorded 1,424 training hours dedicated to Sustainability in 2025. This was a 38% increase over 2024, which can be attributed to LinkedIn Learning's easy access to a comprehensive catalog of courses. The breakdown is as follows:

Sustainability Learning Programs In 2025

PROGRAM TITLE / COURSE TITLE	NO. OF LEARNERS	TOTAL LEARNING HOURS
2025 Business of Banking Masterclass Series (Module 9: Sustainable Finance and ESG in Banking)	49	147
Introduction to ESG and Sustainable Finance eLearning Module	40	40
BSP Updates on Sustainable Finance Taxonomy Guidelines (SFTG) and Environmental, Social, and Governance (ESG) Initiatives	9	20
Driving Sustainability Transformation: Navigating the Transition Towards IFRS S1 and S2 Sustainability Reporting Standards	1	8
Philippine Sustainable Finance Taxonomy Guidelines	1	3
Sustainability and ESG-focused LinkedIn Learning courses	1,146	1,206
TOTAL	1,246	1,424

DIVERSITY, EQUITY, AND INCLUSION

The Bank's commitment to gender equity is reflected not only in its culture, but also in the consistent opportunities created for women across the organization.

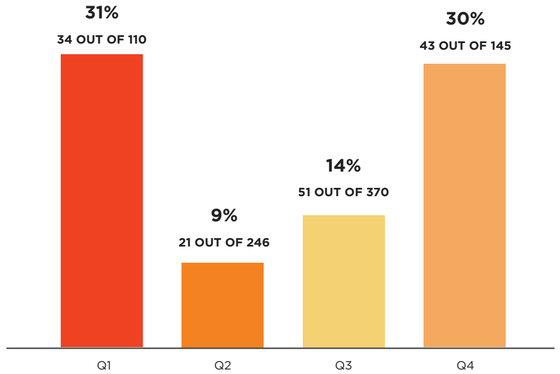
In 2025, women continued to play an essential role in shaping the Bank's success. Internal mobility data show that female talent is steadily moving into roles that allow them to expand their capabilities and grow their careers. These internal opportunities highlight how women continue to advance into roles where they can influence positive change, drive innovation, and strengthen the Bank's transformation journey.

Even more significantly, female talent accounted for 64% of all corporate-rank promotions in 2025, with 299 of 469 promoted employees being women. This demonstrates the Bank's commitment to recognizing performance, potential, and leadership regardless of gender, and reinforces a career environment where women can continually rise, lead, and inspire.

As the Bank accelerates toward its purpose-led future, it remains committed to building a workplace where women have equal access to meaningful work, leadership pathways, and growth opportunities that help them shape the future—of the Bank, of the industry, and of the communities it serves.

INTERNAL MOVEMENTS FILLED BY FEMALE TALENTS

GRI 405-1



EMPLOYEES FROM INDIGENOUS COMMUNITIES AND/OR VULNERABLE SECTORS (IN %)

Disclosure	UBP	CSB	BK	UD
Employees from indigenous communities and/or vulnerable sectors[a]	0	39	2	0

[a] Vulnerable sectors include the elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

LABOR LAWS AND HUMAN RIGHTS

GRI 2-26, 407-1

The Bank is committed to respecting and upholding labor laws and human rights across all aspects of its operations. The Bank's policies and practices ensure compliance with local labor regulations, including fair employment, non-discrimination, freedom of association, and safe working conditions.

The Bank provides employees with awareness programs on labor rights and human rights, reinforcing a workplace culture that values dignity, equality, and respect for all. Its human capital management processes—including recruitment, performance management, and grievance mechanisms—are designed to safeguard these rights and promote an inclusive, equitable, and supportive environment.

Integrating labor law compliance and human rights considerations into the Bank's business practices fosters employee trust, enhances organizational integrity, and contributes to sustainable value creation for all stakeholders. In 2025, there were no legal actions or employee grievances involving forced or child labor.

Whistleblower Policy

SASB FN-CB-510A.2

The Bank's Whistleblower Policy is intended to assist individuals in reporting malpractice they have discovered and to provide protection to whistleblowers.

The Bank ensures 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.

A hotline was set up to ensure the confidentiality of reports, whose merits will be evaluated by an investigating body and subsequently escalated to the Discipline Committee or the Compliance and Corporate Governance Office, as needed, and accorded the appropriate course of action. Whistleblower Policy training, which includes how to use the various reporting channels, is one of the required Compliance courses all UnionBankers must complete annually.

OCCUPATIONAL HEALTH AND SAFETY POLICY

GRI 403-1, 403-4

The Bank continues to comply with the requirements of RA 11058 (including its implementing rules and regulations), and the applicable provisions of the Occupational Safety & Health Standards (OSHS). These rules and regulations cover the company's entire operations, including contractors.

The Bank acknowledges the company's obligation and responsibility to provide the appropriate funds to implement this OSH program. This includes:

- Orientation and training of its employees on OSH
- Provision and dissemination of safety information
- Education and communication materials on Safety & Health
- Provision of Personal Protective Equipment (PPE) when necessary
- Provision of other OSH-related requirements
- Conducting assessments to proactively identify risks and hazards and ensure safe and healthy working conditions
- Conduct investigations regarding work-related injuries, ill health, diseases, and incidents

The Bank is fully aware of the penalties and sanctions for OSH violations as provided for in RA 11058, including its implementing rules and regulations.

EMPLOYEE HEALTH AND SAFETY STATISTICS

GRI 403-8, 403-9, 403-10

	UBP	CSB	BK	UD
Man-hours worked	10,439,768	4,825,920	1,237,776	370,944
Safe man-hours	10,439,768	4,825,920	1,237,776	370,944
Workers (regular and contractual) covered by an OHS management system	5,359	2,293	642	244
No. of work-related injuries	0	0	0	0
No. of work-related fatalities	0	0	0	0
No. of safety drills	5	599	3	2

Accumulated Safe Man-hours **49,017,039**

LABOR-MANAGEMENT RELATIONS

The Bank fosters strong labor-management relations by promoting open communication, fairness, and a shared commitment to employee well-being. Through regular engagement with the UnionBank Employees Association (UBEA) and the Family Welfare Committee, the Bank strengthens trust and cultivates an environment of collaboration.

In 2025, the Bank and UBEA successfully negotiated the Collective Bargaining Agreement (CBA) for 2025 to 2030 during a historic one-day negotiation period, which culminated from a year-long collaboration and engagement between UBEA and the Bank, aimed at cultivating deeper interpersonal relationships and the immediate resolution of arising issues.

Among the initiatives to promote industrial peace held during the year were refresher sessions on the Code of Conduct, training on Workplace Emergency Preparedness, and a quarterly Labor Management Cooperation meeting attended by all of the Bank's relevant stakeholders.

COLLECTIVE BARGAINING AGREEMENT

GRI 2-30

Metric	UoM	UBP	CSB	BK	UD
Employees covered with Collective Bargaining Agreements	%	11	38	0	0
Consultations conducted with employees concerning employee-related policies	count	30	5	14	0

PROFILE OF BOARD AND KEY EXECUTIVES

Profiles of The Board of Directors

(as of December 31, 2025)

Erramon I. Aboitiz

69, Filipino
Non-Executive Director, 37 years on the Board
Represents Aboitiz Equity Ventures

Serves as Chairman of the Board of UnionBank. He is also the Chairman of the Board of Directors of Aboitiz & Company, Inc. and Endeavor Philippines. Mr. Aboitiz sits as Director of Aboitiz Equity Ventures, Inc.[a] and Aboitiz Power Corporation[b] and serves as Chairman of the Board of Trustees of the Asian Institute of Management.

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

[a] Publicly listed company.
[b] Publicly listed company.

Justo A. Ortiz

68, Filipino
Non-Executive Director, 32 years on the Board
Represents Aboitiz Equity Ventures

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[a], 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.

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 recognitions bestowed upon him were the Asian Banker Lifetime Award and the 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

[a] Publicly listed company.

Ana Maria Aboitiz Delgado

45, Filipino
Executive Director, 4 years on the Board

She 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.[a], UBP Investments Corporation, the Bankers Association of the Philippines, and BancNet, Inc. 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

[a] Publicly listed company.

Sabin M. Aboitiz

61, Filipino
Non-Executive Director, 12 years on the Board
Represents Aboitiz Equity Ventures

Serves as Director of UnionBank. He is Director, President and Chief Executive Officer of Aboitiz Equity Ventures, Inc.[a] (AEV), and Chairman of the Board of Aboitiz Power Corporation[b]. Mr. Aboitiz is also the President of AEV Aviation, Inc., and AEV-CRH Holdings, Inc., both of which are wholly-owned subsidiaries of AEV.

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
- Alternate Member, Operational Risk Management Committee

[a] Publicly listed company.
[b] Publicly listed company.

Samel A. Aboitiz

34, Filipino
Non-Executive Director, 3 years on the Board
Represents Aboitiz Equity Ventures

Serves as Director of UnionBank. He is First Vice President for Finance, Accounting and Risk of Aboitiz Equity Ventures, Inc.[a] (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 the Coal Business Unit of Aboitiz Power Corporation[b] 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.

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

[a] Publicly listed company.
[b] Publicly listed company.

Iker M. Aboitiz

53, Filipino
Non-Executive Director, 8 months on the Board
Represents Aboitiz Equity Ventures

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.[a] and First Vice President - Chief Financial Officer and Corporate Information Officer of Aboitiz Power Corporation[b]; Director and Chief Financial Officer of Abovant 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.

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 Lyonaisse 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

[a] Publicly listed company.
[b] Publicly listed company.

Jose Emmanuel U. Hilado

62, Filipino
Non-Executive Director, 2 years on the Board
Represents Aboitiz Equity Ventures

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[a] (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.

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[b], Treasurer at Rizal Commercial Banking Corporation[c], and Chief Trader at BDO Unibank, Inc.[d] 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

[a] Publicly listed company
[b] Publicly listed company
[c] Publicly listed company
[d] Publicly listed company

Nina Perpetua D. Aguas

73, Filipino
Non-Executive Director, 9 years on the Board
Represents Insular Life Assurance, Co.

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[a], and as Independent Director of Monde Nissin Corporation[b]. 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.

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

[a] Publicly listed company.
[b] Publicly listed company.

Robert Joseph M. De Claro

54, Filipino
Non-Executive Director, 2 years on the Board
Represents Social Security System

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.[a]

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

[a] Publicly listed company.

Victor Alfonso A. Limlingan

49, Filipino
Non-Executive Director, 10 months on the Board
Represents Social Security System

Serves as Director of UnionBank. He was appointed as a Social Security Commission (SSC) Commissioner, representing the 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 (Hong Kong). 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 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
  - 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

[a] Publicly listed company.

Roberto G. Manabat

78, Filipino
Lead Independent Director, 7 years on the Board

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[a]; and EEI Corporation[b]. 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.

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 includes: 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

[a] Publicly listed company
[b] Publicly listed company

Manuel D. Escueta

74, Filipino
Independent Director, 4 years on the Board

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[a] 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.

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

[a] Publicly listed company.

Josiah L. Go

63, Filipino
Independent Director, 4 years on the Board

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

55, Filipino
Independent Director, 2 years on the Board

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[a] 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.

Mr. Poblador holds a Bachelor's degree in Management Economics from 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

[a] *Publicly listed company.*

Peter B. Favila

77, Filipino
Independent Director, 5 months on the Board

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[a] (PSE), Securities Clearing Corporation of the Philippines, GT Capital Holdings Inc.[b], Credit Information Bureau Inc., Sunlife Grepa Financial Inc., Malayan Insurance, Philippine Dealing System Holdings Corp., Bright Kindle Resources & Investments, Inc.[c], 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[d]; President of Allied Banking Corporation; and President of Security Bank Corporation[e].

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

[a] *Publicly listed company*
[b] *Publicly listed company*
[c] *Publicly listed company*
[d] *Publicly listed company*
[e] *Publicly listed company*

PROFILE OF SENIOR MANAGEMENT

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 THE INDIVIDUAL HAS SERVED AS SUCH
Ana Maria A. Delgado	45	Filipino	President & Chief Executive Officer	January 1, 2025 to present
			Senior Executive Vice President - Institutional Banking Head and Chief Digital Channel Officer and Chief Customer Experience Officer	July 1, 2023 to December 31, 2024
			Senior Executive Vice President – Chief Digital Channel Officer and Chief Customer Experience Officer	June 1, 2022 to June 30, 2023
			Executive Vice President – Chief Digital Channel Officer and Chief Customer Experience Officer	June 1, 2020 to May 31, 2022
			Senior Vice President – Center Head, Consumer Finance and Chief User Experience Officer	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	October 1, 2025 to present
			Executive Vice President – Wealth Management Head	July 1, 2025 to September 30, 2025
			Wealth Brokerage Head	August 1, 2022 to June 30, 2025
Manish Chawla	51	Indian	Executive Vice President – Chief Technology and Operations Officer	June 28, 2024 to present
			Executive Vice President – Chief Information and Operations Officer	July 28, 2023 to June 9, 2024
			Executive Vice President – Chief Operations Officer	July 1, 2023 to July 27, 2023
Melina C. Concha	54	Filipino	Executive Vice President – Institutional Banking Head	February 2, 2026 to present
			Executive Vice President – Institutional Banking Head and Corporate Banking Center Head	January 1, 2026 to February 1, 2026
			Executive Vice President – Institutional Banking Head	June 2, 2025 to December 31, 2025
			Executive Vice President – Chief Digital Channel Officer and Chief Customer Experience Officer	June 1, 2020 to May 31, 2022
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	54	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 and 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

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
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

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
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
Gauraw 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	July 1, 2025 to present
			Chief Risk Officer	December 16, 2022 to June 30, 2025
			Acting Chief Risk Officer	October 28, 2022 to December 15, 2022
			Credit Portfolio Senior Group Manager	August 1, 2022 to October 27, 2022

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
Raymond Anthony B. Acosta	49	Filipino	Senior Vice President – Infrastructure and Service Management Head	June 1, 2022 to present
			First Vice President – Head, Infrastructure and Service Management / Digital Integration Committee	July 1, 2019 to May 31, 2022
			Vice President – Senior Team Manager – Technical Support Database Admin	July 1, 2016 to June 30, 2019
Jonnaluz B. Arañas	45	Filipino	Senior Vice President – Digital Acquisition and Partnerships Head	July 1, 2025 to present
			Senior Vice President - Telesales Group Manager	August 1, 2022 to June 30, 2025
Donald A. Asuncion	57	Filipino	Senior Vice President – Corporate Banking Group Head	June 1, 2021 to present
			Vice President – Senior Relationship Manager	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	July 1, 2023 to present
			First Vice President – Head of Markets	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	July 1, 2023 to present
			Senior Vice President – Corporate Banking Group Head	July 1, 2015 to June 30, 2023
Ma. Cecilia Teresa S. Bernad	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

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
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
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

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
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 Controllership	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

UNIONBANK SUBSIDIARY HEADS

(as of January 30, 2026)

COMPANY	NAME	POSITION
City Savings Bank, Inc.	Ana Maria A. Delgado	Chairman
	Manuel G. Santiago Jr.	President & Chief Executive Officer
UBX Philippines Corporation	Jose Emmanuel U. Hilado	Chairman
	Daniel Yousif Edward Marogy	President & CEO
UBP Investments Corporation	Manuel R. Lozano	Chairman
	Montano M. Dimapilis	President & CEO
PETNET, Inc.	Manuel G. Santiago Jr.	Chairman
	Adrian Alfonso T. Ocampo	President & CEO
ATR Asset Management, Inc.	Manuel N. Tordesillas	Chairman
	Michael V. Ferrer	Vice Chairman / President & CEO
Atram Trust Corporation (Merged with UnionBank Investment Management and Trust Corporation)	Manuel N. Tordesillas	Chairman
	Philip Frederick S. Hagedorn	President & Chief Investor Engagement Officer

COMPANY	NAME	POSITION
UnionDigital Bank Inc.	Justo A. Ortiz	Chairman
	Danilo J. Mojica II	President & CEO
Bangko Kabayan Inc.	Lorenzo T. Ocampo	Chairman
	Leandro B. Ofrecio	President & CEO
UnionBank Financial Services and Insurance Brokerage Inc.	Manoj Varma	Chairman
	Ramon Melchor E. Tejero	President & CEO
First Union Insurance & Financial Agencies, Inc. **(ceased operations with pending dissolution)**	Antonio Sebastian T. Corro	Chairperson
	*Vacant	President

Business Experience of Executive Officers

The following are descriptions of the business experience of each of the Executive Officers of the Bank:

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 roles across all functional units in finance, sales, credit, and marketing in the Philippines, India, Taiwan, South Korea, and the United States of America.

Mr. Varma graduated with a 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 with a 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's degree in Finance and Control from 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 oversaw 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 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 at UnionBank, he held various positions from 2001 to 2017 at 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 the Indochina Region, guiding the member banks across 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 in 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[a] 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[b].

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[c], 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.

[a]Publicly listed company
[b]Publicly listed company
[c]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[a] 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.

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 holds a Bachelor of Science degree, Major in Management Engineering (Honors Program) from Ateneo de Manila University.

[a]Publicly listed company

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 Bachelor of Science degree in Business Administration, Major in Management from 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 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.[a] from June 2015 to December 2022, and Aboitiz Power Corporation[b] 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.

[a]Publicly listed company
[b]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.[a] 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).

[a]Publicly listed company.

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 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.

She holds a degree in Industrial Management Engineering from De La Salle University.

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[a] ("MBTC"). During her stint in MBTC, she also held the position of Division Head of Credit Group and a Designated Senior Credit Officer; served as Vice Chairman of Credit Committee, and as a 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.

[a]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 through 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.

Gauraw 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 postgraduate 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 to being assigned to the Philippines. He held Senior Credit Officer entitlement since 2005 during his stint at Citibank N.A. Indonesia and had international exposures through risk reviews / audits and short-term assignments.
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, the latest of which was heading the production readiness for LD2 Citi integration. Prior to joining UnionBank, 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 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 the Product team where she played a pivotal role in kicking off the synergy of the 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 relationships 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, which handled multinational companies with a presence in the Philippines.

Mr. Asuncion obtained his Bachelor of Science in Commerce with a Major in Business Management from De La 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.[a] 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, PNOC Exploration Corporation, and Padilla Jimenez Kintanar & Asuncion Law Offices.

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

[a]Publicly listed company.

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[a] as Head of Dollar Fixed Income Trading; and Security Bank Corporation[b] as a Peso Fixed Income Trader. He started his career with Citibank N.A. as Business Process Analyst under its Regional Financial Control.

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.

[a]Publicly listed company
[b]Publicly listed company

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. His expertise ranges from call center operations and productivity, to product & portfolio SME, and finally with cards, cash loans, and installments. 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 34 years and started her career as Account Assistant under the UnionBank's Corporate Banking. Prior to joining the company, she was a 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 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 was 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 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 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[a]. 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.

[a]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, the majority of which was 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[a] and UnionBank.

Mr. Gabriel obtained his Bachelor of Science degree in Accountancy from De La Salle University.

[a]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 at 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 of nearly 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 three-year stint in Standard Chartered Bank, Singapore as Head of Retail Banking Unsecured Lending, where she successfully developed a 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. He has also demonstrated 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.

He is 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 managed 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[a] and Equitable PCI Bank.

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 in Bachelor of Science in Accountancy from Divine Word College. He is also a Certified Trainor for Unitized Investment Trust Fund issued by the Trust Officers Association of the Philippines in 2014.

[a]Publicly listed company.

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 from 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 De La Salle University with a 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. Miraflor 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 is also distinguished with various awards and recognitions such as the Legion of Honor, the Degree of Commander, the Distinguished Service Star (multiple), the 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 serves as a Board of trustee for the UnionBank of the Philippines Condominium Association, Inc (UBPCAI) and the UnionBank Square Condominium Corporation (UBSCC).

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

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 extensive experience leading corporate relationship teams and managing Philippine corporates.

She has two 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 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[a]. She has extensive experience with the distribution of investment and foreign exchange sales, fixed income securities, and UITF products to different market segments, among others.

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[b] from February 2007 to July 2010.

She started her career as a Money Market Trader from The Philippine Banking Corporation, and later joined the Metropolitan Bank and Trust Company[c] as USD / PHP Swap and Forward Trader. She has also held various positions with the National Association of Securities Brokers, Inc.

[a]Publicly listed company
[b]Publicly listed company
[c]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 a 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 the Institute of Corporate Directors (ICD), and Founding Member and Membership Committee Head of ISC2 Philippine Chapter.

In 2022, he was awarded the Chief Information Security Officer 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.[a] 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 a degree in BS Statistics from the University of the Philippines - Diliman.

[a]Publicly listed company

Atty. Jesse Pauline B. Solis has been Assistant Vice President and 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 Bachelor's degree 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.

