



29 May 2026

THE PHILIPPINE STOCK EXCHANGE, INC.

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

Attention : ATTY. JOHANNE DANIEL M. NEGRE
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29F BDO Equitable Tower
8751 Paseo de Roxas
Makati City

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

Gentlemen:

Pursuant to SEC Memorandum Circular No. 15, Series of 2017, we submit to the Philippine Stock Exchange the 2025 Integrated Annual Corporate Governance Report (IACGR) of Security Bank Corporation.

Should you have any questions please let us know.

Very truly yours,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

ATTY. JOSEPH ANTHONY P. LOPEZ
Assistant Corporate Secretary

SECURITY BANK CORPORATION

Security Bank Centre, 6776 Ayala Avenue, Makati City, Philippines 0719
Tel.: (+632) 8888-7800 · MCPO 2026 · www.securitybank.com



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2025.
2. SEC Identification Number 6030
3. BIR Tax Identification No. 000-498-020-000(RBU)
217-107-609-000 (FCDU)
4. Exact name of issuer as specified in its charter Security Bank Corporation
5. Makati City (SEC Use Only)
Province, Country or other jurisdiction Industry Classification Code:
of incorporation or organization
7. Security Bank Centre, 6776 Ayala Avenue, Makati City 0719
.....
Address of principal office Postal Code
8. (02)8676788 loc 5977
Issuer's telephone number, including area code
9. N/A.....
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	The fifteen (15) members of the Board of Directors bring to the Board a diversity of age, nationality, educational background, technical skills, professional experience and gender: <ul style="list-style-type: none"> • 7 Independent Directors and 8 Regular Directors • 2 Executive Directors and 13 Non-Executive Directors (including the Independent Directors) • 4 Female and 11 Male Directors • 4 Foreign Nationals and 11 Filipinos • 12 with Financial Services experience • 12 with Management/ Operations and Strategy expertise • 2 with Legal experience • 3 with IT experience • 2 with Public Sector experience • 4 with Accounting/ Risk Management expertise • 2 with Sales/ Marketing/ Business Development expertise • 4 are working in the Academe/ Education sector <p>Link/ References:</p> <ol style="list-style-type: none"> 1. Directors' Profile from the Bank's Corporate website (Directors' Profile) https://www.securitybank.com/about-us/leaders/board-of-directors/ 2. The 2025 Integrated Report (Leadership' Profiles/ Board of Directors and Advisors, Page 177; Selection and Appointment Process, Page 70; Board Diversity and Expertise, Page 69) 	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		

		<p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>3. 2025 Definitive Information Statement (Directors' Profiles, Annex A; Certification of Independent Director, Pages 9 to 15; Assessment of Qualifications by the NomRem Committee, Pages 20 to 21) https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcdec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-WS.pdf</p> <p>2025 Definitive Information Statement (amended) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p> <p>4. The Bank's Manual of Corporate Governance (Diversity in the Board of Directors, Page 10; Qualifications and Disqualifications of Directors, Pages 45 to 47; Nomination and Election of Directors, Pages 48 to 51) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	<p>COMPLIANT</p>	<p>All of the Directors meet the qualification standards prescribed under the Bank's Manual of Corporate Governance which enumerates the criteria for selection and appointment of Directors. These criteria are aligned with the standards set by the Bank's primary regulators, the Securities and Exchange Commission (SEC) and the Bangko Sentral</p>	

ng Pilipinas (BSP). The BSP in particular requires the Bank to confirm that it has conducted a fit and proper test on the Directors and that it takes full responsibility in ensuring that the Director continuously meets the eligibility requirements and qualifications. Independent Directors additionally issue a notarized affidavit to attest to their qualification and independence.

In accordance with procedures, the qualifications of nominated Directors are assessed and evaluated by the Nominations and Remuneration Committee, with results of their annual self-assessment also being taken into consideration.

Link/ References:

1. Directors' Profile from the Bank's Corporate website (Directors' Profile)
<https://www.securitybank.com/about-us/leaders/board-of-directors/>
2. The 2025 Integrated Report (Leadership' Profiles/ Board of Directors and Advisors, Page 177; Selection and Appointment Process, Page 70; Board Diversity and Expertise, Page 69)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>
3. 2025 Definitive Information Statement (Directors' Profiles, Annex A; Certification of Independent Director, Pages 9 to 15; Assessment of Qualifications by the NomRem Committee, Pages 20 to 21)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcdec6e1601ccee8f59
Also in:
<https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-WS.pdf>