Management Directory

President & Chief Executive Officer

- ANA MARIA A. DELGADO

Senior Executive Vice President

- MANOJ VARMA

Executive Vice Presidents

- THERESE G. CHAN
- MANISH CHAWLA
- MELINA C. CONCHA
- ANTONIO SEBASTIAN T. CORRO
- ISAGANI A. CORTES
- ALBERT RAYMOND C. CUADRANTE
- RAMON G. DUARTE
- CONCEPCION PERLA P. LONTOC
- MANUEL R. LOZANO
- DENNIS D. OMILA
- MICHAELA SOPHIA E. RUBIO
- RAQUEL N. SEVIDAL
- JOHNSON L. SIA
- GAURAW SRIVASTAVA
- MUKUL AJAY K. SUKHANI
- ERWIN WIRIADI

Senior Vice Presidents

- JULIAN MICHEL A. ABOITIZ
- RAYMOND ANTHONY B. ACOSTA
- CHRISTY MAE R. ALMONTE
- BRENDA RUTH A. ANGELES
- ERIANNE B. ANSALDO
- JONNALUZ B. ARANAS
- CYRIL G. ARNESTO
- DONALD A. ASUNCION
- AARON JON D. ATIENZA
- GERARDO T. AUSTRIA
- ALAN JAY C. AVILA
- ANGELA G. BAGUISI-PERALTA
- JOSELITO V. BANAAG
- CONRAD ANTHONY DOMINIC L. BANAL
- RONALDO S. BATISAN
- MARY GRACE H. BELA
- KONSTANTIN O. BELOGLAZOV
- MARIA CECILIA TERESA S. BERNAD
- JESUSA CRISEL L. BERNARDINO
- MAY G. BUENCAMINO
- RUTH MARY S. CALAMBA
- ALLAN ROY L. CALDERON
- CATHERINE ANNE B. CASAS
- LUIS ALBERTO A. CASTAÑEDA
- VINCENT PAUL M. CASTILLO
- MARY GRACE G. CATOTO
- EFRENILO L. CAYANGA, JR.
- MARGARET O. CHAO
- MICHAEL L. CHONG
- ABIGAIL SARENA T. CHUA
- MA. ELEONOR E. CHUA
- LUIS MARTIN S. CLEMENTE
- LESLEY ANNE H. CO
- LESLEE MAY T. CRUZ
- ANTONIO MIGUEL D. DANS, II
- GENER P. DE GUZMAN
- JONATHAN JERALD V. DEOMANO
- NIÑA MICHELLE A. DESTACAMENTO
- ROLANDO P. EBREO
- CARLO I. EÑANOSA
- GLADYS G. ENRIQUEZ
- EDRIC B. FERNANDEZ
- MARILOU I. FERRER
- NORMAN C. GABRIEL
- CHRISTOPHER M. GO
- ERIKA DENISE D. GO
- NERISSA A. GONZAGA
- RICHARD JAMES T. GONZALEZ
- RAMON MANUEL A. GUINTO
- SHELLA MARIE P. HERNANDO
- BHUVANESH HINGORANEY
- JAMES MORRIS P. ILETO
- IMELDA G. JAYME
- SIMRAN KHANNA
- MARIANO DOMINICK F. LACSON
- ADRIAN H. LIM
- TRACY S. LIM
- PETER AGUSTIN T. LOPEZ
- CYNTHIA J. MACASAET
- ANGELBERT G. MACATANGAY
- MICHAEL P. MAGBANUA
- KATHLEEN MARIE P. MALACAD
- ANA JANIA F. MAÑALAC
- MACKLEN A. MANAOIS
- KENNETH C. MARIANO
- MA. ELOISA JOVITA M. MARIANO
- MELISSA ANNE G. MARTIN
- KATHLEEN BERNADETTE W. MATEO
- DON JERICO B. MATRIANO
- DONN ANTHONY L. MIRAFLOR
- AGNES VERONICA S. MOULIC
- EDGAR ALLAN G. OBLENA
- CHRISTOPHER PATRICK G. OCAMPO
- GLADYS M. OCAMPO
- JACQUELYN J. ONG
- LEILA P. PAZ-AGUBA
- LAURO P. PERALTA
- PAUL BENEDICT F. PEREZ
- VIVIAN S. PEREZ
- SANDRA L. PURIFICACION
- PRAVEEN W. RAMANKUTTY
- CYRUS G. REBUENO
- MARIA IRAIDA B. RECTO
- GOEFFREY LANCELOT V. REMO
- JOSE ALONSO C. REYNA
- MICHELLE P. RODRIGUEZ
- JOSE MARIA O. ROXAS
- MARIA KATRINA N. ROXAS
- ROBIN EMMANUEL S. ROXAS
- JOSE PAOLO G. RUFO
- QUINTIN C. SAN DIEGO, JR.
- BUENAVENTURA S. SANGUYO, JR.
- MYLA ANGELA A. SANTOS
- NIKKI NEIL R. SANTOS
- RENATO PICCOLO R. SARMIENTO, JR.
- GAUTAM SHARMA
- CHRISTINE V. SIAPNO
- MARIA CARISSA A. SINDIONG
- RAYMOND JOSEPH F. SONCUYA
- ANGELLYN CLAUDETTE P. SUMPAICO
- MELLANY M. SY
- BEN P. SY CHU
- MARNITA J. TAN
- JOHN MICHAEL C. TANG
- MARTIN JAMES S. TENSUAN
- CHERRIE L. TINOKO
- MA. CRISTINA C. TISMO
- JO-ANN FATIMA L. TOLENTINO
- MENCHIE M. TORMON
- INULLI C. TY
- SHEILA P. UMALI
- MARIA PAZ B. URMATAM
- DOMINADOR N. VELASCO, IV
- LEO MIGUELITO D. VILLACRUCIS
- KAREN KRISTINE S. YANG
- JEANNETTE YVONNE M. ZAGALA

Vice Presidents

- AMY P. ABES
- JAMES STEVEN P. AGUILAR
- JENNIFER ROSE M. ALANO
- CORAZON T. ALCANTARA
- ALFONSO ISMAEL A. ALCUAZ
- RALPH SYLVESTER E. ALO
- SHARLYN VERONICA M. ALO-LAMBOT
- MARIA JERUSHA J. AMBROSIO
- ANN LILIBETH M. ANTIQUINA
- JIMMY S. ANYAYAHAN
- RONALD GERARD M. ARCEO
- MAYUMI C. AROMIN
- ANNA CLARET F. ASUNCION
- RACHEL P. ASUNCION
- ANNA LEA O. AXALAN
- KATHLYNN ANN L. AZNAR
- JOSEPH D. BARICAUA
- SHEKILAH R. BARTOLOME
- MA. ROWENA S. BASCONCILLO
- GUIA G. BAUSA
- RONA S. BAUTISTA
- VINCENT DANTE R. BENEDICTO
- MARIA CARMEN R. BENITEZ
- SHIENDY G. BENITEZ
- RACHELLE M. BERNAL
- SHERYLL P. BIYO
- AURA BERNADETTE R. BONZON
- GRACE ANN S. BUENO
- FRANCIS CABEROY
- TINA MARIE T. CALDERON
- MICHELLE C. CAOILE
- JOANNE CHRISTINE T. CAPAL
- MARIA CECILIA R. CAPERINA
- DIANE DOMINIQUE O. CAPILI
- JOSE PATRICIO F. CASAS
- JOSEPH M. CASTILLO
- MILDRED B. CASTILLO
- JESSA MARY ANN C. CEDEÑO-BUYCO
- JENILLE STEPHANIE N. CHUAN
- LOUIS MICHAEL P. CONCEPCION
- MICHAEL VINCENT F. CONDEZ
- MONICA D. CRISTI
- AMOR A. CRUZ
- GERARDO O. CRUZ, JR.
- JOHANNA MAE D. CRUZ
- HEINDRICK FRANELL G. CU
- MARIA CONCEPCION M. CUETO-GALLEON
- DIANA D. DAYRIT
- ABIGAIL M. DE GUZMAN
- FREDERICK DANIEL D. DE GUZMAN
- CAROLINA G. DE LUZURRIAGA
- GERARD ROBIN D. DE PADUA
- MARIA ANNA VERONICA N. DEL ROSARIO
- MARIA EUNICE C. DELA DINGCO
- ROMINA R. DELA TORRE
- JEANETTE T. DIMERO
- ERNESTO P. DIÑO, JR.
- NORIE FE R. DY
- NATHANIEL M. DY-LIACO
- RENEE LYNN S. DYTUCO
- PAOLO M. ELEMOS
- GERARD BOY O. ELINZANO
- ELLIEBETH ENDAYA
- BENISE CHRISTINE ENDENCIA
- RUPERT ANTHONY G. ENRIQUEZ
- JENNIFER F. ESCASA
- CHRISTINE ANNE P. ESGUERRA
- MARJORIE K. ESPIRITU
- ERICK JOHN G. ESTRADA
- LIEZL S. FALDAS
- ROMEO V. GABAYERON
- MICARELLA MARIZ I. GABRIEL
- MARIA PAZ C. GALANG
- JESSINE Y. GAMO
- JILLIAN Q. GATCHECO-CANTADA
- GIOVANNI S. GEMANIL
- ARNICA MAE GO
- ANTONIO JAVIER I. GONZALEZ
- RENE P. GUZMAN
- JAYPEE E. HALAGAO
- JUSTIN DANIEL A. HONCULADA
- JUAN CARLOS D. IBARRA
- BARBARA ANNE G. ILAGAN
- ROMMEL R. ILUNIO
- MARIA CONCEPCION M. ISIDRO
- CARLO RAMON R. JAYME
- BERNICE A. JUNGHAN
- SAIRAH SEDILLO U. KADIL
- JENNIFER MARIE G. KO GAW
- NIKHIL KUMAR
- LEAN ADRIEL D. LLANES
- REENA APRIL M. LUMBA
- MATTEL PAMELA LUNA
- JENNI ROSE I. LURIAN
- ROMMEL T. MACAPAGAL
- ABHINAV MAHAJAN
- MARIA KRISTINA M. MANLAGNIT
- CLARISSA LOURDES S. MATIAS
- ANNA ROXANE M. MATSUDA
- DAVID R. MEDEL
- AMOR A. MONDEJAR
- EUGENE CHRISTOPHER O. MONSOD
- NOELYN JOYCE R. MORALES
- MELANIE R. MOTUS
- GRETCHEN T. NAVOR
- MARIA MINERVA A. NIETO
- MIGUEL CARLOS M. NOLASCO
- LANNIE Y. OCUBILLO
- ANA MARGARITA T. OLIVEROS
- CAESAR ANTONINO M. ORDOÑEZ
- MELISSA LYNN S. PABLO
- JOSE PAOLO P. PALACIOS
- ERWIN N. PALOMAR
- ROBERT M. PANGANIBAN
- CARLO MIGUEL A. PASION
- JERRICA B PASTOR
- JOHN FRANCIS F. PECAÑA
- PAMELA GERALDINE P. PEPITO
- JULIEN COHL A. PUSTA
- PHILIPPE D. QUITO
- EDON V. RAMIREZ
- MARY MAE M. RAMIZO
- JHOEL P. RAQUEDAN
- MARGIE D. RAYMUNDO
- CATHERINE C. RAZON
- ANNA MARIE B. REYES
- SHEILA MARIE D. REYES
- KRISTIAN ANTHONY M. RICARDO
- JOANNA MARIE G. ROBLES
- LOU ANGELA I. ROCO
- DARYL SOL D. RODRIGUEZ
- RAMON MARIANO R. RODRIGUEZ, JR.
- RACHELLE R. ROGEL
- NIKKI ANN E. SAC
- JOHN BASIL O. SACE
- JOEL V. SALVADOR
- WILHELM S. SAMSON
- MYLENE S. SANCHEZ
- ESSEN A. SANGALANG
- FRANCESCA CELINE B. SANGALANG
- ANNALYN S. SANTOS
- MA. AGNES R. SANTOS
- PIERRE EMANUELLE N. SANTOS
- DAVE MARCO D. SESBREÑO
- KRIS LAWRENCE L. SIA
- ALEXANDER JOHN H. SIBAL
- REZIEL B. SIMO
- MARY GRACE O. SINGSON
- MICHELLE GALE O. SOLIMAN
- KATRINA TANYA P. SONCUYA
- MA. VANESSA S. STA. ANA
- CECILLE P. STA. TERESA
- MELISSA HAZEL C. SUA
- CAROL ANN T. TAGLE
- MARILOU A. TAINO
- MICHAEL PAUL P. TAN
- STEPHANIE Y. TAN
- ELIZABETH C. TANG
- MA. AMPARO L. TANG
- KAREN LYNDE Q. TEE
- ROMANA M. TIU
- COLLEEN FAYE P. TOLEDO
- SERAFIN BENEDICTO U. TONGCO, II
- KRISTINE A. UBALDO
- SHERRYL B. UY
- KARINA AILEEN B. VALDEZCO
- ANAMARIE O. VALENCIA
- JOANN B. VELASQUEZ
- STEPHANIE A. VILLAFUERTE
- JOHN RAY C. VILLAMAR
- MARIA AILEEN A. VILLARAMA
- CAMILLA NATASHA B. VILLEGAS
- ROSE ANNE I. VILORIA
- JOANNA R. WOLF
- ENRIQUE NOEL L. YUSINGCO

Assistant Vice Presidents

- MICHELLE ANNE P. ABARQUEZ
- EMELISSA D. ABENIR
- MORRIS MOREL H. ABESAMIS
- ROMABELLE A. ADVINCULA
- THEEEX D. AGAPITO
- REAGEN A. AGUDA
- JENNIFER C. ALBANO
- ADRIAN A. ALDABA
- BEN LLOYD T. ALTAREJOS
- MARIA PAZ ANGELICA H. ALVAREZ
- RACHEL ANN G. AMANDY
- JOYCE C. ANCHETA
- HAZEL L. ANTIVOLA
- ANGELO DON D. APONGOL
- DANILO S. AQUINO, JR.
- MICHAELA DOMINIQUE V. ARCANGEL
- NIKKO RIO C. AREVALO
- XAVIER DOMINIC D. ARROYO
- RUBEN CARLO O. ASUNCION
- JOHN EDRIAN M. ATENDIDO
- KAREN O. AUNZO
- BASILLE ALICESANDRA L. AVELINO
- MA. DENISE ISABEL M. AVIS
- ANNA LIZA B. AYUGAT
- CONRAD CARLOS E. BAGUI
- MARIAN JOHANNA D. BAILON
- MA. THERESA T. BANZON
- CHRISTIAN T. BANZUELA
- CAMILLE FRANCES L. BASILIO
- ELLA RUTH C. BAUTISTA
- JOMAR V. BAUTISTA
- JUAN MIGUEL R. BAUTISTA
- KATHLEEN ANNE A. BEJER
- MARCELO A. BELLECA
- MARISSE R. BERNAL-CO
- WILFREDO S. BERNARDO
- FLUELLEN N. BESITAN
- FRANCINE NICOLE A. BHARWANI
- ERMA MAE D. BODIAO
- ZYRA MAE O. BONGAO
- LEO ALEXANDER N. BORROMEO
- ROEL C. BRION
- JUAN ANTONIO A. BUGAYONG
- JOMAR R. BULANON
- ARMINDA M. CABACOY
- FLORDELIZA B. CABUTIN
- ANN FRANCES A. CALANOG
- JUANCHO L. CALAYAN
- ANNA MARIE J. CALDERON
- VALYNE A. CALMA
- CHRISTER VAN B. CAMACHO
- MARY ANN S. CAÑARES
- JENNYLYN C. CAR
- DELVER ALBERT E. CARILLO
- AGNES VICTORIA D. CASAL
- LEA BEVERLY B. CASIMIRO
- DONNA VITTORIA F. CASTELL
- JOYCE ANN C. CASTILLO
- FREDERICK C. CATAHAN
- MARLON P. CHUA
- MATTHEW GREGORY F. CIPRIANO
- LEONARDO C. CORONADO
- SUSAN C. CORRAL
- ARNEL L. CORTEZ
- KENDRICK O. CRUCILLO
- ANNA MARIE C. CRUZ
- MA. LOURDES ELOISA T. CUNANAN
- IDA ANGELA A. DAGCUTA
- MARIA CECILIA C. DANGANAN
- ZHEANNE AMIRA M. DANTIS
- PHILANE SOCORRO M. DAVIES
- JAVI ANGELA B. DE GOROSTIZA
- CATHERINE Z. DE GUZMAN
- ROMMEL D. DE GUZMAN
- MA. ROSARIO KRISTINE A. DE LA TORRE
- CYRIL F. DE LEON
- KAREN T. DEL CASTILLO

- IRENE L. DEL ROSARIO
- MARY GRACE C. DEL ROSARIO
- ANN LOUREIN R. DELA CRUZ
- KEITH JACQUILENE B. DELA CRUZ
- MARIA ARMELA L. DELA CRUZ
- ROBERT JOSEPH E. DELA CRUZ
- MARTHANIEL C. DELA PAZ
- HAZEL P. DELES
- MARY EHMYLLE D. DELMO
- ALYSSA R. DELOS ANGELES
- JOSE MANUEL D. DIAZ
- MARIA CRISTINA N. DIMAANO
- MAUREEN JONAH D. DIMAYA
- JORELL S. DIMAYUGA
- ANDREI M. DONATO
- SERGEI JUDE C. DORIA
- CHARLIE D. DOROIN, JR.
- DENNIS JIM C. DRUECO
- MARCO PAULO S. DUMALIANG
- JOSEPH RAYMOND M. DUNGCA
- GENEVIEVE L. DY
- MARIA SOLEDAD B. ENCARGUEZ
- ABIGAIL B. ENCISO
- GERARD CHESTER J. ENRIQUEZ
- DAISY G. ESCUETA
- IRENE C. ESPANOL
- CAYO RAMON F. ESPEJO
- SANDY C. ESTRELLA
- MA. ANA C. FIGUEROA
- NEMIA P. FRANCIA
- CHRISTEHL REGINE B. FREJAS
- ARVIN C. GABRIEL
- JACQUELYN K. GALVEZ
- JEFFERSON A. GALVEZ
- PATRICIA JOYCE G. GAMBOA
- PETE P. GAMBOA
- MANUEL S. GARING
- BIANCA GRACIELA D. GELIDO
- ALTHEA CHARMAINE R. GIRANG CAMACHO
- NATALIE RAYMA R. GODOY
- BRONELL C. GONZALES
- ENRIQUE D. GONZALES, III
- ANNA BEATRIZ G. GONZALEZ
- PAUL C. GUADALUPE
- MA. ROSHCIEL O. GUANLAO
- JEROME T. GUARIN
- MATTHEW LELAND DAVID Y. GUE
- DONNALYN GRACE M. GUEVARA
- BRIAN N. HERNANDEZ
- ADRIANO T. HIPOLITO
- JOSEMARIA M. HIZON
- MARIA ANGELA M. HIZON
- ANGELICA ELAINE E. HONASAN
- ROBERT MARCO S. IBARRA
- JOHN PHILIP A. IGNACIO
- JOHN PAULO B. INCIONG
- ANNA CRISTINA A. JAVIER
- CARLOTA P. JOSE
- MARIA LUISA S. JOSE
- VIVIENNE ROSE B. JUMILLA
- JESSICA ANGELA N. KAWAMURA
- NATASSKA IVY T. KU
- JUAN FIDEL N. LABAYEN
- RHEA MARIE R. LAKIP
- CATHERINE N. LANIOG
- NOEL CHRISTOPHER C. LAVARIAS
- LEXTER LOUIE C. LAZARO
- JOWENA G. LIAO
- GIAN CARLO S. LIM
- MARVIN DAVE G. LIM
- NORBERT T. LIM
- JUAN MANUEL S. LIWAG
- DONALD M. LIWANAG
- MYLENE A. LLANETA
- ARLENE S. LUBO
- CRESENCIANO G. LUGOS, JR.
- PAOLO GABRIEL A. MACABUAG
- YVETTE PATRICIA S. MACABUHAY
- NATHALIE CHARMAINE S. MADRID
- KRISTINE D. MAGPILE
- DONNA MAY S. MANDAP
- DONN MARCO A. MANESE
- YOGEE DENZEL RUSSEL D. MANN
- JARDISTINE M. MANTELE
- ALVIN D. MARANA
- RIZA D. MARASIGAN
- ANA ESTELA G. MARCELINO
- LOUIE JANE M. MARCELO
- FRANCIS JOSEPH H. MARCILLA
- MICHAELA ANDREA V. MARFORI
- MARIA CHRISTINA R. MARQUEZ
- MICHAEL CECIL B. MARTINEZ
- NORMAN D. MASCARIÑAS
- MARK JOHN M. MATIBAG
- KRYSTLE ANN P. MEDIANTE
- MARY GRACE G. MEDIAVILLO
- CARNEL P. MEGINO
- LORETA D. MENDOZA
- ANA RICA E. MERCADO
- ANNE CATHERINE O. MISTULA
- JOSE MARI M. MONTEMAYOR
- AMOR G. MORALES
- DONNA CAMILLE T. NACARIO
- GILBERT E. NERO
- JANINE RUBY M. NG
- SAMUEL ANTHONY D. OBERES
- MARGARITA F. ORDOÑEZ
- RONALDO A. ORDONIA
- VIJAY C. OSTONAL
- ANGELICA MARIE J. OZAETA
- PATRICIA ANNE M. PABLO
- MARIA ISABEL S. PADILLO
- MARIA ROSENETTE A. PAGUNSAN
- JACQUILINE D. PALACIOS
- JOSEPH P. PARLAN
- FRITZ GERARD C. PASCUA
- REY D. PASCUAL
- CHERYL L. PATIÑO
- NINO PAOLO C. PERALTA
- MARIA JOANNA VICTORIA J. PEREZ
- NEBEN D. PEREZ
- MYRA CRIS D. PEROL
- JOSE GIL C. PINEDA
- MELISSA F. POLANGCOS
- JOLLY A. PUNONGBAYAN
- CAROLINE P. QUARTE
- RYAN E. RAMIREZ
- CYNTHIA M. RAMOS, JR.
- JOSE LAUNCELOT LANGLEY G. RAMOS
- MAYDEN JOY S. RAMOS
- ROBELYN MAY S. RAMOS
- MARIEL G. REGIS
- KHAE ANNE LEZLIE D. RELOTA
- MICHAEL VINCENT E. REPOLLO
- CLIFFORD D. RESONABLE
- REX G. REYATAZA
- JUSTIN C. RIVERA
- MA. BETTINA YSABEL P. RODRIGUEZ
- RAFAEL A. RODRIGUEZ
- IRIS MONICA D. RODRILLO
- IRENE Z. ROMAN
- CHRISTINE G. ROMERO
- RICARDO MANUEL M. ROQUE
- MA. KRISTINA P. ROSARITO
- MANUEL ANDRES S. ROXAS
- ELVIRA R. ROYALES
- RODYLEN C. SACALA
- JOANNE L. SALANDANAN
- ANGELICA M. SANTIAGO
- CHARLES T. SANTIAGO
- KARLEEN FAYE MARIE A. SANTIAGO
- CHRISTOPHER XAVIER B. SANTILLAN
- LORELIE D. SANTOS
- MONICA FRANCESCA D. SANTOS
- RYAH CLAUDETTE Q. SARILE
- PAOLO LUIGI A. SAZON
- ANDREW A. SELGA
- NARCISA E. SIAN
- AILEEN A. SOLIS
- JESSE PAULINE B. SOLIS
- MICHAEL C. SOTTO
- RIO MAE EVELYN A. TALISIC
- AINA S. TAN
- EDHEL ANN S. TAN
- MARILYN O. TAN
- MAHALIA A. TECSON
- MICHAEL N. TERRADO
- FRANCIS ALBERT B. TIONKO
- HELEN GRACE B. TORRES
- RACHEL ANNE P. UBAY
- AIDA T. UNGAY
- YSABEL JACQUELINE A. URRUTIA
- CHE MARIE T. UY
- EMMANUEL THOMAS GERARD O. VALEÑA
- DERRICK M. VALENZUELA
- LEILANI D. VALLE
- KRISTINE P. VALSADERA
- SUNSHINE S. VICTORIA
- MARIA LAURA RAMONA S. VILLACORTA
- ANTONIO F. VILLAFRIA, JR.
- ARVIN F. VILLANUEVA
- MELINDA E. VILLAREAL
- DAREEN GAY S. VILORIA
- SUGAREY G. VINZON
- DIA LAREINA PAULINE G. WONG
- MARIA ELIZA CAMILLE B. YAMAMOTO-SANTOS
- JEANIELYN T. YAP
- NERISSA A. YAP
- JEEL V. YEE
- JASON CLEIN L. YU
- KATHLEEN SUZETTE B. YU
- JESSMAE S. ZAFRA
- BENIGNO B. ZIALCITA, IV

REIMAGINING INNOVATION FOR SERVICE EXCELLENCE

GRI 3-3

Innovation and digital strategy solidify UnionBank's positioning as a next-generation Bank, ensuring it can deliver value to its customers as both a provider and a financial partner. This section outlines the Bank's oversight and development of its intellectual assets, detailing both present and future strategies to better serve its shareholders.

DIGITAL INFRASTRUCTURE & ASSETS

UnionBank entered 2025 with a reinforced infrastructure foundation, following the completion of the Citibank Philippines' retail integration. By deploying advanced cloud solutions through its partnership with Amazon Web Services (AWS), the Bank aimed to enhance customer experiences while scaling its backend systems to support broader financial inclusion. The modernized ecosystem now reliably manages 1.5 million newly integrated customer records.

The technical delivery for 2025 relied on a hybrid cloud stack powered by Red Hat OpenShift on AWS. This environment provides the agility necessary to develop cloud-native digital wallets and AI-enabled financial assistants.

In August 2025, a major milestone was reached with the launch of a Crypto Wallet within the UnionBank Online app. Utilizing its VASP license, the Bank enabled customers to buy, sell, and store digital assets directly, effectively scaling UnionBank's tokenization roadmap within a secure, regulated framework.

Closing in on NextGen AI

At the DMAP DigiCon 2025, UnionBank highlighted its transition toward "NextGen AI Banking." Its infrastructure now supports more than 80 AI models that drive hyper-personalization and automated financial guidance. Central to this strategy is a "phygital" approach, where physical and digital interactions merge to create a seamless client experience. By adopting a philosophy of "AI with empathy," the Bank ensures its automated tools provide intuitive support tailored to individual customer journeys.

Efficiency in 2025 was further strengthened by AI-driven employee enablement tools. Sophisticated assistants like RIA and the Wealth RM Assistant were deployed to streamline internal workflows and improve the accuracy of wealth management services. Integrating these models into the Bank's intellectual capital enables faster service and more consistent support for front-line staff. These advancements demonstrate how software assets are utilized to optimize both customer-facing and back-office operations.

REIMAGINING BUSINESS

GRI 203-2

The NextGen Advantage

UnionBank Institutional Banking is empowering enterprises to lead the future

The future belongs to organizations that don't just react to change—they shape it. Businesses today are navigating a market in transition: cash remains essential, ecosystems are expanding, and digital adoption is accelerating. As they evolve, they need more than traditional corporate banking. They need a strategic partner that understands today's operating realities while helping them prepare for what's next.

That's why we launched UnionBank Institutional Banking. At our launch event, The NextGen Advantage, we brought together more than 400 business leaders to explore how institutions can adapt to changing economies, rising stakeholder demands, and the rapid growth of AI and digitalization.

Partnership Built for the Future

UnionBank Institutional Banking was designed as a deliberate departure from transactional relationships. We work alongside our clients to co-create solutions for their specific challenges—positioning ourselves as genuine partners, not just service providers.

What makes that possible is a combination most banks can't offer: best-in-class relationship management paired with NextGen digital platforms. We serve the top corporations in the Philippines while also focusing on growing businesses in emerging models—firms that want to transform how they operate.

And we bring real credibility to that conversation. UnionBank's own digital transformation—cutting technology costs significantly, rebuilding operations around digital-first infrastructure—means we've taken the journey ourselves. We're not advising clients from the sideline. We're partnering with them on a road we know well.

The Portal: One Platform, Every Banking Need

At the center of our institutional offering is The Portal—our award-winning business banking platform recognized for Best Customer Experience through Mobile and Internet Banking, Best Service among Domestic Banks, and Best Transaction Bank for Customer Experience.

The Portal brings account management, payments, collections, and treasury visibility into a single integrated environment. Clients can process fund transfers across Pesonet, InstaPay, RTGS, PDDTS, and SWIFT, settle bills individually or in batch, and monitor transactions in real time—all without stepping into a branch. We are also the first bank to build an end-to-end online FX process: customers can log in to buy, sell, and transfer currency at real-time rates, without calling a relationship manager.

Beyond the features, the real value is what they unlock. Finance teams that once spent hours on manual reconciliation now have real-time treasury visibility. Payment strategies that required multiple systems now run on a single platform. Operational complexity that slowed decision-making gets absorbed by infrastructure, freeing leadership to focus on strategy. And in a country where meaningful economic activity still moves through cash, The Portal doesn't demand clients abandon what works—it helps them orchestrate across both cash and digital flows.

Solutions That Solve Real Problems

Listening to clients drives what we build. UPay, our payment gateway, allows companies to receive online payments from e-wallets, QRPH, and credit and debit cards from other banks—all routed to a single corporate account, eliminating the burden of reconciling funds across multiple banks. It has won multiple awards, including Outstanding Digital CX in Payments and Collection Services.

BeyondPay replaces the need for check payments to suppliers. Corporate clients can initiate fund transfers to payees upon presentation of an invoice at any UnionBank branch, with CWT and invoice details automatically sent via email upon crediting.

Our API Marketplace—the first API sandbox environment by a local bank—lets NextGen companies in e-commerce, logistics, and fintech embed UnionBank's fund transfer solutions directly into their own platforms, reducing time-to-market without building from scratch.

Zero-Touch Onboarding: Friction Eliminated

Payroll account opening in the Philippines has long been almost entirely manual—HR teams collecting documents for days, employees waiting weeks for accounts that should take hours. We've eliminated that entirely.

Through The Portal, companies generate a QR code. Employees scan it, complete the process on their phones, and have an account opened digitally in under 24 hours—no paperwork, no branch visits. Salary payments begin the following day. HR teams get time back. Employees get paid faster. And one of the most friction-heavy touchpoints in the employee relationship simply becomes something that works.

The numbers reflect the momentum: 76% of our institutional clients are now on The Portal, with 78% active. In 2025, enrollment increased by 16% and transactions by 18%. API Marketplace client count grew 26%, with transaction volume up 28%.

Digital and Human: Both, Not Either

The NextGen Advantage is not a digital-only proposition, and it's not about choosing between technology and people. The Philippines is still in the midst of a transition, and the enterprises we serve operate across the full spectrum.

What we offer is the combination. We help institutions orchestrate treasury operations across cash and digital flows, anchored by The Portal. But alongside that platform sit experienced relationship teams who bring industry expertise, strategic perspective, and forward-looking thinking that technology alone can't provide. The two reinforce each other—digital infrastructure that frees relationship managers to focus on work that requires genuine human judgment, and human insight that ensures technology serves the client's real objectives.

At The Portal's launch, leaders from FoodPanda Philippines, the Supreme Court, and Microsoft shared how this combination played out in their organizations—how digital innovation enabled efficiency, resilience, and growth.

As the Philippines continues its transformation toward a more connected economy, UnionBank Institutional Banking is positioned to help enterprises reduce friction today and build readiness for tomorrow—not just as a service provider, but as a catalyst for institutional success that compounds over time.

The NextGen Advantage is an invitation. The organizations that take it seriously will be the ones that shape what comes next.

REIMAGINING THE CUSTOMER EXPERIENCE

GRI 203-2

Intelligence at Every Touchpoint

UnionBank is leveraging AI to deliver smarter, safer, and more personalized banking experiences.

Here's a number worth sitting with: a tenfold increase in credit card approvals. That's what happened when UnionBank embedded artificial intelligence into our customer onboarding process. Not a tweak. Not an incremental gain.

For a bank well-known for digital leadership in the Philippines, this showed that AI is more than a buzzword. It's a real tool changing how banking operates.

How We Use AI in Everyday Banking

AI is embedded throughout our customer journey. Three key areas have had the biggest impact for us: customer onboarding, credit underwriting, and fraud detection.

KYC (Know Your Customer) used to mean backlogs. Manual reviews, slow approvals, and customers left waiting. AI now processes applications almost in real time. This cuts delays that once slowed the system significantly. The payoff has been significant: a tenfold jump in credit card approvals.

We've also seen enormous progress in credit underwriting. AI-driven credit models improved our risk assessment. They also help us provide access to borrowers often overlooked by older systems. The result: More accurate lending and more Filipinos getting loans.

AI-Powered Fraud Detection and Cybersecurity

The third area is fraud detection, which used to be reactive. Rule-based systems would catch known patterns, and bad actors would adapt. That arms race now runs in UnionBank's favor.

AI tracks every transaction and creates a picture of what's normal for each customer. An unusual amount, a strange location, or odd timing can raise a flag. This often happens before the customer notices anything wrong. Unlike older systems with fixed rules that can be gamed, the AI adapts constantly. Each data point makes the model smarter. Each attempted fraud strengthens our defenses.

The result is protection that catches more and inconveniences less. There is stronger security, but no added friction in the everyday experience of a customer who's simply doing what they always do. AI also strengthens UnionBank's overall cybersecurity. It finds vulnerabilities and spots intrusion attempts before they cause issues.

RIA: Voice AI for Customer Service

Now, we're deploying AI in our contact center. A key part of UnionBank's AI strategy is RIA, or Respondent Intelligent Agent. This voice AI system will soon be launched in our contact center.

The idea is straightforward, but the execution is ambitious. Any customer who calls should get help immediately, without waiting in a queue, at any hour. RIA answers routine questions, processes simple transactions, and guides customers through common banking tasks. It uses natural, context-aware conversation instead of scripted responses that feel robotic.

Customers who want a human agent can still reach one, anytime. That's by design. The principle is to use AI to improve the experience, not hollow it out. RIA absorbs the volume so our human agents can focus on complex issues and meaningful customer conversations.

The Human-AI Partnership

The best AI deployments don't replace human judgment—they free it up. That's the model UnionBank is building toward.

AI is great at handling large amounts of data. It detects patterns in millions of transactions. No human team can match its speed and scale. On the other hand, people are better at nuanced judgment, building relationships, and solving complex problems. These tasks need a real understanding of a customer's unique situation. Neither replaces the other. Together, they produce outcomes neither could achieve on their own.

Our approach won us the "Trailblazing Use of AI or Machine Learning in Financial Services" award. This recognition from Retail Banker International (RBI) magazine affirms how well our human-centered AI strategy works.

What Comes Next

The next frontier is personalization. We plan to deploy AI that can process applications quickly and understand a customer's financial life. It can suggest the right product at the perfect moment. It's not because they fit a demographic profile, but because the system knows their specific goals, habits, and behavior. It points toward a version of banking that feels less like a transaction and more like a service designed around each individual.

As a financial institution built on trust, we are committed to the responsible and safe use of AI. Our AI systems operate within a robust governance framework—one that sets strict boundaries on how data is collected, used, and protected. Customer data is always private and used only to improve the experience of the person it belongs to. This is personalization done right.

Our approach remains the same: we ensure human oversight of decisions that impact customers' finances. We build systems that are clear about how they function. And we commit to using AI to truly help people, not just to automate tasks. That's the standard we hold ourselves to, and the results, increasingly, reflect it.

REIMAGINING BUSINESS

GRI 203-2

Powering the Entrepreneurial Economy

UnionBank's UB Negosyante ecosystem is removing barriers and creating opportunities for Filipino SMEs

Small and medium enterprises (SMEs) are the backbone of the Philippine economy. They employ millions, drive innovation, and reflect the entrepreneurial energy that moves the nation forward. Yet too often, these businesses face real obstacles to growth—from limited access to capital and complex banking requirements to a lack of practical digital tools.

At UnionBank, we're addressing this through UB Negosyante, a comprehensive platform built specifically for Filipino entrepreneurs. It's not just a banking product. It's a complete ecosystem that removes financial barriers, simplifies daily operations, and connects SMEs with the customers and resources they need to grow. It's a game-changer for the over one million small businesses we currently serve.

The UB Negosyante Ecosystem

The foundation of UB Negosyante is the UnionBank BizStarter Account, an entry-level checking account that requires just PHP 5,000 to open. This low starting requirement makes formal business banking accessible to thousands of entrepreneurs who might otherwise operate entirely outside the banking system.

From there, entrepreneurs gain access to the UB Negosyante App, an all-in-one platform for managing funds, paying suppliers and employees, and generating QRPH codes for easy collections. Instead of juggling multiple tools and manual processes, business owners get a single integrated solution for their financial operations.

For SMEs looking to expand, we offer BusinessLine, a revolving credit facility of up to PHP 10 million. This gives entrepreneurs the financial flexibility to grow, manage cash flow, and pursue new investments. Each part of the ecosystem works with the others—a business owner can open a BizStarter Account, start using the app immediately, and draw on Business Line when the right opportunity comes along. Everything operates on a single platform designed around how businesses actually operate.

Strategic Partnerships: Soirée, FAST Masterclass, and Beyond

We bring UB Negosyante to life through partnerships that connect entrepreneurs directly with customers. At Soirée 2025, one of Metro Manila's most anticipated holiday shopping events at The Fifth at Rockwell, we went beyond simple sponsorship by embedding our tools into the event itself. We enabled QRPH transactions at the entrance, and the first 300 visitors who paid with a UnionBank card or UB Online received free admission. This gave participating entrepreneurs direct access to shoppers while demonstrating how easy cashless payments can be.

We see UB Negosyante as more than a banking platform. It's a way to build connections between local entrepreneurs and the communities that want to support them.

The Bank is also a key partner in the FAST Masterclass (Franchise Accelerators towards Successful Trade). This three-day workshop helps entrepreneurs and Micro, Small, and Medium Enterprises (MSMEs) get ready for franchising and growth. The program, in partnership with Kalye Negosyo, gives participants practical skills. They learn about brand

development, streamlining operations, financial planning, and legal requirements. It is tailored for business owners who are ready to expand and build sustainable, franchise-ready operations.

Our support makes the program accessible by offering it at no cost to participants who open a business account. The FAST Masterclass builds SME capabilities and reinforces UnionBank's role as a strategic growth partner.

The UB Negosyante Christmas Village

At Brand Con 2025, the Philippines' first annual summit and tradeshow for SMEs held at Marriott Grand Ballroom Newport World Resorts, we launched the UB Negosyante Christmas Village. This was our first dedicated retail showcase, featuring local merchants using QRPH-powered payment solutions. The setup enabled shoppers to pay quickly and securely while demonstrating to other entrepreneurs how modern payment tools work in practice.

Brand Con also offered workshops, panel discussions, and networking sessions on branding, marketing, operations, and financing. Our participation there reflects how we think about our role with SMEs. We want to be more than a financial service provider. We want to be a resource for business growth.

Through UB Negosyante, we aim to give entrepreneurs the tools, insights, and support they need to compete and build stronger businesses.

Building a Better Business Environment for SMEs

Traditional banking has often made life challenging for small businesses, with high minimum balances, lengthy account opening processes, rigid lending criteria, and costly payment hardware. UB Negosyante takes a different approach by lowering these barriers at every step.

The PHP 5,000 BizStarter minimum opens the door to formal banking. Digital account processes remove paperwork. QRPH payments eliminate the need for expensive point-of-sale equipment. The app consolidates functions that would otherwise require separate service providers.

We believe small businesses deserve the same quality of service and tools as larger corporations. When SMEs grow, they create jobs and strengthen communities across the Philippines. That outcome is central to why we built UB Negosyante, and why we continue to invest in expanding what it can do for Filipino entrepreneurs.

AI GOVERNANCE FRAMEWORK

UnionBank abides by the Principles for the Ethical Use of Data and Artificial Intelligence to ensure that AI is developed and deployed responsibly and transparently, in line with its core values of integrity and accountability. The bank protects customer privacy by processing data in accordance with its Data Privacy Statement, the Philippine Data Privacy Act of 2012, and related regulations, including measures such as data minimization and de-identification.

AI-supported decisions are designed to reflect justifiable human judgment, with clear human oversight in place to help prevent errors, bias, and unintended impacts. UnionBank is transparent about how and why data is used in AI systems, what customers can expect from AI-driven outcomes, and the potential risks involved.

Robust governance, testing, and review processes are applied to continuously improve the accuracy, fairness, and reliability of AI models. Customers retain the right to question and challenge automated decisions that may significantly affect their rights or freedoms, reinforcing the Bank's commitment to trust and accountability.

REIMAGINING CUSTOMER EXPERIENCES FOR LONG-TERM STAKEHOLDER VALUE

GRI 3-3

The human element remains central to the benefits of NextGen banking, with UnionBank continuing to uphold its long-term commitment to its people. This section discusses the various customer-centric strategies, third-party partnerships, and people-centric milestones that the Bank has achieved in 2025. It also discusses the Bank's overall positioning as a people-first provider, ensuring that shareholders remain at the forefront of its priorities.

COMMITMENT TO CUSTOMERS

Customer Satisfaction and Loyalty

UnionBank's 2025 performance reflects a strategic focus on brand advocacy across its key retail segments. By analyzing the full-year transaction Net Promoter Score (NPS), the Bank identified high-performing drivers and specific areas for refinement. This data-driven approach provides a granular understanding of how clients engage with products, services, and digital channels.

Credit Cards emerged as a significant growth area, achieving an NPS of 53, which marks a 38-point increase from 2024. This was largely driven by the speed of credit card applications and the intuitive features within the UBO app. In the Elite segment, scores climbed to 68, up by 5. Clients highlighted the responsiveness of Relationship Managers as a primary reason for their satisfaction. While the Bank continues to refine call resolution times and integrate legacy Citi features, the overall momentum in these high-value segments remains positive.

Retail Deposits & Products (RDP) rose 2 points to 37. Clients cited the streamlined UBO experience, smooth app and branch transactions, and quality branch staff experience, while technical availability is an identified area for further improvement. Digital fell by 8 points to 34, primarily due to service interruptions and delays in incident resolution. Despite these, the platform's effortless payment features and user-centric design continue to come to the fore as core strengths.

Branch improved to 91, with staff recognized for their professional and accommodating service, even as it continues to address wait times. The Contact Center showed a strong recovery, up by 43 points to 1, driven by friendly agents and fast resolution. Personal Loans also showed significant momentum, reaching an NPS of 56, as clients valued the speed of the digital-first application process. Finally, the Mortgage segment improved to 1, reflecting a 6-point gain. Promoters appreciated the streamlined application journey and approachable branch support, while we continue to modernize our SOA processing and collection protocols to better align with customer expectations.

Overall, 2025 showed positive momentum across most segments, with notable gains in Credit Cards, Elite, the Contact Center, and Personal Loans. While specific headwinds remain in the Digital and Mortgage spaces, these insights will catalyze the Bank's 2026 initiatives to solidify customer satisfaction and brand loyalty.

Disclosure (Net Promoter Score)	UBP	CSB	BK	UD
Customer satisfaction	39[a]	92.5	55.01	N/A[b]

[a] Overall NPS for UBP
[b] UnionDigital Bank continues to build its customer experience framework as part of its digital banking operations. Customer feedback is primarily captured through digital touchpoints, customer support interactions, and issue resolution channels. While formal customer satisfaction metrics such as Net Promoter Score (NPS) or Customer Satisfaction Score (CSAT) are not yet centrally consolidated, customer feedback is used to identify service improvements and enhance user experience. The Bank aims to further strengthen customer satisfaction measurement and analytics as its digital products and customer base continue to scale.

Marketing and Labeling

UnionBank maintains strict oversight across all marketing campaigns, product collateral, and digital touchpoints—including its website and the UBO mobile app—to ensure the highest standards of accuracy, transparency, and accessibility. The Bank remains committed to providing clients with a comprehensive understanding of its products and services, including their associated features and potential economic, environmental, and social impacts.

The Bank rolled out a Salesforce-based system to enhance how it tracks and manages feedback, including regulatory concerns and complex complaints that require detailed investigation. Managed by the Client Engagement Solutions Group, this infrastructure facilitates accelerated resolution timelines and reinforces the Bank's dedication to responsible, customer-centric communication.

MARKETING AND LABELING COMPLAINTS

GRI 417-2, 417-3

Disclosure	UBP	CSB	BK	UD
No. of substantiated complaints on marketing and labeling[a]	745	0	0	0
No. of complaints addressed	782[b]	0	0	0

[a] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged with and acted upon by government agencies.
[b] The higher count of complaints addressed include additional complaints from 2024 that were resolved in 2025.

Furthermore, UnionBank's sustainability messaging is anchored in tangible progress rather than mere promotion. ESG communications are driven by measurable results and data-driven narratives, ranging from verified impact metrics to audited case studies. By integrating ESG into its core business strategy and adhering to global reporting frameworks such as SASB and GRI, the bank ensures continued credibility, clarity, and alignment with international best practices.

Customer Privacy

UnionBank protects personal data through organizational, physical, and technical controls. Its privacy framework is supported by internal policies for the continuous monitoring, evaluation, and mitigation of operational and security risks. The Bank complies with the Data Privacy Act of 2012, National Privacy Commission (NPC) mandates, and relevant global data protection standards.

To manage regulatory, reputational, and financial risks, all business units adhere to the Bank's Privacy Manual and Privacy Assessment Guidelines to ensure high-level policy alignment with the Data Privacy Statement published on its digital platforms. Compliance is measured through key performance indicators, including the filing of the Annual Security Incident Report and other statutory disclosures to the NPC.

Data privacy-related inquiries and complaints are addressed in accordance with regulatory frameworks, the bank's Privacy Manual, and Data Subject Access Request (DSAR) Guidelines. In cases of incidents classified as unintended data disclosures or unauthorized processing, the Data Privacy Offices resolve concerns through established communication protocols and remediation strategies.

CUSTOMER PRIVACY COMPLAINTS

GRI 418-1, FN-CB-230A.1

Disclosure	UBP	CSB	BK	UD
No. of substantiated complaints on customer privacy[a]	4	5	0	49
No. of complaints addressed	4	5	0	49
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0	0

[a] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms, as well as complaints that were lodged with and acted upon by government agencies.

Business units and product owners are required to process personal data within the defined scope of the Bank's Terms and Conditions and Data Privacy Statement. If data processing falls outside these parameters, a formal Privacy Notice must be issued prior to the collection or utilization of personal data. This governance structure is supported by ongoing training to ensure privacy awareness and responsible data handling across the organization.

Data Security and Privacy

SASB FN-CB-230A.2

UnionBank prioritizes the protection of client data, information, and assets through safeguards designed to ensure the integrity, reliability, and security of personal data across all systems. Customers are notified of policy updates regarding the collection, use, storage, disclosure, and disposal of personal information.

Data security risks are managed through a framework of policies, including the Privacy Manual, Privacy Assessment Guidelines, Personal Data Breach Management Policy, and the Cyber Attack Response Procedure. These protocols facilitate early identification, risk mitigation, and coordinated response to threats or vulnerabilities.

DATA BREACHES

GRI 418-1, SASB FN-CB-230A.1

Disclosure	UBP	CSB	BK	UD
No. of data breaches, including leaks, thefts and losses of data	0	0	0	1[a]

[a] Resolved

All new systems, initiatives, and processes involving personal data undergo a Privacy Impact Assessment (PIA) prior to deployment. Conducted by the Data Privacy Office, these assessments identify potential risks and establish the necessary security and legal controls to ensure continuous data protection.

REIMAGINING THE CUSTOMER EXPERIENCE

GRI 203-2

Removing Friction from Every Interaction

UnionBank is making banking faster, easier, and more intuitive—one breakthrough at a time

The best technology works silently in the background. It works so naturally that you forget it's there, and you can focus on what you actually came to do. That's the design philosophy behind UnionBank's approach to digital banking: identify the customer pain points at every stage of the journey and design solutions that address the friction.

From opening an account to making payments to applying for a loan, the experience customers have today looks almost nothing like what it did just a few years ago. Here's what that transformation looks like in practice.

Mobile Tap to Pay

Contactless payments aren't new, but the flexibility we now offer customers is. Through the UnionBank Online app, customers with NFC-enabled Android devices linked to their UnionBank Visa debit or credit cards can pay at millions of Visa contactless terminals worldwide using nothing but their phone. No card, no wallet, no fumbling at the counter.