		<p>2025 Definitive Information Statement (amended) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p> <p>5. The Bank's Manual of Corporate Governance (Diversity in the Board of Directors, Page 10; Qualifications and Disqualifications of Directors, Pages 45 to 47; Nomination and Election of Directors, Pages 48 to 51) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>COMPLIANT</p>	<p>The Bank's Board is composed of fifteen (15) directors. Thirteen (13) are non-executive directors (including seven (7) Independent Directors): Frederick Y. Dy; Cirilo P. Noel; Diana P. Aguilar; Masatoshi Komoriya; Daniel S. Dy; Maria Cristina A. Tingson; Gerard H. Brimo (ID); Enrico S. Cruz (ID); Esther Wileen S. Go (ID); Jikyeong Kang (ID); Jose Perpetuo M. Lotilla (ID); Napoleon L. Nazareno (ID) and Stephen Tan (ID).</p> <p>Only two (2) are executive directors, Mr. Sanjiv Vohra and Mr. Hirofumi Umeno. Effective 5 January 2026, Mr Lee Meng Teck Victor replaced Mr Vohra as Director and President and Chief Executive Officer, upon the Mr. Vohra's resignation.</p> <p>Links/ References:</p> <p>1. The Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/</p>	

		<p>2. The 2025 Integrated Report (Board of Directors and Advisors, Page 9; Board Composition and Diversity, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	COMPLIANT	<p>On an annual basis, the Board of Directors and select senior officers attend a corporate governance training program conducted by a training provider that is accredited by the Securities and Exchange Commission (SEC), in accordance with the Bank's Training Policy for Board of Directors. The training policy is documented in the Manual of Corporate Governance, which also serves as the Board Charter.</p> <p>Link/ Reference:</p> <p>1. The Bank's Manual of Corporate Governance (Training Policy for Board of Directors, Page 38 – 40) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	
<p>2. Company has an orientation program for first time directors.</p>	COMPLIANT	<p>First time directors are required to attend the Orientation Program for New Directors which consists of the following:</p> <ul style="list-style-type: none"> • SEC and BSP mandated special seminar on corporate governance conducted by a duly recognized/ accredited private or government institute • Introduction to the Bank's business, Articles of Incorporation and the Code of Conduct <p>This Policy is included in the Bank's Manual of Corporate Governance.</p> <p>For the new directors elected in 2025, Mr. Komoriya and Mr. Umeno attended (1) the Corporate Governance Orientation Program facilitated by the Institute of Corporate Directors and (2) the Bank's</p>	

		<p>Orientation Program for New Directors, an induction training that consisted of one-hour discussions with business heads, shared services and control heads with the aim of providing them with an introduction to the company's operations. This was completed in May and June 2025, respectively. Copies of the respective completion certificates are attached as Annex A.</p> <p>Link/ Reference:</p> <p>1. The Bank's Manual of Corporate Governance (Training Policy for Board of Directors, Page 38 – 40) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	
<p>2. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>The Training Policy provides that the annual continuous training program of Directors shall be for at least four (4) hours and shall cover courses on corporate governance matters relevant to the company, including audit, internal controls, risk management, sustainability and strategy. The training plan is included in the Policy as follows:</p> <p><i>i. Pre-requisite Training</i> A director shall be required to attend a special seminar on corporate governance which shall be conducted by a BSP duly recognized/accredited private or government institute, before assuming and performing his function as such.</p> <p><i>ii. Continuing Developmental Education</i></p> <p><i>Through External Seminars/Trainings:</i></p> <p><i>Financial Literacy Programs</i></p> <ul style="list-style-type: none"> • Assessing the Quality of Earnings and Financial Position • Overview of Philippine and International Financial Reporting Standards • Risk Oversight: Creating the Risk Intelligent Board • Internal Control Concepts 	

Director Development

- *Board Fiduciary Duties*
- *Board Form and Function*
- *Executive Development and Succession Strategies*
- *Executive and Director Compensation*
- *Developing a Value-Driven Board Evaluation Program*

Customized Training Program

- *The board's role in the development of strategy*
- *Improving the Board's decision-making process*
- *Understanding enterprise risk and creating the "risk intelligent" board*
- *Value-driven ethics and compliance programs*
- *Assessing earnings quality*
- *The board's role in responding to a crisis*
- *Executive development and succession planning*
- *Emerging trends in executive compensation*
- *The board's role in mergers and acquisitions*
- *Assessing fraud risk and setting the tone at the top*
- *Managing competing values in environments of dynamic change*
- *Industry-specific and competitive developments*

During Senior Management Meetings/Briefings

- *Regulatory Update*
- *Ethics and Compliance Program Oversight*

Last 29 April 2025, the Board of Directors of the Bank, including its subsidiaries, and select senior management officers attended the Bank's exclusive Annual Corporate Governance Training held virtually and facilitated by the Institute of Corporate Directors (ICD). The training topics were on Customer Centricity and Effectively Cascading the Company Strategic Plan.

The Board Members continue to have access to the Bank's "BetterBankingIsSustainable SharePoint site, which is a repository of all

		<p>internal content on the Bank's sustainability framework so that they can self-read on sustainability materials. Last 26 August 2025, the Board of Directors attended a training on Sustainable Finance conducted by the International Finance Corporation (IFC).</p> <p>Copies of the Directors' Certificates of Completion are attached as Annex B.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Training Policy for Board of Directors, Page 38 – 40) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Induction and Continuous Training, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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Recommendation 1.4

<p>1. Board has a policy on board diversity.</p>	<p>COMPLIANT</p>	<p>The Policy Statement on Board Diversity as found in the Manual of Corporate Governance provides as follows:</p> <p><i>The Bank recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, competence and knowledge, background, age, ethnicity, gender and other qualities of directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires to be effective.</i></p>	
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		<p>Further, the Manual provides for a specific objective on gender diversity which requires at least two (2) female Board members in the total number of directors and for the Board to take opportunities to increase over time the number of female Board members where that is consistent with the skills, experience and other diversity requirements as well as global best practice.</p> <p>True to the above policies, the Board shows diversity not just in gender, but also in terms of age, nationality, and academic background and experience. There are four (4) women in the Board, which is one more than the previous year. There are three (3) directors within the 30 to 49 age group; six (6) directors within the 49-64 age group and seven (7) directors in the 65 and over group. In terms of nationality, there are 11 Filipinos in the Board, supported by Directors who are citizens of Korea (1), India (1) and Japan (2). The background experiences of the Board members are varied and cover the areas of Financial Services; Accounting, Risk Management and Audit; Management, Operations and Strategy; Sales, Marketing and Business Development, Information Technology, Legal, Public Service and the Academe.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Diversity in the Board of Directors, Page 10) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Board Diversity and Expertise, Page 69; Board Composition and Diversity, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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Optional: Recommendation 1.4

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>COMPLIANT</p>	<p>The Manual of Corporate Governance includes an Objective on Gender Diversity, which is to maintain at least two (2) female Board members, and to take opportunities to increase over time that number where it is consistent with skills, experience and other diversity requirements as well as global best practice. The Bank currently has four (4) female Board members or 27% of its total composition.</p> <p>Link/ References</p> <ol style="list-style-type: none"> The Bank's Manual of Corporate Governance (Objective on Gender Diversity, Page 10) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
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Recommendation 1.5

<p>1. Board is assisted by a Corporate Secretary.</p>	<p>COMPLIANT</p>	<p>The Bank's Corporate Secretary is Atty. Joel Raymond R. Ayson. He was elected as Corporate Secretary on 29 July 2004. He has never served as the Chief Compliance Officer nor as a Director of the Bank.</p> <p>Links/ References:</p> <p>Creation of the Corporate Secretary Role</p> <ol style="list-style-type: none"> The Bank's By-laws (Page 8, Article VI, Section I) https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf <p>Qualifications/ Duties and Responsibilities of the Corporate Secretary:</p> <ol style="list-style-type: none"> The Bank's Manual on Corporate Governance (Corporate Secretary, Page 89 to 91) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf <p>Profile of Atty Ayson:</p>	
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		<ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership profiles: Board of Directors and Advisors, Page 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>COMPLIANT</p>	<p>The Bank Corporate Secretary is Atty, Joel Raymond R, Ayson. The Chief Compliance Officer is Ms. Anna Christina M. Chinjen.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Appointment of Ms. Chinjen as CCO https://edge.pse.com.ph/openDiscViewer.do?edge_no=6bfd8ebd2c2647d0de8473ceb6407 2. 2026 Definitive Information Statement (Annex A, Corporate Secretary, Page 37 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b <p>Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <ol style="list-style-type: none"> 3. The 2025 Integrated Report (Leadership profiles: Board of Directors and Advisors, Page 181; Executive Management and Advisors, Page 184) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	

<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>COMPLIANT</p>	<p>The Bank Corporate Secretary Atty. Joel Raymond R. Ayson is not a member of the Board.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Board of Directors listed in the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 2. The 2025 Integrated Report (Board of Directors and Advisors, Page 9) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>The Bank's Corporate Secretary attended the 4-hour seminar on corporate governance last 29 April 2025 facilitated by the Institute of Corporate Directors for the SBC Group, which included the following topics:</p> <ol style="list-style-type: none"> 1. Customer Centricity 2. Effectively Cascading the Company's Strategic Plan <p>Please refer to Annex C for a copy of his Certificate of Attendance to the 2025 Annual Corporate Governance Training.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Induction and Continuous Training, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Optional: Recommendation 1.5			
<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>COMPLIANT</p>	<p>The Corporate Secretary uses Nasdaq Boardvantage System where Board materials are uploaded five (5) business days ahead of the Board meeting.</p>	

Please refer to Annex D as proof of the timely distribution of the Board materials to the directors.