The mechanics are simple: hold the phone near the terminal, confirm with biometrics, and the transaction is done. Behind the scenes, Visa's tokenization technology replaces card details with encrypted codes that are never stored or shared with merchants, so convenience never comes at the cost of security.

Google Pay for Visa Cardholders

We also activated Google Pay for UnionBank Visa credit cardholders, giving customers yet another way to pay digitally anywhere in the world. Setup takes only a few minutes through the app, and once active, customers can use Google Pay at millions of merchants nationwide and worldwide. Transactions through Google Pay earn the same points, rewards, miles, rebates, and cashback as regular card purchases.

Together with our in-app Tap to Pay feature, this gives customers real flexibility in how they choose to pay. They can use whichever method works best for them at any given time.

Fully Digital Personal Loan Processing

Few things in traditional banking are more frustrating than borrowing money. Branch visits. Long forms. Waiting days—sometimes weeks—just to find out if you qualify. We've made all of that a thing of the past.

UnionBank's fully digital personal loan lets customers access up to PHP 2 million with no collateral and no guarantor. Repayment terms stretch up to five years, with payment plans tailored to their budget and lifestyle.

The entire process—from application to approval to funding—happens online. Our AI and advanced analytics assess applications quickly, qualified customers get faster decisions, and approved funds are deposited directly to their accounts.

No manual steps. No branch. No waiting.

For someone facing an urgent medical bill, a home repair, or school tuition, speed matters enormously. We designed this process to respect that.

The Cumulative Effect

Each of these features makes a real difference on its own. Together, they represent something more significant: a fundamental shift in what it feels like to bank with UnionBank.

Customers can now open accounts without paperwork or branch visits. Verify their identity in seconds. Pay with just their phone. Access financing entirely through digital channels. And manage everything through apps built to work the way real people actually use technology—intuitively, quickly, and without needing to read a manual first.

That last point matters. Our customers span every generation, and digital comfort levels vary enormously. So, we designed our platforms to work beautifully for the 25-year-old who expects instant everything and the 65-year-old who is new to mobile banking. Ease of use isn't a feature for some customers. It's a promise to all of them.

Digital banking should make things easier for everyone. Technology should close the gap between traditional banking and modern convenience, not widen it. The thinking behind every improvement we make is the same: not technology for its own sake, but tools that make real people's lives simpler, faster, and better. Every time, without exception.

REIMAGINING THE CUSTOMER EXPERIENCE

GRI 203-2

Opening Doors to Innovation

UnionBank is shaping the evolution of Open Finance in the Philippines through strategic initiatives and nearly 1,000 APIs

Banking used to be a walled garden. Financial institutions built proprietary systems, kept data locked in, and left customers with little flexibility. When customers need a new service, they often have to start all over. That model is being opened, and UnionBank is among the institutions accelerating this shift.

Open Finance puts data ownership in the hands of customers. It allows them to share their data with financial institutions and third parties. This happens through consent-based sharing via standardized interfaces such as Application Programming Interfaces (APIs). As a result, customers can more easily access innovative financial solutions.

This idea is simple, though the execution is not. When banks, developers, fintechs, and other institutions securely connect their systems, customers access more seamless services. Entrepreneurs build on established infrastructure and new solutions get to market faster. Over time, the entire financial sector and adjacent industries become more competitive, improving the quality and accessibility of financial services.

The OFxPERA Pilot: Open Finance in Action

One of the most exciting expressions of this vision is UnionBank's participation in the Bangko Sentral ng Pilipinas (BSP) pilot program to leverage Open Finance to boost Personal Equity and Retirement Account (PERA) enrollments. We were not just a participant; we were the first bank to go live.

The launch event, with BSP, PERA Administrators, and key financial institutions, marked an important step for Open Finance in the country. UnionBank was selected by the BSP among a few to make PERA more accessible to ordinary Filipinos.

The mechanics are straightforward, but the impact is significant. With Open Finance, UnionBank customers can easily open PERA accounts using the UnionBank Online app. They just need to agree to share their KYC data securely with their nominated PERA Administrator. No manual forms. No physical ID verification. No unnecessary friction stands between a Filipino worker and their retirement savings. Employers can amplify this to their entire workforce.

UnionBank sees this as a timely and meaningful step toward the BSP's goal of reaching five million PERA contributors. It's a target that aligns directly with our own mission to democratize financial services through technology.

This is only the beginning to make digital retirement planning tools more accessible to many Filipinos. Phase 2 is on the horizon, and we are committed to seeing it through.

Nearly 1,000 APIs: Built for Collaboration

None of this works without the technical plumbing, which we have been building for years.

APIs allow different systems to communicate securely. For example, they enable fintech apps to pull bank account details in real time for faster account creation and validation. APIs allow corporate clients to make payments directly from their enterprise resource planning (ERP) systems – software that helps manage key business tasks such as finance, procurement, and payroll. This way, there's no need to keep exporting data from a bank portal manually. They also enable automated reconciliation. This lets transaction data flow directly into accounting systems, reducing both manual work and errors.

UnionBank has built one of the most extensive API platforms in Philippine banking. Our Developer Portal hosts nearly 1,000 APIs used by close to 600 institutions that rely on our infrastructure. These include startups, fintech firms, corporate clients, and government agencies. They span use cases such as payments, account information, and more.

Whether a company is developing a financial planning app, integrating payroll with banking systems, or enabling digital government services, UnionBank APIs provide the secure foundation they need for banking capabilities. The barrier between a good idea and a working product gets dramatically lower when you don't have to build the banking layer yourself.

What's Next

The OFxPERA pilot and the deployment of almost 1,000 APIs have created something more valuable than just metrics. They've provided real, hard-earned insights into how Open Finance operates in practice. What customers respond to. Where the friction points are. Where the greatest opportunities remain untapped.

That knowledge informs where we go next. In Open Finance, our competitive advantage lies in our ability to collaborate using shared standards and clear governance. Opening our platforms lets partners use our infrastructure, which makes this collaboration viable at scale. This way, we deliver more value to customers than any single institution could on its own. It means more accessible services and more personalized experiences, reaching more Filipinos through the UnionBank Online for our individual customers, or The Portal for our corporate clients.

The walls are coming down. In their place, we are building a financial system that works better for everyone.

REIMAGINING THE CUSTOMER EXPERIENCE

GRI 203-2

Banking Beyond Transactions

UnionBank is Enriching Customers' Lives Through Lifestyle Partnerships

Banking has always been about money, but money is rarely the point. It's what money makes possible. The trip you've been planning. The home you're building. The phone that keeps your work and your life running. The show you've waited years to see.

UnionBank is growing its role in customers' lives. We build partnerships that link financial tools to what people really want and need. The result is a bank that doesn't just hold your money; we help you do more with it.

Save Up for an iPhone, Unlock Your First Credit Card

One of the most inventive products to come out of UnionBank in recent years is the iPhone Saver Goal, a feature that bundles two significant financial milestones into a single, elegantly simple experience.

Here's how it works: through the UnionBank Online app, customers choose their target iPhone model and set their savings goal. Then they save as little as PHP 75 a day. That's less than a cup of coffee from most cafés. Once the goal is complete, the funds are locked in. They serve as a security deposit for a new UnionBank Rewards Secured Credit Card. The customer then uses this card to buy their iPhone.

The card stands out on its own. It provides exclusive cash prices for Apple devices at Beyond the Box and Digital Walker. Plus, you get a PHP 3,000 eGift at either retailer, 5% cashback on your security deposit, and no annual fee forever.

Making Premium Technology Even More Accessible

For customers who already have a credit card, UnionBank has made the latest Apple iPhone 17 series available on a 36-month zero-interest installment plan. This is one of the longest terms on the market.

The logic is straightforward. A smartphone isn't a luxury for most people. It's how they work, communicate, manage their finances, and move through the world. But the upfront cost of a premium device can be a real obstacle. Zero interest over 36 months means every payment goes directly toward the cost of the device, with no interest charges. Spread across three years, the monthly amount becomes genuinely manageable for far more customers.

GMG Productions: A Front-Row Seat to World-Class Theater

UnionBank has once again teamed up with GMG Productions, the powerhouse behind some of the biggest Broadway and West End musicals staged in the Philippines. Through this partnership, UnionBank grants cardholders what money alone can't always buy: priority access to the country's most sought-after theatrical and interactive events, whether that's through an exclusive pre-sale, a preferential discount, or a curated experience.

Recent shows featured crowd-favorite productions including Les Misérables: The World Tour Spectacular, Dear Evan Hansen, The FRIENDS™ Experience, and Come From Away. The excitement continues into 2026, with highly anticipated productions such as Jesus Christ Superstar and Charlie and the Chocolate Factory set to take center stage—once again placing UnionBank cardholders at the forefront of unforgettable entertainment experiences.

Salcedo Auctions: Art and Culture for Elite Clients

UnionBank Wealth extended a distinctive cultural privilege to its clients through exclusive invitations to the vernissage previews of all Salcedo Auctions throughout the year. These private viewings offered clients first access to each auction's most significant works—ahead of the public—positioning art patronage as a natural extension of wealth, discernment, and legacy.

Across the season, clients experienced museum-quality previews featuring masterworks by leading Philippine modern and contemporary artists, alongside important pieces from established and emerging names shaping the local and regional art scene. The vernissages showcased a diverse range of art forms—from iconic modernist paintings and historically important works, to bold contemporary statements and sculptural pieces—curated by Salcedo Auctions' specialists.

By granting privileged access to these curated previews, UnionBank Wealth enabled clients to engage with art not only as collectors, but as insiders—fostering deeper conversations around value, legacy, and cultural capital. The partnership reinforced UnionBank Wealth's commitment to offering experiences that go beyond financial returns, thoughtfully intersecting wealth management with the worlds of art, culture, and refinement.

IKEA: Making Home Feel Like Home, Sooner

Furnishing a home is one of the most significant discretionary purchases most people make, and it rarely happens all at once. UnionBank's zero-interest plan with IKEA allows customers to spread their payments over time.

For a young professional getting their first apartment, a family moving, or anyone needing an upgrade, paying over a longer period helps a lot. There's no extra interest, which is a big plus. It makes a big difference. They can build the space they actually want now, rather than the space their budget forces them to settle for.

Dining and Shopping: Everyday Perks That Add Up

UnionBank makes everyday spending more rewarding, whether you're dining out, shopping online, or treating yourself to something new. Cardholders enjoy up to 50% off at over 1,000 dining outlets, plus flexible shopping options via PayEasy 0% installment online and offline.

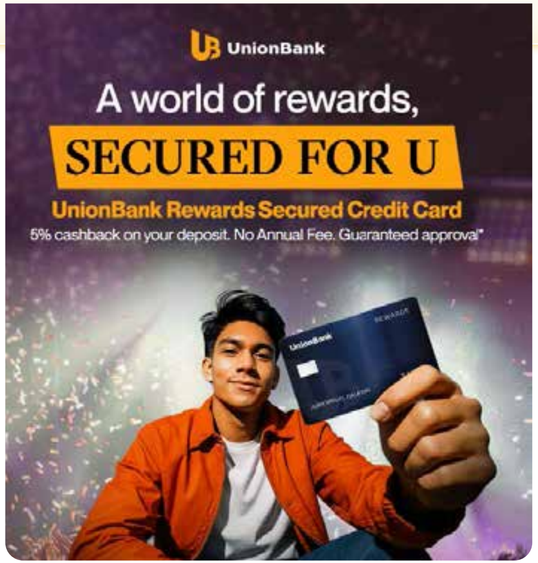
These aren't fleeting promos. They're year-round benefits that stack up to real savings. The best card isn't necessarily the one with the flashiest launch offer; it's the one that keeps delivering value on any given day.

Banking that Uplifts

All these partnerships share a common belief: banking should support every aspect of a customer's life, not just the financial side.

The iPhone Saver Goal gives first-timers a clear, achievable path into both premium technology and credit. The installment partnerships make premium products and experiences genuinely affordable. Entertainment and cultural access demonstrate to customers that their bank values them as people, not just as account holders.

When banking works this way, it doesn't just manage money. It expands what's possible.



REIMAGINING FINANCIAL INCLUSION

GRI 203-2

Forty Years, One Mission

UnionBank and SSS are deepening a landmark partnership to protect millions of Filipino workers from predatory lending

Some partnerships last because they serve a purpose both parties genuinely share. UnionBank and the Social Security System (SSS) have partnered for four decades. That's because we share a common goal: to protect and empower Filipino workers.

In 2025, that partnership found its most ambitious expression yet. The upcoming launch of SSS LoanLite will mark a new chapter in a collaboration that has quietly been doing important work since 1985. This fully digital micro-lending program aims to give SSS members fast access to affordable credit.

The Problem LoanLite is Trying to Solve

Here's a scenario many Filipinos experience: an SSS member needs money urgently. It might be for a hospital bill, a broken appliance, or a pressing family emergency. Yet, they have no easy or affordable way to borrow. Banks feel out of reach. The process is too slow, too complicated, or just not designed for someone borrowing PHP 10,000 for 60 days. So they turn to the only option that's fast: a loan shark.

What follows is familiar and brutal. Interest rates that would be illegal in most countries. Aggressive collectors. A small loan that snowballs into a debt that takes years to escape.

LoanLite is being built precisely to break that cycle. It will give SSS members a legitimate, fast, affordable alternative—one that meets the same urgent need without the punishing terms.

How LoanLite Works

The design of LoanLite reflects a clear-eyed understanding of what Filipino workers actually need when they're in a pinch. Loans will range from PHP 1,000 to PHP 20,000. This will help borrowers avoid excessive debt while still having enough for real emergencies. Repayment terms will run from 15 to 90 days, keeping the loan short-term by design.

The interest rate is 8% per annum plus a minimal service fee. That number matters when you compare it to what informal lenders usually charge. Their rates can reach several hundred percent a year when you do the math.

The entire process will be digital. No branch visits. No paperwork. No waiting in a queue. Once approved, funds will be deposited into the member's UnionBank account or MySSS Card within hours. For someone facing an urgent need, that speed isn't just convenient; it's the difference between a manageable problem and a crisis.

The MySSS Card: A First Step Into Formal Banking

At the heart of the LoanLite program is a simple innovation: the MySSS Card. It works as both an SSS functional ID and a Visa debit card linked to UnionBank. And for many members, it's the first bank card they've ever held.

As a debit card, it plugs members directly into the formal financial system—often for the first time in their lives. When LoanLite funds arrive on the card, the member doesn't just receive money. They receive a banking relationship, a transaction history, and a foundation they can build on for future credit access.

For millions of Filipinos who have spent their working lives outside the formal banking system, the MySSS Card is their foot in the door.

Built for Scale

The ambition behind LoanLite is proportional to the size of the problem it's trying to solve. SSS serves tens of millions of Filipino workers. It's a population that includes office and factory workers, freelancers, and small business owners across the archipelago.

SSS and UnionBank are targeting a LoanLite loan portfolio of PHP 40 billion within two years. That's a figure grounded not in ambition alone, but in a clear-eyed accounting of how many people could benefit. The program was launched at a ceremony in NuStar Hotel and Resort in Cebu, marking 40 years of SSS-UnionBank collaboration, honoring the history while pointing squarely at the future.

What Success Looks Like

Loan portfolios and member counts are useful metrics. But the real measure of LoanLite's success is harder to quantify and more important.

It will be measured in the number of Filipino workers who, in the future, will face a financial emergency and don't have to choose between a predatory lender and doing nothing. It will be measured in the families who will avoid a debt spiral because someone will have access to fair credit at exactly the right moment.

Soon, when SSS members borrow through LoanLite, they can repay it in 60 days, come out the other side with their finances intact, and have a credit history they didn't have before; that would be the program working exactly as it is designed to.

After 40 years together, our partnership with SSS is stronger than ever. We blend our strengths as a private bank and a public institution. This helps us meet people where they are, provide essential support, and shield them from other options. LoanLite is that mission, fully operational soon.

CSR INITIATIVES

GRI 203-2

UnionBank's Corporate Social Responsibility (CSR) initiatives are anchored on four thematic focus areas—education, livelihood and employment, environment, and inclusion—reflecting a dedication to enabling inclusive and sustainable growth for the communities it serves. These programs are delivered through GoBeyond Communities (GBC), the Bank's employee volunteerism and community engagement platform, which empowers UnionBankers to actively participate in and lead purpose-driven projects aligned with its sustainability priorities.

Through GBC, employees contribute their time, skills, and expertise to initiatives that create meaningful social and environmental impact while strengthening the Bank's culture of service and shared responsibility. Inclusion remains a core pillar of the CSR strategy, particularly through financial inclusion programs that aim to empower underserved groups. These efforts provide non-financial support to promote long-term financial well-being and involve partnerships with organizations to broaden reach and help develop a more inclusive finance ecosystem.

CitySavings holds learning sessions on entrepreneurship for the Philippine Coast Guard uniformed personnel through Project EntrePar@syon (EntreParasyon).

2025 U-Run for a Cause

On October 18, 2025, over 1,400 runners—UnionBankers, their families, and friends—filled the streets of Arcovia, Pasig City for U-Run for a Cause 2025, an Employee Relations event in partnership with CSR through the GoBeyond Communities (GBC) program. More than a fitness activity, U-Run for a Cause raised funds for PGH Silahis ng Kalusugan School for Chronically-ill Children, supporting young learners undergoing long-term medical treatment. The run featured creative costumes, lively signages, and strong volunteer support from over 150 UnionBankers, creating an atmosphere of camaraderie and purpose.

The advocacy came full circle during the turnover on December 11, 2025, at Jollibee Vito Cruz, where UnionBank shared a meaningful day with 16 children from PGH Silahis ng Kalusugan, their parents, and teacher. UnionBank turned over checks totaling PHP 600,000 from the net proceeds of the fun run to help support each child's medical needs. Christmas baskets and donated items from UnionBankers—including school supplies, gadgets, art materials, stuffed toys, and other essentials—were also distributed. To further support the school, UnionBank provided two laptops, a speaker, and a microphone for classes and activities. The day was made extra special with a surprise visit from the Jollibee mascot, bringing joy and laughter to everyone.

Through initiatives like U-Run for a Cause, UnionBank continues to show that when a community comes together, every stride can uplift, inspire, and make a lasting difference—proving that it wasn't just a fun run, but a movement with purpose to uplift lives.

Making Financial Wellness Simple For Public Servants With PeraPerasyon

CitySavings is reinforcing its mission to promote financial wellness among the country's public servants—including teachers, uniformed personnel, and local government unit (LGU) workers — through tailored products and capability-building programs.

"The best time to save is now," stated Jose Paulo Soliman, CitySavings Senior Vice President – Salary and Pension Loans Business Head. "CitySavings aims to be known as the 'bangko ng barangay' (community bank)," he added.

Soliman emphasized the Bank's strategic focus on the people who keep society running: "Serving our public servants is a priority because they are the lifeblood of our communities and need support. Our teachers shape the minds of the young; our uniformed personnel keep our communities safe; and our LGU workers serve as our frontliners. They all look out for us. Who will look out for them?"

CitySavings delivers on its advocacy by promoting responsible financial management through its deposit products and services. Its recently launched Power Savings account offers an introductory rate of 4% per annum, combined with competitive yields while maintaining accessibility for client withdrawals and deposits.

To complement these product offerings, CitySavings conducts frequent financial education sessions. "For our teacher and uniformed personnel clients, we hold Project Per@parasyon (PeraParasyon) in their schools, regional and local offices, and even off-the-grid camps," Soliman explained. "This practical wealth management program is designed to educate them on simple and practical steps for saving, investing, and managing debt."

He continued, "We also collaborate with different subject matter experts (SMEs) for our Project EntrePar@syon (EntreParasyon), a capability-building program focusing on practical tools and techniques to turn innovative ideas into profitable and sustainable business ventures tailored for entrepreneurs."

Recognizing that the current workforce will eventually transition to pensioner status, CitySavings will soon launch Project PensionPar@syon (PensionParasyon), a customized program for those nearing retirement.

These programs are conducted before and during client onboarding to support informed borrowing decisions and effective financial management. Since 2016, over 1,600 PeraParasyon sessions have trained close to 120,000 teaching and uniformed personnel in practical wealth management.

The programs have delivered tangible results. Teacher Elizabeth Sanchez from Talon 3 Elementary School in Las Piñas City shared, "The session inspired me to start small but stay committed—reminding everyone that the choices made today will define their financial comfort tomorrow. With discipline, awareness, and the right mindset, achieving financial stability in old age is possible and empowering."

Similarly, CPO Nelson Corpuz from the Philippine Coast Guard noted, "My key takeaway from Project EntrePar@syon (EntreParasyon) is how critical it is to assess one's financial situation early so you can make necessary adjustments. I learned how to better budget my finances so I can eventually manage my pension better, and how to make wiser investments so my earnings can grow even more."

CitySavings is the thrift bank subsidiary of UnionBank, founded in 1965 in Cebu City by Don Ramon Aboitiz and Teotimo Abellana. Through PeraPerasyon, it continues to build on its foundational commitment to help people of moderate means led by its philosophy that "simple is good."

Entrep-Eskwela MSME Seminar Workshop

Bangko Kabayan's flagship CSR program Entrep-Eskwela is an entrepreneurship management seminar that provides micro, small, and medium enterprise (MSME) owners with practical insights into business management. It also includes workshops that cover topics such as developing an entrepreneurial mindset, marketing, operations management, and financial management. During the seminar, participants learn through hands-on activities such as basic bookkeeping and business plan development. Bangko Kabayan facilitators extend their support beyond the seminar by conducting regular follow-up visits to participants' businesses to evaluate their progress and provide ongoing guidance and support. In 2025, 70 seminars were held across Luzon and Visayas and these were attended by over 9,000 participants.

Abante Babae: Women's Empowerment Program on Financial Wellness and Digital Safety

On November 8, 2025, Wealth and UFSI partnered with Better World Cubao to organize a Financial Literacy and Digital Safety Symposium at Kalantiaw Elementary School, Project 4, Quezon City. The initiative, conducted under Abante Babae: Women's Empowerment Program, reached 557 women and community members, providing practical knowledge on budgeting, insurance, and digital security—essential skills for thriving in today's economy. A total of 72 volunteers from UFSI and UB Wealth helped mount the activity and deliver sessions, complemented by engaging activities such as budgeting exercises, fraud quizzes, and an INLIFE Sheroes session. Beyond learning, UnionBank turned over 600 sacks of rice, 3,600 detergent sachets, speakers, microphones, and two Megaboxes, while lunch for 700 participants was sourced from a local nanay to support livelihood. Through Abante Babae and other GoBeyond Communities projects, UnionBank continues to uplift, upskill, and unlock opportunities for underserved sectors—strengthening its commitment to empower communities through learning, empathy, and collective action.