Recommendation 1.6

1. Board is assisted by a Compliance Officer.

COMPLIANT

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.

COMPLIANT

3. Compliance Officer is not a member of the board.

COMPLIANT

The Bank's Chief Compliance Officer is Anna Christina M. Chinjen with the rank of Senior Vice President. She has a functional reporting line to the Board through the Corporate Governance Committee. The Chief Compliance Officer is not a member of the Board.



Links/ References:

Ms. Chinjen's Profile and Qualifications

1. The 2025 Integrated Report (Leadership Profiles: Executive Management and Advisors, Page 184)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>
2. 2026 Definitive Information Statement (Key Officers as of 28 February 2026, Annex A Page 18, Page 51 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b

Also in:

		<p>https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <p>Duties and Responsibilities of the CCO</p> <ol style="list-style-type: none"> 1. The Bank's Manual on Corporate Governance https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf <p>Reporting Line:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Table of Organization, Page 7) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf <p>Members of the Board of Directors:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Board of Directors and Advisors, Page 9) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>COMPLIANT</p>	<p>The Bank's Chief Compliance Officer attended the 4-hour training on corporate governance last 29 April 2025 facilitated by the Institute of Corporate Directors for the SBC Group, which included the following topics:</p> <ol style="list-style-type: none"> 1. Customer Centricity 2. Effectively Cascading the Company Strategic Plan <p>Please refer to Annex E for a copy of her Certificate of Attendance to the 2025 Annual Corporate Governance Training.</p> <p>Link/ Reference:</p>	

		<p>1. The 2025 Integrated Report (Induction and Continuous Training, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
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Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>To enable the Board to operate effectively and properly fulfill their duties and responsibilities, Management is expected to provide them with access to complete, accurate and timely information about the matters to be taken up in their regular and special board meetings and in regular briefings/ meetings with Senior Management.</p> <p>The typical Board agenda includes:</p> <ul style="list-style-type: none"> • Approval of the minutes of the previous board meeting • Report on the Financial Markets • Report on the Financial Performance of the Bank and its Competitive Standing, and Business Segment Performance Reports • Items for Board approval, including strategic and operating plans, capital expenditures, senior management appointments, new products, DOSRI matters, authority limits, policies as recommended by Board Committees • Items for Board notation, including reports from the various Board committees, including minutes of meetings of the Board and Management Committees and the Bank's subsidiaries. <p>The Board members are assigned specific committees for detailed discussions, approvals of policies and monitoring performance relative to policies. These Committees include Audit Committee, Corporate Governance Committee, Executive Committee, Senior Credit Committee, Nominations and Remuneration Committee, Related Party Transactions Committee, Risk Oversight Committee</p>	
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		<p>(and its sub-committee, the Information Security Risk Management Committee), Trust Committee and Transformation and Technology Committee.</p> <p>The Office of the Corporate Secretary acts as the secretariat and provides the board members and concerned parties with copies of the official minutes of the board meetings. The Board approvals are documented in the minutes of the meetings.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Information Access Management, Pages 5 to 6) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Board Committees, Pages 71 to 74) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 2.2			
<ol style="list-style-type: none"> 1. Board oversees the development, review and approval of the company's business objectives and strategy. 	COMPLIANT	<p>The Board of Directors is primarily responsible for the governance of the Bank, ensuring that the Bank is steadily run in a prudent and sound manner under high standards of honesty, integrity and best practice. The Board reviews, guides and approves the corporate strategy and major plans; sets performance objectives; monitors implementation and corporate performance and oversees major capital expenditures, acquisitions and divestitures, in order to sustain the long-term viability and strength of the Bank.</p> <p>The Board reviews the corporate strategy annually. The President and Chief Executive Officer, in conjunction with the Board, takes the lead in the development and execution of the long-term strategy of the Bank with a view to creating shareholder value. This is supported</p>	

		<p>by short-term and medium-term business plans, which are products of thorough deliberation by Senior Management, and reviewed and approved by the Board.</p> <p>As such, together with the Senior Management team, the Board holds regular discussions on the strategic direction of the Bank given the changes in the operating environment and to ensure alignment of bank-wide efforts in the delivery of the operating and strategic objectives. The 2025 operating plans and budgets were approved by the Board in December 2024.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 12 to 14, Item 2) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Corporate Profile and Group Structure: Our Vision, Our Mission, Our Values, Page 6; Duties and Responsibilities, Page 69) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 3. Vision and Mission as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/vision-and-mission/ 	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>Review of each business segment and bank-wide performance against the plan is being presented by the Management team to the Board monthly. In addition, detailed operating plans for the year is presented by the Management team to the Board members in December of each year.</p>	

		<p>Together with the Senior Management team, the Board holds regular discussions on the strategic direction of the Bank given the changes in the operating environment and to ensure alignment of bank-wide efforts in the delivery of the operating and strategic objectives. The 2025 operating plans and budgets were approved by the Board in December 2024. For 2026, the original operating plans and budgets were approved by the Board in December 2025. However, due to a budget recast, another review and approval by the Board in March 2026 became necessary.</p> <p>The agenda of each Board meeting includes a monthly review of the business segments (Retail, Wholesale, Business Banking, Financial Markets Segments) financial performance.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Duties and Responsibilities, Page 69) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 12 to 14, Item 2) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Supplement to Recommendation 2.2			
<ol style="list-style-type: none"> 1. Board has a clearly defined and updated vision, mission and core values. 	COMPLIANT	<p>VISION To become the most customer-centric bank in the Philippines</p> <p>MISSION To enrich lives, empower businesses, and build communities sustainably through excellence in financial service</p>	

CORPORATE VALUES:

People: We care for our employees. We are driven to serve the diverse needs of our customers. We deliver sustainable shareholder value.

Integrity: We act responsibly and honestly to honor commitments while ensuring timely, best-in-class delivery, even when situations are challenging.

Empowerment: We are accountable for the authority we are given and the authority we give to others.

Innovation: We re-imagine existing processes and tools towards achieving better outcomes.

Execution Excellence: We effectively operationalize strategic goals and drive process and service excellence.

All of this is reinforced in our renewed commitment to **BetterBanking**.

The Board reviews the Bank's mission and vision periodically to ensure that they remain reflective of and accurately embody the Bank's purposes, goals and set direction. In September 2020, the Board enhanced the Mission Statement previously approved in 2018 by including a sustainability component. In January 2021, the Board approved a revision of the Vision Statement (as above). The core beliefs have also been reaffirmed through the Values Statement that will serve to guide decision-making and establish a standard against which actions can be assessed.

Link/ Reference:

1. The 2025 Integrated Report (Corporate Profile: Our Vision, Our Mission, Our Values, Page 6)

		<p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>2. Vision and Mission as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/vision-and-mission/</p> <p>3. Corporate Values as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/corporate-values/</p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>COMPLIANT</p>	<p>The Board of Directors is responsible for approving the objectives and strategies of the Bank and in overseeing management's implementation thereof.</p> <p>Pursuant to this, the strategic directives of the Bank are regularly reviewed. The operating plan/targets for the following year are defined every December. In January and February of the succeeding year, the performance of the previous year is assessed against plans. The detailed operating plans, with specific items on objectives, resource requirements for capital investments or people, and timelines, are also discussed.</p> <p>The Board has approved the organization into specific business segments as part of the Strategy Execution Process.</p> <p>On a monthly basis, the Chief Financial Officer reports on the financial performance of the Bank to the Board, assessing actual performance versus the budget, the previous year and on a quarterly basis against competitors. Likewise, each business segment head and enabler heads present updates of performance to the Board.</p> <p>The President of each subsidiary also presents the results of the financial performance of each subsidiary on an annual basis at the minimum.</p> <p>As part of the strategy execution process, each employee has a defined Key Result Area (KRA) where objectives and deliverables are</p>	

		<p>specifically stated. With a focus on performance-based culture and accountability, each employee goes through an annual performance appraisal process which includes calibration of what was achieved and how the goals were achieved. The performance management process ensures that KRAs stem from or are aligned with the Bank's overall objectives.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 14, Item 2) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Annual Performance Evaluation, Pages 70 to 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 2.3			
<ol style="list-style-type: none"> 1. Board is headed by a competent and qualified Chairperson. 	COMPLIANT	<p>Mr. Cirilo P. Noel, 67, was appointed as the Chairman of the Board in May 2024 and was re-appointed in April 2025.</p> <p>He is the Vice Chairman of the Corporate Governance and Audit Committees and a member of the Executive, Senior Credit and Risk Oversight Committees.</p> <p>Mr. Noel is Chairman of Peakpower Energy, Inc., Jin Navitas Electric Corporation, Jin Navitas Solaris Inc. (July 2025 commenced operations), Juxtapose Ergo Consultus, Inc. (since April 2019), and Confiar Land Corp. (since September 2021). He previously served as Chairman of Palm Concepcion Power Corporation (since June 2018). He is also a Director of PLC-Globe Telecom, Inc. (since April 2018), PLC-San Miguel Foods and Beverage, Inc. (since September 2018),</p>	