UN SDG CONTRIBUTIONS

SDG ALIGNMENT / STATEMENT

UnionBank aligns its sustainability strategy with the United Nations Sustainable Development Goals (SDGs) as a framework for translating its purpose—*uplifting lives*—into measurable development outcomes. Guided by its aspiration to *be the most loved and preferred NextGen Bank* toward a more inclusive and resilient future, the Bank prioritizes SDGs where it can create the most meaningful impact through its core business, digital capabilities, and community investments. These targeted SDGs reflect UnionBank's commitment to enabling inclusive economic participation, advancing responsible finance, and supporting long-term environmental stewardship in the Philippines.

Targeted SDGs

SASB FN-CB-240A.4

Through its Inclusive Prosperity and Digital Transformation agendas, the Bank advances **SDG 1 (No Poverty)**, **SDG 5 (Gender Equality)**, and **SDG 8 (Decent Work and Economic Growth)** by leveraging technology to democratize access to banking and empower underserved sectors. Its Sustainable Finance initiatives mobilize capital toward **SDGs 12, 13, 14, and 15**, supporting climate-resilient development and responsible consumption. Complementing these business drivers, UnionBank's Corporate Social Responsibility programs target **SDG 4 (Quality Education)**, **SDG 10 (Reduced Inequalities)**, and **SDG 11 (Sustainable Cities)**, strengthening its role as a partner in building resilient communities.

UN SDG	Sustainable Efforts
	• Donated over 1,400 relief bags for underserved communities affected by typhoons, as well as provided donations to support a home rebuilding project for those affected
	• Supported the establishment of a hanging vegetable garden that contributes to the school's feeding program
	• Free medical consultations were given to 17 elderly members of the LGBTQ+ community • Breast cancer awareness workshops were conducted for over 1,000 women, empowering them to take responsibility for their health
	• Donated funding for facilities improvements and digital resources (laptops and internet connectivity) to rural schools • Donated digital resources and funding supporting a school for chronically ill children undergoing long-term medical care • Empowered over 16,500 teachers through classroom management and AI-enhanced tools workshops, allowing them to improve instructional quality and student learning outcomes
	• Two women out of 15 members of the Board of Directors • 60% Share of women in all management positions, including junior, middle, and top management in UBP • 54% Share of women in all management positions, including junior, middle, and top management in CSB • 62% Share of women in all management positions, including junior, middle, and top management in BK • 27% Share of women in all management positions, including junior, middle, and top management in UD • 60% Share of women in management positions in revenue-generating functions in UBP • 0.4% Share of women in management positions in revenue-generating functions in CSB • 52% Share of women in management positions in revenue-generating functions in BK • 36% Share of women in management positions in revenue-generating functions in UD
	• Supported the installation of a 2 km pipeline connecting a natural spring to a rural village, ensuring a steady and safe water supply with convenient access points near homes
	• Supported the installation of solar-powered lights along pathways and communal areas in rural communities to enhance nighttime security
	• Conducted financial literacy and cybersecurity awareness workshops for over 630 women from underserved communities • 21,000 public school teachers attended financial well-being and wealth management workshops • Conducted digital skills and remote job preparation workshops for over 800 underserved women in rural communities
	• PHP 33.18B outstanding loans to support the telecommunications, infrastructure, construction, and shipbuilding sectors
	• Redirected over 120 kg of pre-loved clothes to support 400 support services personnel and other communities • Conducted circular economy workshops and supported the reactivation of the Eco-Savers Club, a program that drives awareness on waste reduction and recycling, in public schools
	• Planted 400 mangrove seedlings near coastal communities to increase their resilience to typhoons • Planted 2,000 endemic trees in a closed waste disposal site to improve air quality and promote community awareness on environmental stewardship
	• Collected over ten sacks of garbage from beach and mangrove clean-ups
	• Reforestation, soil conservation, and biodiversity workshops for over 200 community members engaged in coffee planting

ANNEXES

OUR NOMENCLATURE (ABBREVIATIONS AND ACRONYMS)

AML — Anti-Money Laundering
AWS — Amazon Web Services
BK — Bangko Kabayan
BSP — Bangko Sentral ng Pilipinas
CSB — CitySavings Bank
ESG — Environmental, Social, and Governance
GHG — Greenhouse Gas
GRI — Global Reporting Initiative
ICAAP — Internal Capital Adequacy Assessment Process
IFRS — International Financial Reporting Standards
IR — Integrated Reporting
ISSB — International Sustainability Standards Board
LEED — Leadership in Energy and Environmental Design
PDIC — Philippine Deposit Insurance Corporation
RPT — Related Party Transactions
SASB — Sustainability Accounting Standards Board
SDGs — Sustainable Development Goals
UBEA — UnionBank Employees Association
UBP — Union Bank of the Philippines
UD — UnionDigital Bank
UFSI — UnionBank Financial Services and Insurance, Inc.
VASP — Virtual Asset Service Provider

ANTI-CORRUPTION

ANTI-CORRUPTION INCIDENTS (IN #)

GRI 205-3

Incident Type	UBP	CSB	BK	UD
Child Labor	0	0	0	0
Bribery and Corruption	0	4	6	0
Discrimination	0	0	0	0
Forced Labor	0	0	0	0
Violation of Rights of Indigenous People	0	0	0	0
Money Laundering or Insider Trading	0	0	0	0

MONETARY LOSSES (IN PHP)

SASB-FN-CB-510A.1

Disclosure	UBP
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	0

TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES[a] (IN %)

GRI 205-2

Disclosure	Quantity
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	100
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100
Directors and management that have received anti-corruption training	100
Employees that have received anti-corruption training	100

[a] Includes inputs from UBP, CSB, BK, and UD

EMPLOYEE PERFORMANCE

EMPLOYEE DEMOGRAPHICS

GRI 2-7, 2-8, 405-1

UNION BANK OF THE PHILIPPINES

	Permanent Employees (Regular / Probationary)	Project-Based (Fixed-Term Employees)	Total Employees
Total Headcount	5,346	13	5,359
By Gender			
Male	2,140	12	2,152
Female	3,206	1	3,207
By Age Group			
Below 30 years old	1,498	0	1,498
Between 30-50 years old	3,357	8	3,365
Above 50 years old	491	5	496
By Level			
Senior Management (AVP and higher)	575	13	588
Middle Management (Manager)	1,309	0	1,309
Junior Management (Supervisor)	2,820	0	2,820
Rank-and-File (Staff)	642	0	642
By Region			
NCR	4,505	13	4,518
Luzon	365	0	365
Visaya	327	0	327
Mindanao	149	0	149

CITYSAVINGS BANK

	Permanent Employees (Regular / Probationary)	Project-Based (Fixed-Term Employees)	Total Employees
Total Headcount	2,284	9	2,293
By Gender			
Male	1,389	4	1,393
Female	895	5	900
By Age Group			
Below 30 years old	648	7	655
Between 30-50 years old	1,564	1	1,565
Above 50 years old	73	0	73
By Level			
Senior Management (AVP and higher)	58	0	58
Middle Management (Manager)	172	0	172
Junior Management (Supervisor)	828	0	828
Rank-and-File (Staff)	1,227	8	1,235
By Region			
NCR	623	8	631
Luzon	929	0	929
Visayas	442	0	442
Mindanao	291	0	291

BANGKO KABAYAN

	Permanent Employees (Regular / Probationary)	Project-Based (Fixed-Term Employees)	Total Employees
Total Headcount	642	0	642
By Gender			
Male	294	0	294
Female	348	0	348
By Age Group			
Below 30 years old	208	0	208
Between 30-50 years old	394	0	394
Above 50 years old	40	0	40
By Level			
Senior Management (AVP and higher)	2	0	2
Middle Management (Manager)	89	0	89
Junior Management (Supervisor)	112	0	112
Rank-and-File (Staff)	439	0	439
By Region			
NCR	0	0	0
Luzon	435	0	435
Visayas	207	0	207
Mindanao	0	0	0

UNIONDIGITAL

	Permanent Employees (Regular / Probationary)	Project-Based (Fixed-Term Employees)	Total Employees
Total Headcount	242	2	244
By Gender			
Male	121	2	123
Female	121	0	121
By Age Group			
Below 30 years old	60	0	60
Between 30-50 years old	172	2	174
Above 50 years old	10	0	10
By Level			
Senior Management (AVP and higher)	66	2	68
Middle Management (Manager)	85	0	85
Junior Management (Supervisor)	91	0	91
Rank-and-File (Staff)	0	0	0
By Region			
NCR	242	2	244
Luzon	0	0	0
Visayas	0	0	0
Mindanao	0	0	0

HEADCOUNT BY NATIONALITY

GRI 405-1

Nationality	UBP	CSB	BK	UD
Filipino	5,346	2,293	642	244
Asian (Non-Filipino)	9	0	0	2
European	1	0	0	0
Other nationalities	3	0	0	0

NEW EMPLOYEE HIRES

GRI 401-1

	UBP	CSB	BK	UD	Total
By Gender					
Male	359	381	53	64	857
Female	341	201	53	63	658
By Age Group					
Below 30 years old	377	297	71	41	786
Between 30-50 years old	310	282	32	84	708
Above 50 years old	13	3	3	2	21
By Region					
NCR	612	181	0	127	920
Luzon	42	234	67	0	343
Visayas	38	82	39	0	159
Mindanao	8	85	0	0	93

	UBP	CSB	BK	UD	Total
By Level					
Senior Management (AVP and higher)	43	10	0	26	79
Middle Management (Manager)	182	41	4	46	273
Junior Management (Supervisor)	378	139	6	55	578
Rank-and-File (Staff)	97	392	96	0	585

ATTRITION

GRI 401-1

Company	Voluntary Turnover Rate		Involuntary Turnover Rate		Total Turnover Rate
	Count	Attrition Rate	Count	Attrition Rate	
Union Bank of the Philippines	630	12%	57	1%	13%
City Savings Bank, Inc. (CSB)	393	17.9%	27	1.2%	19.1%
Bangko Kabayan (BK)	57	9.1%	54	8.6%	17.7%
Union Digital (UD)	49	20.1%	0	0%	20.1%

ABSENTEEISM (S&P CSA)

Absenteeism is slightly higher among males, with 15% taking Absence / LWOP compared to 9% among females. This indicates that males have a greater tendency to be out of work without pay or be marked absent, suggesting a potential area for further review on attendance behaviors or support needs.

AVERAGE TRAINING HOURS (IN HOURS / EMPLOYEE)

GRI 404-1

UNION BANK OF THE PHILIPPINES

	2023	2024	2025
Average training hours per employee	21.11	25.89	58.46
By Gender			
Male	21.49	25.72	54.98
Female	20.88	25.98	61.93
By Age Group			
Below 30 years old	27.09	26.72	58.02
Between 30-50 years old	15.75	24.51	60.16
Above 50 years old	12.01	32.53	56.08
By Level			
Senior Management (AVP and higher)	16.50	43.63	52.64
Middle Management (Manager)	15.84	23.26	50.28
Junior Management (Supervisor)	24.53	24.17	66.21
Rank-and-File (Staff)	22.33	24.44	52.73

CITYSAVINGS BANK

	2023	2024	2025
Average training hours per employee	28.58	22.00	22.65
By Gender			
Male	27.21	17.01	27.28
Female	30.48	20.61	18.01
By Age Group			
Below 30 years old	Data unavailable	19.92	11.65
Between 30-50 years old	Data unavailable	18.34	32.06
Above 50 years old	Data unavailable	12.82	1.58
By Level			
Senior Management (AVP and higher)	56.23	14.34	1.54
Middle Management (Manager)	32.43	16.82	4.33
Junior Management (Supervisor)	31.33	18.22	26.83
Rank-and-File (Staff)	24.72	18.94	12.60

BANGKO KABAYAN

	2023	2024	2025
Average training hours per employee	Data unavailable	Data unavailable	31.7
By Gender			
Male	Data unavailable	Data unavailable	31.8
Female	Data unavailable	Data unavailable	31.62
By Age Group			
Below 30 years old	Data unavailable	Data unavailable	34.78
Between 30-50 years old	Data unavailable	Data unavailable	30.36
Above 50 years old	Data unavailable	Data unavailable	28.91
By Level			
Senior Management (AVP and higher)	Data unavailable	Data unavailable	29.5
Middle Management (Manager)	Data unavailable	Data unavailable	30.91
Junior Management (Supervisor)	Data unavailable	Data unavailable	31.43
Rank-and-File (Staff)	Data unavailable	Data unavailable	31.94

UNIONDIGITAL

	2023	2024	2025
Average training hours per employee	Data unavailable	8.5	5.0
By Gender			
Male	Data unavailable	8.75	5.04
Female	Data unavailable	8.25	4.96
By Age Group			
Below 30 years old	Data unavailable	4.38	2.34
Between 30-50 years old	Data unavailable	11.60	7.21
Above 50 years old	Data unavailable	1.02	0.45
By Level			
Senior Management (AVP and higher)	Data unavailable	4.58	2.79
Middle Management (Manager)	Data unavailable	5.70	3.48
Junior Management (Supervisor)	Data unavailable	6.72	3.73
Rank-and-File (Staff)	Data unavailable	N/A	N/A

Employees Receiving Regular Performance and Career Development Reviews

GRI 404-3

UNION BANK OF THE PHILIPPINES

	2023	2024	2025
By Gender			
Male	2,035	1,942	2,028
Female	3,234	3,063	3,113
By Level			
Senior Management (AVP and higher)	545	527	573
Middle Management (M-SM)	1,195	1,147	1,253
Junior Management (JO-AM)	2,910	2,745	2,699
Rank-and-File (Staff)	619	586	616

CITYSAVINGS BANK

	2023	2024	2025
By Gender			
Male	Data unavailable	776	1,208
Female	Data unavailable	1,163	803
By Level			
Senior Management (AVP and Up)	Data unavailable	54	55
Middle Management (M-SM)	Data unavailable	146	153
Junior Management (JO-AM)	Data unavailable	725	759
Rank-and-File (Staff)	Data unavailable	1,014	1,044

BANGKO KABAYAN

	2023	2024	2025
By Gender			
Male	Data unavailable	288	294
Female	Data unavailable	332	348
By Level			
Senior Management (AVP and Up)	Data unavailable	18	2
Middle Management (M-SM)	Data unavailable	64	89
Junior Management (JO-AM)	Data unavailable	172	112
Rank-and-File (Staff)	Data unavailable	366	439

UNIONDIGITAL

	2023	2024	2025
By Gender			
Male	Data unavailable	46	78
Female	Data unavailable	47	77
By Level			
Senior Management (AVP and Up)	Data unavailable	30	50
Middle Management (M-SM)	Data unavailable	27	47
Junior Management (JO-AM)	Data unavailable	36	58
Rank-and-File (Staff)	Data unavailable	N/A	N/A

EMPLOYEES COVERED AND TRAINED ON CODE OF CONDUCT (%)

Disclosure	UBP	CSB	BK	UD
Regular and seconded employees in UnionBank and its subsidiaries covered by the Code of Conduct, with written acknowledgment and completed training	100	100	100	100

WOMEN IN THE WORKFORCE

GRI 405-1

	UBP		CSB		BK		UD	
	%	#	%	#	%	#	%	#
Share of women in total workforce	60	3,207	39	903	54	348	50	121
Share of women in top management positions[a]	1	6	3	24	44	7	11	28
Share of women in all management positions[b]	60	2,820	54	486	62	126	27	66
Share of women in junior management positions[c]	62	1,754	51	462	71	79	16	38
Share of women in management positions in revenue-generating functions (e.g., sales)	60	261	0.44	4	52	17	36	5
Share of women in STEM-related positions	30	169	40	364	39	13	32	26

[a] *Maximum two levels away from the CEO or comparable positions*
[b] *Including junior, middle, and top management*
[c] *First level of management*

MEMBERSHIPS IN INDUSTRY ASSOCIATIONS

GRI 2-28

American Chamber of Commerce of the Philippines
Association of Bank Compliance Officers
Association of Certified Fraud Examiners Philippines
BAIPHIL (Bankers Institute of the Phils.)
Bankers Association of the Philippines
Bank Marketing Association of the Philippines
British Chamber of Commerce
Chamber of Thrift Banks Philippines
Clearing Officers Club
Credit Card Association of the Philippines
Credit Management Association of the Philippines
Employers Confederation of the Philippines
Financial Executives Institute of the Philippines
Institute of Internal Auditors Philippines
Investment House Association of the Philippines
ISACA (Information Systems Audit and Control Association)
League of Corporate Foundations
Makati Business Club
Management Association of the Philippines
Money Market Association of The Philippines
National Association of Securities Broker Salesmen, Inc.
People Management Association of the Philippines
Philippine Association of National Advertisers Inc
Philippine Institute of Certified Public Accountants
Philippine Marketing Association
Tax Management Association of the Philippines
The Financial Markets Association (ACI Philippines)
Trust Officers Association of the Philippines

UNIONBANK BRANCH DIRECTORY
(AS OF MARCH 2026)

METRO MANILA / GREATER MANILA AREA

MAKATI CITY

ANTEL RESIDENCES
G/F Antel Spa Suites, 7829 Salamanca St., Poblacion, Makati City
(0917) 827-6545
(0917) 857-0905

AYALA-MADRIGAL
G/F Don Vicente Madrigal Building, 6793 Ayala Ave., Makati City
(0917) 860-9753
(0917) 819-1537

AYALA-RUFINO
G/F Rufino Pacific Tower, 6784 Ayala Avenue corner V.A. Rufino St., Makati City
(0917) 845-4760

AYALA-SSS
G/F SSS Makati Building 6782 Ayala Avenue corner V.A. Rufino St., Legaspi Village, Makati City
(0917) 837-3970
(0917) 841-3972

6754 AYALA AVENUE
G/F PNB Makati Center, 6754 Ayala Avenue
Brgy San Lorenzo, Makati City
(0917) 835-8941

DELA ROSA
G/F Insular Health Care Building, 167 Dela Rosa corner Legaspi St., Legaspi Village, Makati City
(02) 8478-5509
(0917) 809-1353

H.V. DELA COSTA
138 Global Enterprise Building, H.V. Dela Costa St. Salcedo Village, Makati City
(0917) 850-2999
(0917) 819-9273

INSULAR AYALA PASEO (The ARK)
G/F Insular Life Building, Ayala Avenue corner Paseo de Roxas, Makati City
(0917) 836-7961
(0917) 847-7769

J.P. RIZAL
731 J.P. Rizal St. Makati City
(0917) 844-9702
(0917) 818-7740

MAGALLANES
G/F Maga Center Building, Paseo de Magallanes, Makati City
(0917) 831-0955
(0917) 806-3501

MAKATI AVENUE
7874 Makati Ave. corner Durban St., Poblacion, Makati City
(0917) 845-0220
(0917) 803-3873

MULTINATIONAL BANCORP
G/F Multinational Bancorp. Centre, 6805 Ayala Avenue, Makati City
(0917) 837-2661
(0917) 812-3091

PASAY ROAD
G/F Salud and Consuelo Bldg., 912 Arnaiz Avenue Pasay Road, San Lorenzo Village, Makati City
(0917) 808-7593
(0917) 833-9683

PASEO DE ROXAS
G/F 111 Paseo de Roxas Building, Paseo de Roxas corner Legaspi St., Legaspi Village, Makati City
(0917) 842-2981
(0917) 860-6323

PASONG TAMO-JTKC
G/F JTKC Centre Building, 2155 Chino Roces Avenue, Legaspi Village, Makati City
(0917) 856-8126
(0917) 827-8341

PASONG TAMO EXTENSION
G/F BCS Prime Building, Don Chino Roces Ave., Pasong Tamo Extension, Makati City
(0917) 104-1978
(0917) 809-7818

PEREA
G/F Greenbelt Mansion Perea St., Legaspi Village, Makati City
(02) 8587-1579
(0917) 814-5832
(0917) 834-5405

RADA
Prince Building, 117 Rada St., Legaspi Village, Makati City
(0917) 863-9895
(0917) 844-2396

SALCEDO
Golden Rock Building, 168 Salcedo St., Legaspi Village, Makati City
(0917) 850-2938
(0917) 836-2358

SAN AGUSTIN DELA COSTA
Liberty Plaza, 102 HV dela Costa corner San Agustin St., Salcedo Village Bel Air, Makati City
(0917) 819-3424
(0917) 849-0583

VALERO
Le Grand Condominium, 130 Valero St., Salcedo Village, Makati City
(0917) 824-3954
(0917) 846-7178

VITO CRUZ
Kingswood Arcade, Vito Cruz corner Pasong Tamo St., Makati City
(0917) 850-8844
(0917) 856-5884

CITY OF MANILA

CITYPLACE SQUARE
3/F Lucky Chinatown-Cityplace Square, Calle Felipe corner La Chambre Street, Binondo, Manila
(0917) 839-7319
(0917) 808-2811

DASMARIÑAS
UnionBank Centre Manila Building, Dasmariñas corner Q. Paredes St., Binondo, Manila
(0917) 856-1713

ESCOLTA
G/F Regina Building, Escolta, Manila
(0917) 850-0528

ICTSI
G/F ICTSI Administration Building, Manila International Container Terminal, MICT South Access Road, Port Area, Manila
(0917) 809-4694

INTRAMUROS
409 G/F BF Condominium Building, A. Soriano Avenue, Intramuros, Manila
(02) 8404-1720
(0917) 844-7684
(0917) 810-2968
(0917) 824-5239

MALATE
G/F Marioco Building, 1945 M. Adriatico St., Malate, Manila
(0917) 850-1076
(0917) 833-9882

MASANGKAY
911-913 G. Masangkay St., Binondo, Manila
(0917) 856-6047

MAYHALIGUE
G/F One Masangkay Place, 1420 Masangkay near corner Mayhaligue St., Sta. Cruz, Manila
(0917) 846-7606

OTIS (formerly Pandacan)
1763 Paz M. Guazon St., Paco, Manila
(02) 8564-0537
(0917) 850-2382

STO. CRISTO
LG01 and LG02 Burke Plaza Building, Sto. Cristo corner San Fernando St., Binondo, Manila
(0917) 860-5662
(0917) 808-8720

TAFT AVENUE
2625 G/F Kassel Condominium, Taft Ave (near cor. P. Ocampo Street) Vito Cruz St., Malate, Manila
(0917) 136-8324

T. ALONZO
625 T. Alonzo Street, Sta. Cruz, Manila
(02) 8736-9858
(0917) 860-0661

UNITED NATIONS AVENUE
UN Avenue corner M.H. del Pilar and M. Guerrero Sts., Ermita, Manila
(0917) 812-8734
(0917) 113-5061

VERTEX ONE-SAN LAZARO
G/F Space 12 & 13, Vertex One Building, San Lazaro, Manila (back of SM San Lazaro)
(0917) 818-7469

YUCHENGCO
Units 2 and 3, Escolta Parking Building, Escolta St. (corner Yuchengco St.), Binondo, Manila
(0917) 841-8704
(0917) 836-8664

CALOOCAN CITY

EDSA KALOOKAN
512 EDSA corner Urbano Plata St., Caloocan City
(0917) 863-8282
(0917) 848-9902

KALOOKAN
357 Rizal Ave. Extension, Grace Park, Caloocan City
(0917) 860-6292
(0917) 834-8662

LAS PIÑAS

LAS PIÑAS
Alabang Zapote Road corner Crispina Avenue, Pamplona III, Las Piñas City
(0917) 863-2810
(0917) 832-5932