PLC-Robinsons Retail Holdings (since August 2020), PLC-First Philippine Holdings Corporation (since May 2021), Eton Properties, Inc. (since April 2019), Transnational Diversified Group Holdings (since August 2019), Infinity Energy Trading Systems Pte. Ltd. (formerly Amber Kinetics Holdings Co., Pte. Ltd.) (since March 2018), and LH Paragon Group, Golden ABC (since January 2018).

He is a member of the Board of Trustees of St. Luke's Medical Center Quezon City (since August 2017) and St. Luke's Medical Center College of Medicine (since September 2018). He is also a board member of St. Luke's Medical Center Global City (since August 2017) and St. Luke's Foundation, Inc. (since August 2018), and currently serves as Vice Chairman of St. Luke's Medical Center Quezon City and Global City, St. Luke's Medical Center College of Medicine, and St. Luke's Foundation, Inc. Mr. Noel is affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines. He previously served as Director of Philippine Airlines (2018 to 2019), PLC-PAL Holdings, Inc. (2018 to 2019), and PLC-JG Summit Holdings (2018 to 2021).

Prior to joining the Bank, he held various positions at SGV & Co., including Chairman (2010 to 2017), Managing Partner (2009 to 2010), Vice Chairman and Deputy Managing Director (2004 to 2009), Head of the Tax Division (2001 to 2008), and Partner, Tax Services (1993 to 2017). He served as a member of the Ernst & Young Global Advisory Council for two terms, as EY ASEAN Tax Head and Far East Area Tax Leader (2004 to 2009), and as Presiding Partner of the EY Asia Pacific Council.

He was awarded Honorary Life Membership by the Philippine Institute of Certified Public Accountants in November 2024 and was recognized as Outstanding Professional of the Year in Accountancy by the Professional Regulation Commission in 2019. He was named one of the 75 Most Outstanding UE Alumni by the University of the East in 2021 and received the Accountancy Centenary Award of Excellence from the Professional Regulatory Board of Accountancy in March 2023.

		<p>Education: Bachelor of Science in Business Administration, University of the East; Bachelor of Laws, Ateneo Law School; Master of Laws, Harvard Law School. He is a Harvard International Tax Program fellow and attended the Asian Institute of Management's Management Development Program.</p> <p>Links/ References:</p> <p>Chairman's Profile</p> <ol style="list-style-type: none"> 1. Board of Directors as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 2. The 2025 Integrated Report (Board and Leadership profiles, Page 177) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 3. 2026 Definitive Information Statement (Annex A Pages 1 to 2, The Board of Directors, Pages 34 to 35 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b <p>Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
Recommendation 2.4			
<ol style="list-style-type: none"> 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. 	COMPLIANT	<p>The Manual of Corporate Governance provides that the Board shall establish an effective succession planning program, which program shall include a system for identifying and developing potential successors for key and/or critical positions in the organization, through systematic evaluation process and training.</p>	

Specifically for the Board of Directors, the succession plan shall consider the following:

- a) The regular Board members are those with stake or shareholdings in the Bank.
- b) The succession plan of the President & CEO, who is a mandatory member, is covered by the Succession Plan for Senior Management.

The Nominations and Remuneration Committee and Senior Management shall work closely in identifying and coming up with a pool of qualified individuals for the Executive, Non-executive and Independent Director's (ID) seat. Sources of possible Directors:

- a) Regulated pool of accredited regular and independent directors obtained from professional management associations such as Financial Executives of the Philippines (FINEX), Institute of Corporate Directors (ICD) and the like;
- b) Directors of listed companies.