MALABON

MALABON
31 Rivera Street corner Gov. Pascual Ave., Tinajeros, Malabon City
(0917) 849-1650
(0917) 846-9032

MANDALUYONG CITY

BONI AVENUE
655 Boni Avenue corner, Ligaya St., Mandaluyong City
(0917) 839-7211

EDSA-PIONEER
UG7 Level 1, Robinson's Cybergate Plaza, EDSA corner Pioneer Street, Mandaluyong City
(0917) 116-7730
(0917) 846-0482

LIBERTAD-MANDALUYONG
Unit A2 Cluster El Dorado, California Garden Square, Libertad St., Mandaluyong City
(0917) 849-0351
(0917) 705-5829

SHAW MANDALUYONG
PICPA Bldg., 700 Shaw Blvd., Mandaluyong City
(0917) 136-7536

ST. FRANCIS SHANGRI-LA PLACE
Tower 1 G/F, Retail Internal Road corner St. Francis St., Brgy. Wack-Wack, Mandaluyong City
(0917) 810-5998
(0917) 840-3251

WACK-WACK
6 Shaw Boulevard corner S. Laurel St., Mandaluyong City
(02) 7906-9860
(0917) 863-8748

MARIKINA CITY

MARIKINA
WRC 2 Bldg., No. 47 Gil Fernando Ave.,
Midtown Subdivision II, Brgy. San Roque,
Marikina City
(0917) 839-3168
(0917) 827-5914

MUNTINLUPA CITY

ALABANG COUNTRY CLUB
G/F Alabang Country Club, Acacia Drive,
Ayala Alabang Village, Muntinlupa City
(0917) 860-4784
(0917) 860-4974

ALABANG TOWN CENTER
Makati Supermart Alabang, Alabang Town
Center, Muntinlupa City
(0917) 818-7498
(0917) 862-3391

AYALA ALABANG
G/F JD Tower Commerce corner Acacia
Ave., Madrigal Business Park, Ayala
Alabang, Muntinlupa City
(0917) 863-8216
(0917) 836-0043
(0917) 847-2918

MUNTINLUPA
12 Jayson's Building, National Road,
Putatan, Muntinlupa City
(0917) 846-8533
(0917) 864-0946

RICHVILLE
UGF Richville Corporate Tower, Madrigal
Business Park, Alabang Zapote Road,
Alabang, Muntinlupa City
(0917) 844-2163
(0917) 828-3661

NAVOTAS

NAVOTAS
807-817 M. Naval St., Sipac Almacen,
Navotas City
(0917) 832-7093
(0917) 864-1180

PARAÑAQUE CITY

BF HOMES
55 President's Avenue, BF Homes Subd.,
Parañaque City
(0917) 821-0986
(0917) 856-5943

BICUTAN
28 Doña Soledad Avenue, Better Living
Subd., Parañaque City
(0917) 843-3972
(0917) 106-7871

DR. A. SANTOS
G/F MTF Building, Dr. A. Santos Avenue
corner Kabesang Segundo St., San Isidro,
Parañaque City
(02) 8981-4791
(0917) 818-7509
(0917) 834-7128
(0917) 837-6251
(0917) 842-7404

PASCOR DRIVE
G/F Sky Freight Center, Ninoy Aquino
Avenue corner Pascor Drive,
Parañaque City
(02) 8855-7748
(0917) 851-8740

MEDICAL CENTER PARAÑAQUE
G/F Medical Center Paranaque Bldg.,
Dr. Arcadio Santos Avenue, Sucat,
Parañaque City
(0917) 860-9695
(0917) 847-0792

WEST SERVICE ROAD
Rodeo Building, Km. 18 West Service
Road, South Luzon Expressway,
Parañaque City
(0917) 856-8164
(0917) 827-1446

PASAY CITY

DOUBLE DRAGON MERIDIAN
G/F West Tower Double Dragon Meridian
Park, Macapagal Ave. corner Edsa Ext.,
Pasay City
(0917) 846-8958
(0917) 807-8173

GSIS
GSIS Main Office, Financial Center,
Pasay City
(0917) 860-5840

MACAPAGAL
G/F Y Tower, Macapagal Avenue, Mall of
Asia (MOA) Complex, Pasay City
(0917) 833-4019
(0917) 864-5617

NEWPORT CITY
G/F Horizon Centre, Andrews Avenue,
Newport Boulevard, Newport City,
Pasay City
(02) 8556-8955
(0917) 807-0501

PASAY CITY
2528 ERL Building, Taft Avenue,
Pasay City
(0917) 830-0919
(0917) 856-6597

PASIG CITY

ADB AVENUE
G/F Burgundy Empire Tower, ADB Avenue
corner Sapphire & Garnet Roads, Ortigas
Center, Pasig City
(0917) 850-1930
(0917) 323-5652

EMERALD AVENUE
G/F Wynsum Corporate Plaza Building,
Emerald Avenue, Ortigas Center,
Pasig City
(0917) 860-5795
(0917) 816-7135

ADB WEALTH BRANCH
G/F ADB Bldg, 6 ADB Avenue,
Mandaluyong City 1550
(02) 8632-5251
(02) 8632-5200
(0917) 821-9358

FRONTERA VERDE
G/F Transcom Centre, Frontera Verde,
Ortigas Avenue corner C5, Pasig City
(0917) 807-1287
(0917) 809-8259

JULIA VARGAS
G/F Centerpoint Building, J. Vargas Ave.
corner Garnet Rd., Ortigas Center,
Pasig City
(0917) 842-4632

MEDICAL CITY
B1 The Medical Arts Tower Bldg., The
Medical City Hospital, Ortigas Avenue,
Pasig City
(0917) 860-9302
(0917) 864-0874

ORTIGAS
G/F The Crescent Condominium, 29 San
Miguel Avenue, Ortigas Center, Pasig City
(0917) 829-8071

RENAISSANCE TOWER
G/F Renaissance 1000, Meralco Ave.,
Ortigas Center, Pasig City
(0917) 827-6196
(0917) 844-5318

SHAW BOULEVARD
131-133 Shaw Boulevard, Pasig City
(0917) 820-4332
(0917) 812-3045

SHAW-PASIG
G/F Chipeco Building, Shaw Boulevard
corner Meralco Ave., Pasig City
(0917) 702-0947

TEKTITE
G/F West Tower, Phil. Stock Exchange
Center, Exchange Road, Ortigas Center,
Pasig City
(0917) 840-1382
(0917) 825-4763

UNIONBANK PLAZA
UnionBank Plaza Bldg. Meralco Avenue
corner Onyx Road, Pasig City
(0917) 846-1134
(0917) 831-0034

QUEZON CITY

ACROPOLIS
G/F Bridgeview Bldg. 171 E. Rodriguez Jr.
Avenue, Bagumbayan, Quezon City
(02) 7968-8858
(0917) 843-8292

ALI MALL
Level 2, Financial Center, Ali Mall, Araneta
Center, Cubao, Quezon City
(0917) 843-8691

AURORA – BALETE DRIVE
G/F Marsk Bldg., Aurora Blvd. corner
Balete Drive, Quezon City
(02) 7968-7169
(02) 8722-6327
(0917) 845-2319

AURORA BOULEVARD
677 Aurora Blvd. (near Broadway
Centrum) New Manila, Quezon City
(02) 8725-1951
(0917) 112-0946
(0917) 860-5783

BAESA
Baesa Town Center, 232 Quirino Highway,
Baesa, Quezon City
(0917) 831-5402
(0917) 825-6936

C-5 QC
184-B E. Rodriguez Jr. Ave., Bagumbayan,
Quezon City
(0917) 841-1713

COMMONWEALTH AVENUE
12-13, Upper G/F, Diliman Commercial
Center, Commonwealth Avenue, Diliman,
Quezon City
(0917) 820-4768

COMMONWEALTH-LUZON AVENUE
UGF, Kayumanggi Center Building,
Commonwealth cor. Luzon Avenues, Brgy.
Matandang Balara, Quezon City
(0917) 856-6034
(0917) 820-3449

CUBAO P. TUAZON
P. Tuazon St. corner 7th Ave., Cubao,
Quezon City
(0917) 815-1496
(0917) 832-0360

DEL MONTE AVENUE
345 Del Monte Avenue cor. Banawe St.,
Brgy. Manresa, Quezon City
(0917) 827-7358
(0917) 835-0247

EASTWOOD CITY
G/F Unit, LGR1-6, Le Grand Tower 1,
Palm Tree Avenue, Eastwood City, Brgy.
Bagumbayan, Quezon City
(02) 8584-3638
(0917) 813-4928

E. RODRIGUEZ
G/F Katipunan Building, 95 E. Rodriguez
Sr. Ave., Quezon City
(0917) 110-1890

GMA-TIMOG
Unit 101 Cabrera Bldg. 1, 130 Timog
Avenue, Brgy. Sacred Heart, Quezon City
(0917) 845-7355

KAMIAS
G/F TDS Building, 72 Kamias Road,
Quezon City
(02) 8929-7807

KATIPUNAN
G/F Elizabeth Hall Building, Katipunan
Avenue, Brgy. Loyola Heights, Quezon City
(02) 7971-0306
(02) 7623-2040
(0917) 827-0997
(0917) 864-1533

MAYON
G/F ACI Bldg., 178 Mayon Street, Brgy.
Maharlika, Quezon City
(0917) 848-2973
(0917) 831-9492

NOVALICHES-GULOD
854 Quirino Highway, Gulod, Novaliches,
Quezon City
(0917) 839-8514
(0917) 849-2979

ROOSEVELT
244 Fernando Poe Jr Ave (formerly
Roosevelt Ave.) Brgy San Antonio,
Quezon City
(0917) 821-5429
(0917) 858-8786

SANTO DOMINGO
G/F Elements Building, 560 Quezon
Avenue ,Brgy Tatalon, Quezon City
(0917) 843-9086

SOUTH TRIANGLE
Quezon Avenue corner Scout Albano,
Quezon City
(0917) 848-9957

SSS EAST AVENUE
G/F SSS Main Building, East Avenue,
Quezon City
(0917) 827-6075

TIMOG
Cabrera Building II, 64 Timog Avenue,
Quezon City
(02) 8926-8636
(0917) 810-9261

TOMAS MORATO
Tomas Morato near corner Scout Lozano St., Quezon City
(02) 7624-0379
(0917) 829-7262

VISAYAS-CONGRESSIONAL
G/F WMG Building, 47 Visayas Ave., Brgy. Culiat, Quezon City
(0917) 842-7292
(0917) 849-5952

WEST AVENUE-BALER
No. 91 Brgy. Bungad, West Avenue, Quezon City
(0917) 827-2502

CAINTA, RIZAL

CAINTA
G/F, ELN Bldg., Ortigas Ave Extension, Brgy Sto Domingo, Cainta, Rizal
(0917) 850-1642
(0917) 845-4309

SAN JUAN

ANNAPOLIS
G/F Unit 133, Promenade Missouri, Greenhills Shopping Center, Missouri corner Annapolis Streets, Greenhills, San Juan City
(0917) 863-8483

CARDINAL SANTOS
G/F Cardinal Santos Medical Center, 10 Wilson St., Greenhills West, San Juan City
(0917) 861-8903

GREENHILLS
Ortigas Avenue near corner Wilson St., Greenhills, San Juan City
(0917) 803-7407

NORTHEAST GREENHILLS - WEALTH
22 Missouri St. Northeast, Greenhills, San Juan City
(02) 8705- 5824
(0905) 953-7701

TAGUIG

2ND AVENUE - BGC
G/F Blue Sapphire Building, 2nd Avenue corner 30th Street, Bonifacio Global City, Taguig City
(0917) 863-8353

3RD AVENUE – BGC
G/F Shop B, Two Neo Building, 3rd Avenue corner 28th Street, Bonifacio Global City, Taguig City
(0917) 818-2493
(0917) 849-7945

5TH AVENUE – GLOBAL CITY
Unit 103, G/F One Global Place, 5th Avenue corner 25th Street, Bonifacio Global City, Taguig City
(0917) 860-4906

BGC-7TH AVENUE
G/F Twenty-Four Seven McKinley Bldg., 7th Avenue Corner 24th Street and McKinley Parkway, Bonifacio Global City, Taguig City
(02) 8573-7281

BGC 32ND STREET BRANCH
G/F Trade and Financial Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig City
(0917) 837-5027
(0917) 850-8009
(0917) 856-1490
(0917) 836-4007

BGC 34TH STREET
G/F, Shop 2, Panorama Building, 34th St. corner Lane A, Bonifacio Global City, Taguig City
(0917) 849-7945

BGC 38TH STREET
G/F Orion Building, 11th Avenue corner 38th St., Bonifacio Global City, Taguig City
(02) 8624-4893
(0917) 838-0421

BGC-MCKINLEY ROAD
G/F, Unit 1, Fairways Towers, 5th Avenue, Bonifacio Global City, Taguig City
(02) 8968-6368
(0917) 860-4713

BGC THE LUXE RESIDENCES
G/F Shop 3 The Luxe Residences, 28th Street corner 4th Ave., Bonifacio Global City, Taguig City
(02) 8968-4403
(0917) 863-8511

BGC TRIANGLE DRIVE
Shop 3, Philplans Building Corporate Center, 1012 North Triangle Drive, Bonifacio Global City, Taguig City
(0917) 856-5990
(0917) 837-5027

BGC-UPTOWN PLACE MALL
Unit B106, Lower G/F, Uptown Place Mall, 9th Avenue corner 36th Street, Bonifacio Global City, Taguig City
(0917) 860-4897

BONIFACIO HIGH STREET
W Global Center, Corner 30th and 9th Avenues, Fort Bonifacio, Taguig City
(02) 8808-1166
(0917) 863-8499

MCKINLEY HILL
Units 1A & 1B Two World Square, Upper McKinley Road, McKinley Hill Drive, Fort Bonifacio, Taguig City
(0917) 860-4834

MCKINLEY WEST
Lower G/F, Robinsons Cyber Sigma Building, Lawton Avenue, Bonifacio South, Taguig City
(02) 8587-2145
(0917) 863-8612

VALENZUELA

MALINTA
292 Mirjan Building, Maysan Road, Paso de Blas, Valenzuela City
(0917) 834-3099
(0917) 107-7440

VALENZUELA
Km. 12 MacArthur Highway corner Fatima Ave., Marulas, Valenzuela City
(0917) 843-6733
(0917) 839-3985

CENTRAL / NORTH LUZON

ANGELES
G/F, Building 1, Unit 1 & 2, Central Town Mall Fil-Am Friendship Highway, Brgy. Cutcut, Angeles City, Pampanga
(0917) 827-3254

BAGUIO
Units PF-7 & PF-7A Plaza Floor Cedar Bldg., Gen. Luna Road cor. Mabini Street, Brgy. Kabayanihan, Baguio City
(074) 443-5658
(0917) 863-9684

BALIWAG
G/F Units 3&4, 3006 St. Augustine Square, #17 Pinagbarilan St., Doña Remedios Trinidad Highway, Baliwag, Bulacan
(044) 766-2442
(0917) 837-3728

CABANATUAN
Padre Burgos Ave., Brgy. Padre Burgos, Cabanatuan City, Nueva Ecija
(044) 463-0490
(0917) 815-9755

CLARK
Philexcel Business Park, M. Roxas Highway, Clark Freeport Zone, Pampanga
(045) 499-5141
(0917) 812-2056

CAUAYAN, ISABELA
G/F Isabela Trade Center Building, National Highway, Cauayan City, Isabela
(078) 652-4401
(0917) 861-5024

DAGUPAN
Perez Blvd, Brgy Pogo, Chico, Dagupan City, Pangasinan
(0917) 863-9715

LAOAG-SAN NICOLAS
G/F 365 Plaza Building, National Highway, Brgy. 1, San Nicolas, Ilocos Norte
(077) 770-3771
(0917) 801-8236
(0917) 835-1200

MEYCAUAYAN
G/F Marian Bldg., MacArthur Highway, Calvario, Meycauayan, Bulacan
(0917) 816-2712
(0917) 825-0179

OLONGAPO
87 Magsaysay Drive, Olongapo City
(047) 602-2618
(0917) 863-9710

PAMPANGA
G/F Mel-V Bldg., Olongapo Gapan Road, Dolores, San Fernando, Pampanga City
(0917) 827-2875

SAN FERNANDO, LA UNION
G/F, Nisce Business Center, Quezon Avenue, Brgy. Catbangen, San Fernando, La Union
(0917) 818-7453

SAN FERNANDO, PAMPANGA
3M Bldg., MacArthur Highway, San Agustin, San Fernando, Pampanga
(0917) 834-4513

SANTIAGO
Maharlika Highway, Malvar, Santiago City
(0917) 863-9750
(0917) 864-7884

SUBIC
19B Manila Avenue corner Canal Street, Subic Bay Freeport Zone
(047) 252-9326
(0917) 832-8659

TARLAC
Jaral Bldg., MacArthur Highway corner Juan Luna St., Tarlac City
(045) 8982-6490
(0917) 821-9970
(0917) 835-3065

TUGUEGARAO
Bagay Road corner Andrews Street, Caritan Centro, Tuguegarao City, Cagayan
(078) 844-3170
(0917) 860-9102

VIGAN
AR Lahoz Building, Jose Singson Street, Vigan, Ilocos Sur
(077) 722-2046
(0917) 839-8936

URDANETA
G/F Wheels and Wonder Square, McArthur Highway, Nancayasan, Urdaneta City, Pangasinan
(0917) 862-8864

SOUTHERN LUZON

BACOOR
Addio Bldg., Aguinaldo Highway, Talaba, Bacoor, Cavite
(0917) 834-6597

BATANGAS CITY
G/F, University of Batangas Bldg., Highway Hills, Hilltop, Batangas City
(0917) 864-0934

BIÑAN-CARMONA
National Highway, Bgy. Maduya, Carmona, Cavite
(0917) 835-4941

CALAMBA-PARIAN
G/F Andenson Bldg., Bgy. Parian, Calamba, Laguna
(0917) 856-2368

DASMARIÑAS-CAVITE
Gov. D. Mangubat Avenue, Congressional Road, Aguinaldo Highway, Dasmariñas, Cavite
(0917) 836-7372

IMUS-CAVITE
G/F Melta Bldg. cor. Sampaguita Village, Aguinaldo Highway, Imus, Cavite
(0917) 825-6205

LEGASPI
G/F, Unit 1, SMC Bldg., Landco Business Park, Capantawan, Legazpi City
(0917) 864-0980

LIMA
GF LIMA Tower One, LIMA Estates, Brgy. San Tiago, Malvar, Batangas
(0917) 804-0739

LIPA
B. Morada Avenue, Lipa City, Batangas
(0917) 822-2359

LUCENA
One People Square, M.L. Tagarao Street corner Granja St., Lucena City
(0917) 860-4433

NAGA
G/F Prime Days Hotel Building, Panganiban Drive, Naga City
(0917) 864-0986

PUERTO PRINCESA
J.P. Rizal Avenue, Brgy. Maningning, Puerto Princesa City, Palawan
(0917) 834-9763

SAN PEDRO
Manila South Rd cor. Cataquiz National Highway, Brgy. Landayan, San Pedro, Laguna
(0917) 825-0919

STA. ROSA
Rizal Boulevard corner Zavalla St., Brgy. Malusak, Sta. Rosa, Laguna
(0917) 842-1629

TAGAYTAY
G/F Tagaytay Prime Residences, Tagaytay-Calamba Road, Prime Rotunda, Brgy. San Jose, Tagaytay City
(0917) 860-9078

METRO CEBU

CEBU ACO
G/F Aboitiz Corporate Center, Gov. Manuel M. Cuenco Ave. Kasambagan, Cebu City
(0917) 838-9964
(0917) 820-5135

CEBU A.S. FORTUNA
G/F The Space, A.S. Fortuna corner P. Remedio St., Banilad, Mandaue City, Cebu
(0917) 658-6592
(0917) 801-6578

CEBU AYALA FGU-WEALTH
G/F Ayala FGU Center, Mindanao Avenue cor. Biliran Road, Cebu Business Park, Cebu City
(0917) 824-0676
(0917) 843-9325

CEBU-BANILAD
Unit 114 Banilad Town Center, Gov. M. Cuenco Avenue, Banilad, Cebu City
(0917) 825-7191
(0917) 805-3348

CEBU-BORROMEO
Door 8 Plaza Borromeo, Borromeo St., Cebu City
(0917) 828-1340
(0917) 820-7096

CEBU INSULAR BRANCH (formerly CEBU BUSINESS PARK)
G/F Insular Life Cebu Business Centre, Mindanao Ave. corner Biliran Road, Cebu Business Park, Cebu City
(0917) 860-9933
(0917) 826-4634

CEBU BUSINESS PARK SUMILON ROAD
G/F Buildcomm Center, Sumilon Road, Cebu Business Park, Cebu City
(0917) 856-7593
(0917) 811-9006

CEBU-EXCHANGE
G/F, Units D & E Cebu Exchange Tower, Salinas Drive, Lahug, Cebu City
(0917) 808-4162
(0917) 850-4596

CEBU-I.T. PARK
GF101 TGU Tower, Salinas Drive, Asiatown IT Park, Lahug, Cebu City
(0917) 863-8196
(0917) 804-6068

CEBU–LAPU-LAPU MEPZ II
Lot 2, Block 1, Phase 1 MEPZ II, SEPZ, Lapu-Lapu City, Cebu
(0917) 817-7553
(0917) 847-0240

CEBU MACTAN NEWTOWN
G/F Retail 2&3, Plaza Magellan Tower 1, Mactan Newtown, Lapu-Lapu City
(0917) 812-9240
(0917) 827-1489

CEBU-MANDAUE
G/F Kentredder Bldg., A. Cortes St., Mandaue City, Cebu City
(0917) 863-8250
(0917) 860-9864

CEBU-MAXILOM
G/F ONG TIAK Building, Gen. Maxilom Ave., Cebu City
(0917) 825-5503
(0917) 816-8269

CEBU MCIA
G/F Cebu Mactan International Airport, Lapulapu City
(0917) 863-8411
(0917) 860-9940

CEBU-MINGLANILLA
G/F FCT Commercial Building, Poblacion Ward II, Minglanilla, Cebu
(0917) 820-2321
(0917) 805-4153

CEBU NORTH DRIVE
G/F North Drive Mall, Ouano Avenue, NRA, Mandaue City, Cebu
(0917) 820-1149
(0917) 813-5779

CEBU NORTH ROAD
G/F Khuz'ns Bldg., North Highway, Estancia, Mandaue City
(032) 425-1802
(0917) 832-9609
(0917) 820-4441

CEBU-PLARIDEL
104 Plaridel Street, Brgy. Sto. Niño, Cebu
(0917) 860-9901
(0917) 807-2623

CEBU-SUBANGDAKU
G/F Units 3&4, A.D. Gothong I.T. Center, Lopez Jaena St., Brgy. Subangdaku, Mandaue City
(0917) 820-3839
(0917) 809-3690

CEBU-TIMES SQUARE
G/F Cebu Time Square 2 Bldg., Brgy. Tipolo, North Reclamation Area, Mandaue City, Cebu
(0917) 845-7443
(0917) 813-0337

VISAYAS

BACOLOD-LACSON
G/F, Abenson Bldg., Lacson corner Galo Streets, Bacolod City
(0917) 813-6144

BACOLOD-NORTH MANDALAGAN
Ground Floor, The Row, Lacson Street, Brgy. Bata Bacolod City
(0917) 856-6915
(0917) 837-2638

DUMAGUETE
UnionBank Building, Ramon Pastor Sr. St. corner San Juan St., Dumaguete, Negros Oriental
(035) 422-5038
(0917) 864-0852

ILOILO-IZNART
Villanueva Building, Iznart St., Iloilo City
(033) 335-0464
(0917) 864-0791
(0917) 864-0849

ILOILO-GENERAL LUNA
Brgy. Villa Anita Village, Gen. Luna Street, Iloilo City
(0917) 843-5819

TACLOBAN
G/F Tacloban Plaza Bldg., Justice Romualdez Street, Tacloban City
(0917) 819-3933
(0917) 809-4516

TAGBILARAN
0041 JS Torralba Street, Brgy. POB II, Tagbilaran City, Bohol
(0917) 831-9794
(0917) 807-6119

METRO DAVAO

DAVAO-CABAGUIO
G/F, Dmirie Bldg., JP Cabaguio Avenue,
(082) 221-4776
(082) 324-5036
(0917) 843-5816

DAVAO-MAGSAYSAY
R. Magsaysay Avenue corner E. Jacinto St., Davao City
(082) 326-1253
(0917) 864-1459
(0917) 839-7028

DAVAO-MONTEVERDE
G/F Mintrade Bldg., Monteverde Ave. Corner Sales St., Davao City
(0917) 864-0974
(0917) 861-4877

DAVAO-QUIRINO
Quirino Ave. corner San Pedro, Extension Street, Davao City
(0917) 864-0898
(0917) 816-6629

DAVAO-RIZAL
G/F & 2/F Quibod Commercial Complex, Rizal Street, Davao City
(0917) 806-5813
(0917) 829-7024

MINDANAO

BUTUAN
Ground Floor CAP Bldg., JC Aquino Ave. corner J. Rosales Ave., Butuan City
(085) 304-6215
(0917) 864-1520
(0917) 815-2902

CAGAYAN DE ORO-LAPASAN
Lapasan National Highway, Cagayan de Oro City
(088) 856-6106
(0917) 863-5773
(0917) 801-0844

GENERAL SANTOS-SOUTH
G/F Sun City Suites, Digos Makar Road, National Highway, General Santos City
(0917) 850-1646
(0917) 827-2945

ILIGAN
Quezon Avenue, Brgy. Poblacion, Iligan City
(063) 302-2640
(0917) 816-1180
(0917) 852-5246

PAGADIAN
GF Sabado Building, Rizal Avenue, San Francisco District, Pagadian City
(0917) 826-9267
(0917) 810-7138

ZAMBOANGA CITY
G/F ZAEC Bldg., Mayor Jaldon St., Cor. Gov. Alvarez Street, Zamboanga City
(0917) 832-7014
(0917) 843-0423

GRI CONTENT INDEX

Union Bank of the Philippines has reported in accordance with the GRI Standards for the period January 1, 2025 to December 31, 2025.