For key officers and management, the Bank recognizes the need for leadership continuity by maintaining a ready pool of competent and qualified successors especially from among its rank to fill in vacant posts resulting from business expansion, talent migration or the normal course of employee retirement. The Bank's Succession Planning Program primarily covers the following major activities:

- Identifying critical roles that need succession management
- Establishing the required capabilities for these critical roles
- Identification of successors
- Investment in fit-for-purpose development activities to enhance the competence and readiness of identified successors
- Execution of the Succession Program
- Periodic review of the potential successor's progress per Development Plan

Links/ References:

1. The Bank's Manual of Corporate Governance

		<p>(Specific Duties and Responsibilities of the Board – Succession Planning, Page 22; Succession Plan for Board of Directors, Page 41)</p> <p>https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>2. The 2025 Integrated Report (Succession Planning and Board Refreshment, Page 71)</p> <p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>	<p>Part of the responsibilities of the Board is to adopt a policy on retirement for directors and officers, as part of the succession plan, to promote dynamism and avoid perpetuation in power. The Bank's policy on retirement for Board of Directors further provides:</p> <p><i>Board Refreshment Policy</i></p> <p>a) <i>The new board members elected starting in 2017 shall not stand for election for any term that begins after his 75th birthday.</i></p> <p>b) <i>Existing board members beyond the age of 70 who have been with the Board prior to 2017 shall be allowed an extension of 10 years.</i></p> <p>c) <i>Existing board members below the age of 70 who have been with the Board prior to 2017 shall be allowed an extension of 10 years after they reach the age of 75.</i></p> <p>d) <i>The Nominations and Remuneration Committee shall regularly assess the capability of Board members to continuously serve in the Board.</i></p> <p>The Bank likewise has a retirement policy for all its employees, including its officers, which sets the ages for normal/ compulsory retirement, forced retirement and early retirement.</p> <p>Links/ References:</p> <p>1. The Bank's Manual of Corporate Governance</p>	

		<p>(Specific Duties and Responsibilities of the Board, Page 25; Board Refreshment Policy, Page 41) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>2. The 2025 Integrated Report (Succession Planning and Board Refreshment, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	The Board, through the Nominations and Remuneration Committee implements and approves the remuneration policy for key officers and board members. The policy is aligned with the long-term interests of the Bank including the overall business and risk strategy. Its components include fixed remuneration, performance-based bonus, regular bonuses, incentives and other benefits. The Nominations and Remuneration Committee determines appropriate remuneration based on specific financial and non-financial metrics to measure performance and sets specific provisions for employees with significant influence on the overall risk profile of the corporation.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p>Key considerations in determining proper compensation:</p> <p>a. The level of remuneration is commensurate to the responsibilities of the role;</p> <p>b. No director shall participate in deciding his own remuneration;</p> <p>c. Remuneration pay-out schedules shall be sensitive to risk outcomes over a multi-year horizon</p> <p>d. Remuneration of employees assigned in control functions such as Audit, Risk and Compliance, shall be determined independent of any business line being overseen, and performance measures are based principally on the achievement of their objectives.</p> <p>The non-executive directors receive fees for attendance in meetings of the Board and its committees while the executive directors receive</p>	

		<p>fixed compensation, performance-based bonuses and other usual bank benefits accorded under standard employment terms. The directors have no other compensation plan or arrangement with the Bank.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Remuneration Policy for Directors and Key Officers, Pages 53 to 55) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Remuneration and Incentives, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Optional: Recommendation 2.5			
<ol style="list-style-type: none"> 1. Board approves the remuneration of senior executives. 	COMPLIANT	<p>It is the responsibility of the Board of Directors to approve a sound remuneration and other incentives policy for the Bank's employees, including senior executives.</p> <p>The Board approved the top Executive Compensation disclosure of the Bank's Officers and Board members, including the top 5 highest compensated officers during February 2025 Board Meeting. The amended Executive Compensation was confirmed by the Executive Committee on behalf of the Board during the April 2025 Meeting and it was ratified in the May 2025 Board Meeting.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 21) 	

		<p>https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>2. The 2025 Integrated Report (Remuneration and incentives, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>COMPLIANT</p>	<p>The Bank provides senior management, which includes executive directors and senior executives, with a remuneration program that is equitable and commensurate to the responsibilities of each key officer. The Bank maintains a competitive remuneration standard among industry peers to promote overall motivation and satisfaction, taking into consideration current industry trends and regulatory provisions, as well as alignment with the long-term interests of the Bank, including the overall business and risk strategy. The Bank's philosophy is to provide appropriate remuneration based on specific financial and nonfinancial metrics to measure performance and set specific provisions for key officers with significant influence on the overall risk profile of the Bank.</p> <p>The company implements a performance-based system where each officer is required to define their Key Result Areas (KRA) for the year. Objectives and deliverables are specifically stated and conditions that warrant a specific rating are defined. Performance is assessed relative to the set KRAs through a performance appraisal rating system at the end of the year. The performance appraisal process ensures that KRAs stem from or are aligned with the Bank's overall objectives. The Bank uses a bell curve to differentiate performance among employees. The process of reaching the bell curve is called Performance Rating Calibration. This process is where the performance of senior officers is reviewed by the CEO, the Head of HCM, and the Heads of Business and Enabling groups. The calibrated ratings and the recommended performance bonuses are then presented to the Nominations and Remuneration Committee of the</p>	