Statement of use
GRI 1 used: GRI 1: Foundation 2021
Applicable GRI Sector Standard(s): None for this reporting year

GRI Standard	Disclosure	Location / Direct Answer	Omission		
			Req. Omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1: Organizational details	2, 8			
	2-2: Entities included in the organization's sustainability reporting	3			
	2-3: Reporting period, frequency and contact point	2, 10 Contact point: Angelica Marie J. Ozaeta Head of Sustainability sustainability@unionbankph.com			
	2-4: Restatements of information	134, 137			
	2-5: External assurance	The sustainability office, under the Chief Risk Officer, presided over its creation. External assurance will be considered for the 2027 Annual and Sustainability Report.			
	2-6: Activities, value chain, and other business relationships	6			
	2-7: Employees	141, 203–206			
	2-8: Workers who are not employees	203–206			
	2-9: Governance structure and composition	60–62			
	2-10: Nomination and selection of the highest governance body	See corporate governance selection process for Board of Directors and Senior Management in the **Manual on Good Corporate Governance**			
	2-11: Chair of the highest governance body	60–62			
	2-12: Role of the highest governance body in overseeing the management of impacts	62, 98–107			
	2-13: Delegation of responsibility for managing impacts	60–62, 98–107			
	2-14: Role of the highest governance body in sustainability reporting	98–107			
	2-15: Conflicts of interest	See Policy on Conflict of Interest in the **Manual of Good Corporate Governance**			
	2-16: Communication of critical concerns	See **Rights of Shareholders**			
	2-17 : Collective knowledge of the highest governance body	71–74			
	2-18: Evaluation of the performance of the highest governance body	70			
	2-19: Remuneration policies	68–69			
	2-20: Process to determine remuneration	68–69			
	2-21: Annual total compensation ratio		All information	Confidentiality constraints	Local laws do not require disclosures on annual total compensation ratio.
	2-22: Statement on sustainable development strategy	32–37			
	2-23: Policy commitments	99			
	2-24: Embedding policy commitments	99, 110–115			
	2-25: Processes to remediate negative impacts	100–101, 108-121			
	2-26: Mechanisms for seeking advice and raising concerns	118–121, 146			
	2-27: Compliance with laws and regulations	137			
	2-28: Membership associations	213			
	2-29: Approach to stakeholder engagement	118–121			
	2-30: Collective bargaining agreements	147			

GRI Standard	Disclosure	Location / Direct Answer	Omission		
			Req. Omitted	Reason	Explanation
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1: Process to determine material topics	6-7			
	3-2: List of material topics	6-7			
Systematic Risk Management					
GRI 3: Material Topics 2021	3-3: Management of material topics	104–105, 124–127			
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	125			
	201-2: Financial implications and other risks and opportunities due to climate change		All information	Information unavailable / incomplete	Aligned with the environmental and social risk management system, the model to compute financial implications of climate risks is currently being developed.
	201-3: Defined benefit plan obligations and other retirement plans		All information	Information unavailable / incomplete	Retirement benefits are provided through a defined contribution plan, in line with local regulations.
	201-4: Financial assistance received from government		All information	Not applicable	UnionBank did not receive financial assistance from the government during the reporting period. This disclosure is omitted as it is not applicable.
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	105			
Innovation & Digitalization					
GRI 3: Material Topics 2021	3-3: Management of material topics	180–197			
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported		All information	Information unavailable / incomplete	UnionBank's infrastructure investments primarily focus on internal banking operations and technological advancements. The Bank does not report on infrastructure investments or services supported in external public infrastructure, so this disclosure is omitted.
	203-2: Significant indirect economic impacts	181–185, 190–197			
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs		All information	Not applicable	UnionBank does not operate in areas where formal community engagement, impact assessments, or development programs are required. Therefore, this disclosure is omitted.
	413-2: Operations with significant actual and potential negative impacts on local communities		All information	Not applicable	UnionBank has not identified any operations with significant actual or potential negative impacts on local communities during the reporting period. As such, this disclosure is omitted.
GRI 417: Marketing and Labeling 2026	417-1: Requirements for product and service information and labeling	UnionBank maintains strict oversight of all marketing campaigns, product materials, and digital platforms—including the website and mobile app—to ensure accuracy, transparency, and ease of access. Customers receive clear information about the features and implications of the Bank's products and services, including potential economic, environmental, and social impacts.			
	417-2: Incidents of non-compliance concerning product and service information and labeling	188			
	417-3: Incidents of non-compliance concerning marketing communications	188			
Anti-Corruption & Whistleblower Protection; Business Ethics					
GRI 3: Material Topics 2021	3-3: Management of material topics	87			
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	87			
	205-2: Communication and training about anti-corruption policies and procedures	202			
	205-3: Confirmed incidents of corruption and actions taken	87			
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		All information	Information unavailable / incomplete	UnionBank does not currently have the systems in place to obtain the data.
Tax					
GRI 3: Material Topics 2021	3-3: Management of material topics	See **2025 Audited Financial Statements**, pages 25–26 and 128–131 (Income Taxes)			
GRI 207: Tax 2019	207-1: Approach to tax	See **2025 Audited Financial Statements**, pages 25–26 and 128–131 (Income Taxes)			
	207-2: Tax governance, control, and risk management	See **2025 Audited Financial Statements**, pages 25–26 and 128–131 (Income Taxes)			

GRI Standard	Disclosure	Location / Direct Answer	Omission		
			Req. Omitted	Reason	Explanation
GRI 207: Tax 2019	207-3: Stakeholder engagement and management of concerns related to tax	94, 118–121			
	207-4: Country-by-country reporting	UBP only operates in the Philippines. See **2025 Audited Financial Statements**, pages 25–26 and 128–131 (Income Taxes)			
Climate Change					
GRI 3: Material Topics 2021	3-3: Management of material topics	132–137			
GRI 301: Materials 2016	301-1: Materials used by weight or volume	137			
	301-2: Recycled input materials used		All information	Not applicable	UnionBank does not consider recycled input materials used as a material topic, as its operations as a financial institution involve minimal consumption of physical materials. Therefore, this disclosure is omitted.
	301-3: Reclaimed products and their packaging materials		All information	Not applicable	UnionBank does not consider reclaimed products as a material topic, as its operations as a financial institution involve minimal consumption of physical materials. Therefore, this disclosure is omitted.
GRI 302: Energy 2016	302-1: Energy consumption within the organization	134			
	302-2: Energy consumption outside of the organization		All information	Information unavailable / incomplete	UnionBank does not currently have a system in place to measure energy consumption within the value chain.
	302-3: Energy intensity		All information	Information unavailable / incomplete	UnionBank does not currently have a system in place to measure energy intensity.
	302-4: Reduction of energy consumption	133			
	302-5: Reductions in energy requirements of products and services		All information	Not applicable	UnionBank does not report on reductions in energy requirements of products and services as this is not material to our operations.
GRI 303: Water and Effluents 2018	303-1: Interactions with water as a shared resource	135			
	303-2: Management of water discharge-related impacts	135			
	303-3: Water withdrawal	135			
GRI 303: Water and Effluents 2018	303-4: Water discharge		All information	Information unavailable / incomplete	Water discharge is handled by a third-party water provider. Locations of water sources vary and are not included in the data provided.
	303-5: Water consumption		All information	Not applicable	UnionBank does not consider water consumption a material topic given the nature of its business. Therefore, this disclosure is omitted.
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	134			
	305-2: Energy indirect (Scope 2) GHG emissions	134			
	305-3: Other indirect (Scope 3) GHG emissions		All information	Information unavailable / incomplete	UnionBank will review and assess the feasibility of reporting Scope 3 emissions and may begin considering such disclosures after 2026.
	305-4: GHG emissions intensity		All information	Information unavailable / incomplete	UnionBank will review and assess the feasibility of reporting GHG intensity and may begin considering such disclosures after 2026.
	305-5: Reduction of GHG emissions	134			
	305-6: Emissions of ozone-depleting		All information	Information unavailable / incomplete	UnionBank will review and assess the feasibility of reporting emissions of ODS and may begin considering such disclosures after 2026.
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		All information	Information unavailable / incomplete	UnionBank will review and assess the feasibility of reporting other air pollutants and may begin considering such disclosures after 2026.
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	135			
	306-2: Management of significant waste-related impacts	135			
	306-3: Waste generated	136			
	306-4: Waste diverted from disposal	136			
	306-5: Waste directed to disposal	136			
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria	105			
	308-2: Negative environmental impacts in the supply chain and actions taken	104–105			

GRI Standard	Disclosure	Location / Direct Answer	Omission		
			Req. Omitted	Reason	Explanation
Employee Training & Development					
GRI 3: Material Topics 2021	3-3: Management of material topics	138–147			
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	207–208			
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	142-143			
	401-3: Parental leave	143			
GRI 402: Labor / Management Relations 2016	402-1: Minimum notice periods regarding operational changes		All information	Information unavailable / incomplete	UnionBank will review and assess the feasibility of reporting notice periods and may begin considering such disclosures after 2026.
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	146			
	403-2: Hazard identification, risk assessment, and incident investigation	UnionBank established a primary prevention of occupational risks, protection, and promotion of health at work, work-related social determinants of health, and improving the performance of health and safety management systems. The Bank conducts the following initiatives to further enhance management of identified risks: 1. Regular environmental compliance collaboration or coordination meeting with concerned units such as Branch Channel Management and Facility Management Group. 2. Monthly Environmental, Occupational Safety and Health (EOSH) Meeting with the EOSH Committee Meeting.			
	403-3: Occupational health services	All regularized UnionBank employees are provided with a Health Maintenance Organization (HMO) benefits. Employees may avail of the applicable services including annual check-ups and out-patient exams as necessary.			
	403-4: Worker participation, consultation, and communication on occupational health and safety	146			
	403-5: Worker training on occupational health and safety	Relevant trainings as required by the Department of Labor and Employment are implemented for all relevant employees.			
	403-6: Promotion of worker health	All regularized UnionBank employees are provided with a Health Maintenance Organization (HMO) benefit. Employees may avail of the applicable services including annual check-ups and out-patient exams, as necessary.			
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	UnionBank has health and safety protocols that cover prevention and mitigation of health risks spreading within the Bank. These protocols were updated to cover the prevention of illnesses and diseases, and are updated as necessary with new regulations.			
	403-8: Workers covered by an occupational health and safety management system	147			
	403-9: Work-related injuries	147			
	403-10: Work-related ill health	147			
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	209–210			
	404-2: Programs for upgrading employee skills and transition assistance program	143–144			
	404-3: Percentage of employees receiving regular performance and career development reviews	211-212			
Labor Standards & Human Rights					
GRI 3: Material Topics 2021	3-3: Management of material topics	138–147			
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	63–65, 145, 203–207, 213			
	405-2: Ratio of basic salary and remuneration of women to men		All information	Information unavailable / incomplete	UnionBank will review and assess the feasibility of reporting basic salary and remuneration and may begin considering such disclosures after 2026.
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	There were no recorded incidents of discrimination in 2025.			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	146			

GRI Standard	Disclosure	Location / Direct Answer	Omission		
			Req. Omitted	Reason	Explanation
GRI 408: Child Labor 2016	408-1: Operations and suppliers at significant risk for incidents of child labor	UnionBank does not participate in any forms of child labor. UnionBank strictly abides by Republic Act No. 9231, Republic Act No. 10361, and International Labor Organization Convention No. 182 to avoid any form of child labor in the Bank.			
GRI 409: Forced labor or Compulsory Labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	UnionBank does not participate in any forms of forced or compulsory labor. UnionBank strictly abides by Republic Act No. 10364, International Labor Organization Convention No. 29, and Article 300 of the Philippine Labor Code to prevent any forms of forced or compulsory labor in the Bank.			
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	105			
	414-2: Negative social impacts in the supply chain and actions taken	104–105			
Cybersecurity; Customer & Data Privacy					
GRI 3: Material Topics 2021	3-3: Management of material topics	186–197			
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	189			

SASB CONTENT INDEX

SASB Standards: Commercial Banks

Code	Metric	Location	Direct Answer
Data Security			
FN-CB-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	189	
FN-CB-230A.2	Description of approach to identifying and addressing data security risks	189	
Financial Inclusion & Capacity Building			
FN-CB-240A.1	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development		Information unavailable / incomplete
FN-CB-240A.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development		Information unavailable / incomplete
FN-CB-240A.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers		Information unavailable / incomplete
FN-CB-240A.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	199	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis			
FN-CB-410A.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	115	
Financed Emissions			
FN-CB-410B.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3		Information unavailable / incomplete
FN-CB-410B.2	Gross exposure for each industry by asset class		Information unavailable / incomplete
FN-CB-410B.3	Percentage of gross exposure included in the financed emissions calculation		Information unavailable / incomplete
FN-CB-410B.4	Description of the methodology used to calculate financed emissions		Information unavailable / incomplete

Code	Metric	Location	Direct Answer
Business Ethics			
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	202	
FN-CB-510A.2	Description of whistleblower policies and procedures	146	
Systemic Risk Management			
FN-CB-550A.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities		See **2025 Audited Financial Statements**, page 75 (Capital Management)
Activity Metrics			
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business		See **2025 Audited Financial Statements**, page 106 (Deposit Liabilities)
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate		See **2025 Audited Financial Statements**, page 148 (Products per Product Line)

FINANCIAL SUMMARY / HIGHLIGHTS

2-Year Comparison (in PHP billion)

	Consolidated		Parent	
	2025	2024	**2025**	2024
Profitability				
Total Net Interest Income	**64.25**	58.03	**51.45**	44.96
Total Non-Interest Income	**18.98**	19.83	**12.62**	16.21
Total Operating Income	**83.23**	77.86	**64.07**	61.07
Allowance for Credit Losses	**21.16**	17.91	**14.72**	11.56
Total Operating Income After Allowance or Credit Losses	**62.07**	59.95	**49.35**	49.51
Total Other Expenses	**47.87**	44.27	**35.65**	33.59
Net Income Before Tax	**14.20**	15.68	**13.70**	15.92
Income Tax Expense	**4.20**	3.65	**3.61**	3.69
Net Income Before Tax	**10.00**	12.03	**10.09**	12.23
Balance Sheet				
Liquid Assets	**128.71**	128.06	**88.01**	89.80
Trading & Investment Securities	**371.99**	373.22	**361.37**	362.67
Loans and Receivables, net	**537.68**	522.66	**417.89**	406.18
Other Assets	**121.09**	121.50	**133.92**	135.05
Total Assets	**1,159.47**	1,145.44	**1,001.19**	993.70
Deposits	**734.03**	676.32	**620.15**	572.48
Other Liabilities	**222.58**	273.05	**178.81**	225.99
Total Liabilities	**956.61**	949.37	**798.96**	798.47
Total Equity	**202.86**	196.07	**202.23**	195.23

	Consolidated		Parent	
	2025	2024	**2025**	2024
Selected Ratios				
Return on Average Equity	**5.0%**	6.4%	**5.1%**	6.6%
Return on Average Assets	**0.9%**	1.1%	**1.0%**	1.2%
CET1 Capital Ratio	**15.0%**	15.6%	**15.0%**	15.5%
Tier1 Capital Ratio	**15.0%**	15.6%	**15.0%**	15.5%
Capital Adequacy Ratio	**15.9%**	17.3%	**15.9%**	17.5%
Per Common Share Data[a]				
Cash Dividends[a]	**1.00**	1.00	**1.00**	1.00
Earnings				
Basic	**3.00**	3.75	**3.04**	3.85
Diluted	**3.00**	3.75	**3.04**	3.85
Book Value	**60.93**	61.38	**60.98**	61.39
Others (Headcount)				
Officers	**6,370**	6,353	**4,717**	4,657
Staff	**2,417**	2,147	**642**	631

[a]Earned for the year but declared and paid the following year

5-Year Comparison (in PHP billion)

Profitability	**2025**	2024	2023	2022	2021
Total Resources	**1,159.47**	1,145.44	1,145.14	1,092.87	831.10
Total Loans	**537.68**	522.66	526.15	479.63	336.35
Total Deposits	**734.03**	676.32	712.57	711.30	570.50
Net Revenue	**83.23**	77.86	69.65	52.20	45.10
Operating Expenses	**47.87**	44.27	44.89	31.35	24.30
Net Income	**10.00**	12.03	9.20	12.74	12.60
Return on Average Equity	**5.0%**	6.4%	5.6%	9.7%	11.6%
Return on Average Assets	**0.9%**	1.1%	0.8%	1.3%	1.6%
Cost to Income	**53.9%**	55.6%	63.4%	60.1%	53.9%
Earnings per Share	**3.00**	3.75	3.06	4.95	5.80
Book Value per Share	**60.93**	61.38	58.95	57.86	51.60
Capital Adequacy Ratio	**15.9%**	17.3%	15.7%	13.0%	18.4%

CREDITS

The 2025 Annual & Sustainability Report is published by **UnionBank Corporate Media and Reputation Management** and **the Sustainability Office** for stockholders, clients and friends.

Report Consulting, Editorial & Design: **Drink Sustainability Communications, Inc.**

Writer: **Heinz Bulos**

Photography: **Wig Tysmans**

Cover Design: **Dave Michael Deang**

On the Cover: **UnionBankers-Relationship Managers Andrea Vianna Aguirre, Andres Benjamin O. Calma & Erika San Buenaventura**

FINANCIAL STATEMENTS

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.

Erramon I. Aboitiz
Chairman of the Board

Ana Maria A. Delgado
President and Chief Executive Officer

Manuel R. Lozano
Executive Vice President
Chief Financial Officer

Edgar Allan G. Oblena
Senior Vice President
Financial Controller

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.

INDEPENDENT AUDITOR'S REPORT

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.

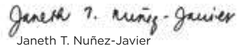
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent bank financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report 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
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											
	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, 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	**(₱644,401,657)**	(₱975,385,462)	(₱1,291,332,050)	**(₱625,790,990)**	(₱954,030,713)	(₱1,268,901,574)
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
	₱128,705,235	₱128,059,882	₱145,757,241	**₱88,013,363**	₱89,801,103	₱99,606,133
OPERATIONAL CASH FLOWS FROM INTERESTS AND DIVIDENDS						
Interest received	**₱88,961,271**	₱85,600,470	₱77,075,696	**₱63,915,092**	₱61,232,614	₱54,692,669
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.

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:

	Percentage of ownership		
Name of Subsidiary	**2025**	2024	Nature of Business
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 unlikeliness 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 unlikeliness 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 Controllership 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. Futhermore, 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**	
	Amount	**%**	**Securities**	**Total**
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**
Concentration by location				
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	
	Amount	%	Securities	Total
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	
	Amount	%	Securities	Total
Concentration by industry				
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**
Concentration by location				
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**
Concentration by industry				
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**
Concentration by location				
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:

		December 31, 2025			
		Amounts			
Credit Score	**Masterscale**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High Quality Grade					
AAA to A-	1	**₱–**	**₱–**	**₱–**	**₱–**
BBB+	2	**1,379,506**	**–**	**–**	**1,379,506**
BBB	3	**–**	**–**	**–**	**–**
BBB- to BB+	4	**17,291,791**	**–**	**–**	**17,291,791**
Standard Grade					
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**
Substandard Grade					
Lower than CCC	9	**754,253**	**124,719**	**–**	**878,972**
Non-Performing					
Default	10	**–**	**–**	**256,678**	**256,678**
		₱111,322,444	**₱24,001,765**	**₱256,678**	**₱135,580,887**

		December 31, 2024			
		Amounts			
Credit Score	Masterscale	Stage 1	Stage 2	Stage 3	Total
High Quality Grade					
AAA to A-	1	₱–	₱–	₱–	₱–
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
Standard Grade					
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
Substandard Grade					
Lower than CCC	9	2,438,518	194,029	–	2,632,547
Non-Performing					
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

		December 31, 2025			
		Amounts			
Credit Score	Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High Quality Grade					
AAA to A-	1	**₱–**	**₱–**	**₱–**	**₱–**
BBB+	2	**–**	**–**	**–**	**–**
BBB-	3	**–**	**–**	**–**	**–**
BBB- to BB+	4	**1,045,943**	**–**	**–**	**1,045,943**
Standard Grade					
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**
Substandard Grade					
Lower than CCC	9	**–**	**30,158**	**–**	**30,158**
Non-Performing					
Default	10	**–**	**–**	**28,172**	**28,172**
		₱9,108,748	**₱136,506**	**₱28,172**	**₱9,273,426**

		December 31, 2024			
		Amounts			
Credit Score	Masterscale	Stage 1	Stage 2	Stage 3	Total
High Quality Grade					
AAA to A-	1	₱–	₱–	₱–	₱–
BBB+	2	–	–	–	–
BBB-	3	–	–	–	–
BBB- to BB+	4	–	–	–	–
Standard Grade					
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
Substandard Grade					
Lower than CCC	9	–	75,439	–	75,439
Non-Performing					
Default	10	–	–	28,172	28,172
		₱10,217,486	₱196,142	₱28,172	₱10,441,800

Non-financial Institutions

	December 31, 2025			
	Amounts			
Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	**₱–**	**₱–**	**₱–**	**₱–**
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**
	₱46,921,853	**₱1,015,418**	**₱9,175,856**	**₱57,113,127**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
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
	₱42,266,285	₱2,768,001	₱9,653,329	₱54,687,615

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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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			
	Amounts			
Masterscale	**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			
	Amounts			
Masterscale	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:

	December 31, 2025			
	Amounts			
Credit Score	**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**

	December 31, 2024			
	Amounts			
Credit Score	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	**₱284,347,099**	**₱–**	**₱–**	**₱284,347,099**
10	**–**	**–**	**–**	**–**
11	**4,792,627**	**–**	**–**	**4,792,627**
12	**–**	**2,369,855**	**–**	**2,369,855**
13	**–**	**–**	**–**	**–**
14	**–**	**–**	**–**	**–**
15	**–**	**–**	**–**	**–**
16	**–**	**–**	**–**	**–**
Default	**–**	**–**	**–**	**–**
	₱309,025,793	**₱2,369,855**	**–**	**₱311,395,648**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
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	–	–	–	–
	₱319,091,995	₱3,688,300	₱–	₱322,780,295

Corporate – Group

	December 31, 2025			
	Amounts			
Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	**₱24,255,033**	**₱–**	**₱-**	**₱24,255,033**
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	**–**	**–**	**–**	**–**
	₱151,101,772	**₱7,642,897**	**₱–**	**₱158,744,669**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱21,881,403	₱–	₱–	₱21,881,403
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	–	–	–	–
	₱165,550,572	₱–	₱–	₱165,550,572

Sovereign – Parent Bank

	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	**–**	**–**	**–**	**–**
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	**–**	**–**	**–**	**–**
	₱298,813,098	**₱2,369,855**	**₱–**	**₱301,182,953**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱–	₱–	₱–	₱–
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	–	–	–	–
	₱309,157,831	₱3,688,300	₱–	₱312,846,131

Corporate – Parent Bank

	December 31, 2025			
	Amounts			
Masterscale	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	**₱24,255,033**	**₱–**	**₱–**	**₱24,255,033**
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	**–**	**–**	**–**	**–**
	₱111,220,058	**₱7,642,897**	**₱-**	**₱118,862,955**

	December 31, 2024			
	Amounts			
Masterscale	Stage 1	Stage 2	Stage 3	Total
1	₱21,881,403	₱–	₱–	₱21,881,403
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	–	–	–	–
	₱125,127,826	₱–	₱–	₱125,127,826

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	**₱466,914,321**	**₱27,515,621**	**₱39,195,204**	**₱533,625,146**
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	**₱474,862,650**	**₱38,214,562**	**₱39,890,898**	**₱552,968,110**

**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	₱467,904,474	₱27,293,424	₱34,077,834	₱529,275,732
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	₱466,914,321	₱27,515,621	₱39,195,204	₱533,625,146

**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						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Financial assets							
Cash and other cash items	₱11,419	₱–	₱–	₱–	₱–	₱–	₱11,419
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	₱80,027	₱157,729	₱73,097	₱59,523	₱93,556	₱761,574	₱1,096,772
Non-derivative liabilities							
Deposit liabilities							
Demand	₱267,019	₱–	₱–	₱–	₱–	₱–	₱267,019
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
Derivative Liabilities	1	1,438	151	287	595	25	2,497
Total liabilities	₱507,489	₱181,757	₱79,733	₱18,669	₱40,487	₱138,202	₱966,337

	Group						
	2024						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Financial assets							
Cash and other cash items	₱10,144	₱–	₱–	₱–	₱–	₱–	₱10,144
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	₱74,973	₱146,414	₱79,638	₱63,505	₱102,930	₱779,562	₱1,247,022
Non-derivative liabilities							
Deposit liabilities							
Demand	₱231,378	₱–	₱–	₱–	₱–	₱–	₱231,378
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
Derivative Liabilities	–	472	299	350	640	1,875	3,636
Total liabilities	₱455,995	₱211,283	₱85,285	₱36,009	₱68,917	₱106,474	₱963,963

	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**
Financial assets							
Cash and other cash items	**₱10,359**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱10,359**
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	**₱–**	**₱137**	**₱–**	**₱–**	**₱–**	**₱–**	**₱137**
Sundry debits	**–**	**266**	**–**	**–**	**–**	**–**	**266**
	–	**403**	**–**	**–**	**–**	**–**	**403**
Total assets	**₱75,798**	**₱115,500**	**₱65,853**	**₱49,093**	**₱75,061**	**₱649,567**	**₱1,030,872**
Non-derivative liabilities							
Deposit liabilities							
Demand	**₱267,585**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱267,585**
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	**₱499,482**	**₱139,122**	**₱55,785**	**₱7,639**	**₱22,074**	**₱72,517**	**₱796,619**

	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
Financial assets							
Cash and other cash items	₱9,270	₱–	₱–	₱–	₱–	₱–	₱9,270
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
Financial assets at FVTPL							
Derivative assets	–	430	21	66	237	838	1,592
Debt securities	–	7,494	–	–	–	–	7,494
Equity securities	–	–	–	–	–	1,074	1,074
Financial assets at FVOCI							
Debt securities	–	373	143	351	1,041	52,576	54,484
Equity securities	–	–	–	–	–	58	58
Financial assets at amortized cost	–	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
Other receivables							
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
Other financial assets							
Returned checks and other cash items	–	53	–	–	–	–	53
Sundry debits	–	1,602	–	–	–	–	1,602
	–	1,988	–	–	–	–	1,988
Total assets	₱69,622	₱106,273	₱71,660	₱53,850	₱86,970	₱662,792	₱1,051,167
Non-derivative liabilities							
Deposit liabilities							
Demand	₱232,683	₱–	₱–	₱–	₱–	₱–	₱232,683
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
Derivative liabilities	–	472	299	350	640	1,875	3,636
Total liabilities	₱449,701	₱169,390	₱58,595	₱27,020	₱49,482	₱44,196	₱798,384

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**
Resources				
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**
Liabilities				
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
Resources				
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
Liabilities				
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**
Resources				
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**
Liabilities				
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
Resources				
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
Liabilities				
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):

	Group		Parent Bank	
Increase (decrease) in interest rates (in basis points)	**100**	**(100)**	**100**	**(100)**
2025				
Change in annualized net interest income	**(₱783)**	**₱783**	**(₱611)**	**₱611**
As a percentage of net interest income	**(1.2%)**	**1.2%**	**(1.2%)**	**1.2%**
2024				
Change in annualized net interest income	(₱1,168)	₱1,168	(₱922)	₱922
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**
Resources:			
Cash and other cash items	**₱71,221**	**₱143,912**	**₱215,133**
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**
Liabilities:			
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	**(₱4,717,156)**	**₱227,902**	**(₱4,489,254)**

	Group		
	2024		
	U.S. Dollars	Other Foreign Currencies	Total
Resources:			
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
Liabilities:			
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**
Resources:			
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**
Liabilities:			
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
Resources:			
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
Liabilities:			
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 Controllership 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:

(a) Common Equity Tier 1 (CET1) of at least 6.0% of risk-weighted assets;
(b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
(c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets; and,
(d) 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:

(a) Capital conservation buffer (CCB) of 2.5%; and
(b) 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 Tier 1 capital	**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	**120,791**	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					
	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	**₱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, warrantees 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, warrantees 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, warrantees 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	₱9,270	₱9,270	₱9,270	₱ –	₱ –	₱ –
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
	₱880,167	₱880,167	₱477,428	₱389,141	₱13,598	₱462,066
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, warrantees 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
	₱18,789	₱–	₱–	₱7,122	₱–	₱7,122
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

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**

	Consumer Banking	Mass Market/ Digital	Institutional	Treasury	Trust/ Insurance and Brokerage	Headquarters	Total
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**
Resources				
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**
Liabilities				
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	₱7,693,772	₱–	₱–	₱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
Liabilities				
Derivative liabilities	–	3,088,312	–	3,088,312

Parent Bank

	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Resources				
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**
Liabilities				
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
Resources					
Financial Assets					
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
Nonfinancial Assets					
Investment properties	8,564,812	–	–	18,697,704	18,697,704
Liabilities					
Financial Liabilities					
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 amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		
		Financial Instruments	**Collateral Received**	**Net Exposure**		Financial Instruments	Collateral Received	Net Exposure
Financial Assets								
Derivative Assets								
Currency forwards	**₱473,298**	**₱129,153**	**₱–**	**344,145**	₱620,328	₱258,954	₱–	₱361,374
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	**₱42,531,757**	**₱129,599**	**₱41,619,242**	**₱782,916**	₱3,230,605	₱277,041	₱2,255,692	₱697,872
Financial Liabilities								
Derivative Liabilities								
Currency forwards	**₱1,511,585**	**₱129,153**	**₱–**	**₱1,382,432**	₱1,594,694	₱258,954	₱–	₱1,335,740
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	**₱83,660,968**	**₱80,995,487**	**₱–**	**₱2,665,481**	₱108,324,496	₱105,563,842	₱–	₱2,760,654

	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 amount presented in the statement of financial position	Related amounts not set off in the statement of financial position		
		Financial Instruments	**Collateral Received**	**Net Exposure**		Financial Instruments	Collateral Received	Net Exposure
Financial assets								
Derivative assets								
Currency forwards	**₱473,298**	**₱129,153**	**₱–**	**₱344,145**	₱620,328	₱258,954	₱–	₱361,374
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	**₱11,515,523**	**₱129,599**	**₱10,603,008**	**₱782,916**	₱1,458,703	₱277,041	₱483,790	₱697,872
Financial liabilities								
Derivative liabilities								
Currency forwards	**₱1,511,585**	**₱129,153**	**₱–**	**₱1,382,432**	₱1,594,694	₱258,954	₱–	₱1,335,740
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	**₱83,538,283**	**₱80,924,253**	**₱–**	**₱2,614,030**	₱108,185,355	₱105,491,940	₱–	₱2,693,415

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

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		
		Fair Values	
	Notional Amount	**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					
	Land	Buildings	Furniture, Fixtures and Equipment	Right-of-Use Assets	Leasehold Improvements	Total
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					
	Land	**Buildings**	**Furniture, Fixtures and Equipment**	**Right-of-Use Assets**	**Leasehold Improvements**	**Total**
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					
	Land	**Buildings**	**Furniture, Fixtures and Equipment**	**Right-of-Use Assets**	**Leasehold Improvements**	**Total**
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		
	2025		
	Building Held for Lease	**Foreclosed Properties**	**Total**
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		
	2024		
	Building Held for Lease	Foreclosed Properties	Total
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:

a. 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;
b. 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;
c. With respect to the goodwill from the acquisition of PETNET, the separate cash generating unit of PETNET at entity level;
d. With respect to the goodwill from the acquisition of Bangko Kabayan, the separate cash generating unit of Bangko Kabayan at entity level; and,
e. 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:

			Outstanding Balance				
	Coupon Interest	Principal Amount	**December 31, 2025**	December 31, 2024	Issue Date	Maturity Date	First Call Option Date
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%	5,864,500	**5,850,224**	5,841,295	June 20, 2024	June 21, 2027	
Others	5.909% - 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

	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 Expenses**

Miscellaneous 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 Plans
Fund 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 Plan
Fund 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 results 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%**	**(₱495,558)**	**₱585,351**
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%	(₱571,211)	₱543,498
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%**	**(₱447,710)**	**₱523,491**
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%	(₱482,293)	₱433,834
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
Reported in profit or loss			
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
Reported in other comprehensive income			
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
Reported in profit or loss			
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
Reported in other comprehensive income			
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

(a) 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;
(b) Uniform 20% final tax on interest income from any currency deposit, regardless of tenor beginning July 1, 2025;
(c) 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
(d) 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:

	2025		2024		
Related Party Category	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance	Terms and Conditions/Nature
Applicable to the Parent Bank					
Subsidiaries					
Lease of properties:					
Lease income	**₱36,890**	**₱–**	₱65,694	₱–	Lease renewed every 5 years
Refundable deposits	**16,818**	**17,812**	(7,340)	994	with 5% escalation rate.
Management services	**77,010**	**–**	148,768	–	Project management fee, management services, commission and service charges paid to/by subsidiaries
Deposit liabilities:					
Outstanding balance	**–**	**1,764,407**	–	2,650,643	With interest rate based on
Net movements	**(886,236)**	**–**	851,395	–	average daily bank deposit
Interest expense on deposits	**217,771**	**–**	53,182	–	rate.
Interbank borrowing					
Availment	**–**	**–**	4,000,000	–	
Interest expense	**–**	**–**	2,161	–	Short-term borrowing with annual fixed rate ranging from 6.47% to 6.50% in 2024. No outstanding balances as of 2025 and 2024.
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
Interest income	**–**	**–**	839	–	and 2024.
Advances:					
Outstanding balance	**–**	**9,310**	–	96,027	Various expenses advanced by the Bank
Net movements	**(86,717)**	**–**	(33,411)	–	
Interest income	**7**	**–**	1,836	–	
Other liabilities	**–**	**17,406**	–	160,973	Various expenses and service fees
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
Net movements	**(509,419)**	**–**	(523,464)	–	average daily bank deposit rate
Interest expense on deposits	**3,194**	**–**	20,001	–	
Bills payable:					
Outstanding balance	**–**	**–**	–	13,979	
Net movements	**(13,979)**	**–**	22	–	Long term liability with
Interest expense	**522**	**–**	584	–	annual fixed rate of 4%

(*Forward*)

Related Party Category	**2025** **Amount of Transaction**	**Outstanding Balance**	2024 Amount of Transaction	Outstanding Balance	Terms and Conditions/Nature
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	–	**295,129**	–	442,693	Unearned income from Exclusive Access Fees arising from the bancassurance agreement
Key Management Personnel	**4,450,569**	–	4,574,205	–	Employee benefits related to key management personnel
Directors, officers and other related interests:					
Loans receivable					
Outstanding balance	–	**811,242**	–	747,727	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
Net movements	**63,515**	–	(82,430)	–	
Accounts receivable	**146,707**	**146,707**	151,260	151,260	Fringe benefits related to employee cars and laptop lease

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***	**Total**
Balances at January 1, 2025	**₱162,256,379**	**₱57,565,582**	**₱1,625,925**	**₱221,447,886**
Cash flows from financing activities:				
Additions	**613,139,628**	**21,350,886**	**–**	**634,490,514**
Repayment of borrowings	**(644,401,657)**	**(40,037,270)**	**(739,622)**	**(685,178,549)**
Non-cash financing activities:				
Effects of foreign exchange rate changes	**861,056**	**651,826**	**–**	**1,512,882**
New lease arrangements	**–**	**–**	**773,119**	**773,119**
Terminated lease arrangements	**–**	**–**	**(50,910)**	**(50,910)**
Amortization of debt issue costs and accretion of interest	**154,500**	**131,140**	**104,116**	**389,756**
Balances at December 31, 2025	**₱132,009,906**	**₱39,662,164**	**₱1,712,628**	**₱173,384,698**

**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
	₱3,602,848

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)
	₱3,814,376

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:			
Net profit / Average total capital funds*	**5.0%**	6.4%	5.6%
Return on average resources:			
Net profit / Average total resources*	**0.9%**	1.1%	0.8%
Net interest margin:			
Net interest income / Average interest-earning resources*	**6.4%**	6.0%	5.5%

Group	**2025**	2024	2023
Liquidity ratio:			
Current Assets / Current Liabilities	**53.1%**	47.3%	43.5%
Debt-to-equity ratio:			
Liabilities / Capital Funds	**4.7:1**	4.8:1	5.5:1
Asset-to-equity ratio:			
Asset / Capital Funds	**5.7:1**	5.8:1	6.5:1
Interest rate coverage ratio:			
Earnings before interests and taxes / Interest expense	**1.7:1**	1.6:1	1.4:1

**Average amount is calculated based on current year-end and previous year-end balances*

Parent Bank	**2025**	2024	2023
Return on average capital funds:			
Net profit / Average total capital funds*	**5.1%**	6.6%	5.5%
Return on average resources:			
Net profit / Average total resources*	**1.0%**	1.2%	0.9%
Net interest margin:			
Net interest income / Average interest-earning resources*	**6.2%**	5.6%	4.8%
Liquidity ratio:			
Current Assets / Current Liabilities	**52.2%**	46.1%	40.0%
Debt-to-equity ratio:			
Liabilities / Capital Funds	**4.0:1**	4.1:1	4.7:1
Asset-to-equity ratio:			
Asset / Capital Funds	**5.0:1**	5.1:1	5.7:1
Interest rate coverage ratio:			
Earnings before interests and taxes / Interest expense	**2.2:1**	2.0:1	1.6:1

**Average amount is calculated based on current year-end and previous year-end balances*

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			
	2025			
	Loans and Other Receivables		**Trading and Investment**	
	Amount	**%**	**Securities**	**Total**
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**
Concentration by location				
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	
	Amount	%	Securities	Total
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	
	Amount	%	Securities	Total
Concentration by industry				
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**
Concentration by location				
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**

	Parent Bank			
	2024			
	Loans and Other Receivables		Trading and Investment	
	Amount	%	Securities	Total
Concentration by industry				
Financial and insurance activities	₱36,281,742	8.65	₱387,491,606	₱423,773,348
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
	₱419,675,930	100.0	₱437,973,957	₱857,649,887
Concentration by location				
Philippines	₱419,675,930	100.0	₱380,136,610	₱799,812,540
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
	₱419,675,930	100.0	₱437,973,957	₱857,649,887

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	**–**	–

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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
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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

A. Statement of Management's Responsibility for Financial Statements

B. Independent Auditors' Report on the SEC Supplementary Schedules Filed Separately from the Basic Financial Statements

C. List of Supplementary Information

Supplementary Schedules to Financial Statements (Form 17-A, Item 7)

Schedule	Content	Page
A	Financial Assets	1
	Loans and Other Receivables	*
	Financial Assets at Fair Value Through Profit or Loss	
	Financial Assets at Amortized Cost	
	Financial Assets at Fair Value Through Other Comprehensive Income	
	(Annex 68-J, A)	
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	4
	(Annex 68-J, B)	
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	5
	(Annex 68-J, C)	
D	Long-term Debt	6
	(Annex 68-J, D)	
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	*
	(Annex 68-J, E)	
F	Guarantees of Securities of Other Issuers	*
	(Annex 68-J, F)	
G	Capital Stock	7
	(Annex 68-J, G)	
I	Reconciliation of Retained Earnings Available for Dividend Declaration	8
	(Annex 68-D)	
II	Map Showing the Relationship Between and Among the Bank and its Related Entities	9

D. Schedule of Financial Soundness Indicators for December 31, 2025 and 2024 (Annex 68-E) 10

E. Schedule for Listed Companies with a Recent Offering of Securities to the Public 11

* 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	(P 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 Privte 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 Worlwide (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 Asssets	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**
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	
Accounts Receivable (Accounts Payable) from Related Parties							
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:

	Maturity Date	Interest Rate
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	5,030,785,238	3,316,405,584	-	2,678,286,144	70,108,585	568,010,855
Preferred Stock	100,000,000	-	-	-	-	-

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Reporting Period Ended December 31, 2025
(Amounts in Thousands of Philippine Pesos)

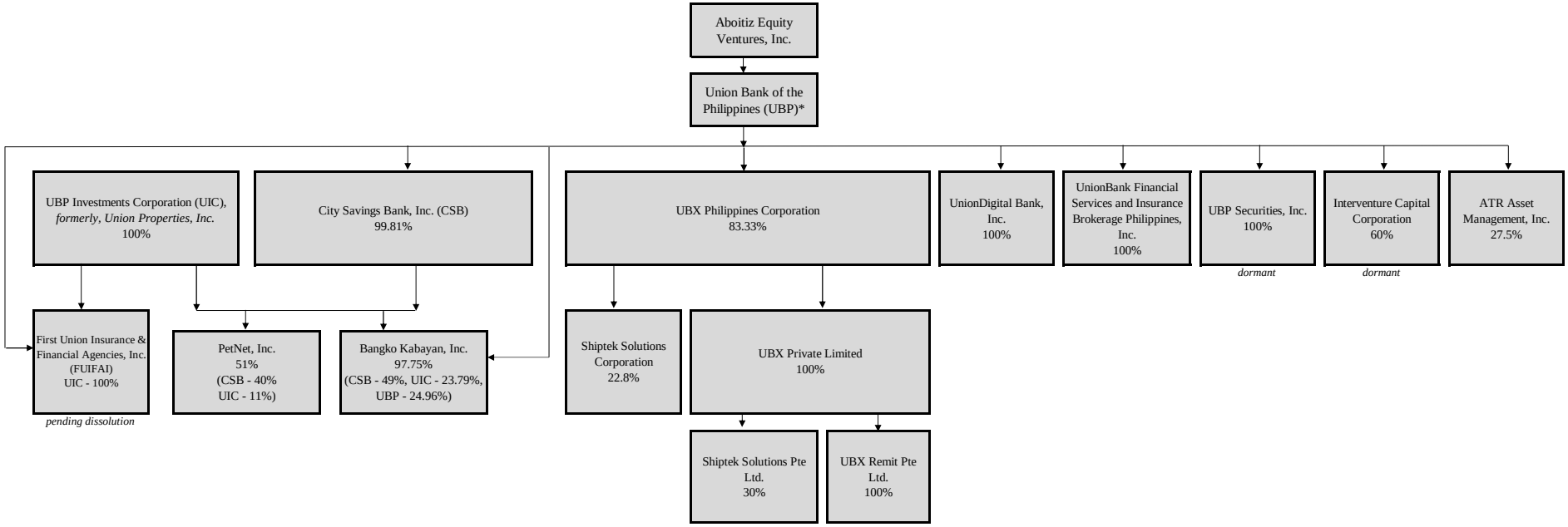
UNION BANK OF THE PHILIPPINES
UnionBank Plaza, Meralco Avenue corner Onyx Street and Sapphire Road
Ortigas Center, Pasig City

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 acquisitionof 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

C O N G L O M E R A T E M A P P I N G



* 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 Micellaneous 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	-	-