		<p>Board for further deliberations and approval. The approved calibrated ratings serve as a significant basis for distribution of performance bonuses and other decisions related to reward, such as promotions, merit increases, and availment of certain benefits among others.</p> <p>Strategic Initiatives pertain to more long-term interests as these are projects or initiatives that are directly related to the five-year strategy of the Bank. These make up a significant percentage of the executive director or senior executive's performance rating. This should be differentiated from BAU deliverables which are more short term.</p> <p>Additionally, the Bank's Code of Conduct gives the Bank the right to seek reimbursement or restitution from erring employees for any loss, damage or any accountability arising from any violation of the Code.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Annual Performance Evaluation, Pages 70 to 71; Remuneration and Incentives, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	The Bank's Manual of Corporate Governance includes the Nomination and Election Policy which aims to encourage shareholder participation in the nomination and election of Directors to the Board through the following procedures:	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	<p><i>The Nominations Process:</i></p> <ol style="list-style-type: none"> 1. The nomination of a director shall be conducted by the Nominations and Remuneration Committee prior to a stockholders' meeting. 2. The Committee itself may likewise identify and recommend qualified individuals for nomination and election to the Board. 	

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| | <p>3. The Committee may make use of professional search firms or other external sources to search for qualified candidates to the Board.</p> <p>4. All shareholders shall have the right to nominate, elect, remove and replace directors, and vote on certain corporate acts in accordance with the Corporation Code.</p> <p>5. Nominations shall be submitted to any of the members of the Nominations Committee, or to the Office of the Corporate Secretary at least 2 weeks before the Board meeting scheduled in February. The Board will approve during the February Board meeting, upon the endorsement of the Nominations Committee, the list of nominees for election during the April meeting of shareholders.</p> <p>6. All nominations or recommendations shall be signed by the nominating stockholders, together with an acceptance and conformity of the nominees. No nominee shall qualify to be elected as Director unless this requirement is complied with.</p> <p>7. The Nominations and Remuneration Committee shall pre-screen the qualification and prepare a final list of candidates. This will ensure that only those who possess all qualifications and none of the disqualifications may be elected to the Board. The Committee shall put in place screening policies and parameters that meet the minimum requirements as provided by the Bank's By-Laws, Manual of Corporate Governance, and relevant rules and regulations. In the evaluation of nominees, the Committee shall consider the benefits of a diverse Board for competitive advantage. A diverse Board makes use of differences in skills, regional and industry experience, background, race, gender and other qualities of directors. These differences will be considered in determining the optimum composition of the Board and should be balanced appropriately.</p> <p>8. The final list of qualified nominees shall be recommended to the Board of Directors for approval. The Board shall recommend to the stockholders the qualified nominees included in the final list for election during the annual meeting of shareholders.</p> <p>9. The Committee shall prepare a list of candidates which shall contain all the information about all nominees for director as required by SEC and BSP rules for filing and distribution to all shareholders through the SEC Information Statement. The list should indicate the nominees for independent director. The name of the person or group</p> | |
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of persons who recommended the nomination of the independent director shall be identified, including any relationship with the nominee.

10. Only nominees whose names appear in the List shall be eligible for election to the Board of Directors. After the list of candidates is approved by the Board of Directors for endorsement to the shareholders for approval, additional nominations shall not be entertained. No further nominations will also be allowed during the actual meeting of shareholders, unless there is a withdrawal of acceptance of the nomination or a nominee is no longer available for whatever reason.

In selecting candidates, the Bank sources the candidates through professional management associations such as the Financial Executives Institute of the Philippines (FINEX), Institute of Corporate Directors (ICD), as well as referrals of other Board Members and Senior Management. Procedures are in place to allow the stockholders to nominate and elect Directors to the Board. The recommended candidates for board membership are submitted to the Nominations and Remuneration Committee either via direct submission or through the Office of the Corporate Secretary. From among the nominees for Board seats as cleared by the Nominations and Remuneration Committee and endorsed by the Board, the shareholders elect the Board members during the annual meeting of shareholders.

The Board has also created a Search Committee from among the members of the Nominations and Remuneration Committee. The Search Committee ensures efficiency and thoroughness in the search for Directors and Senior Management. The Search Committee was likewise given the authority to negotiate terms and conditions with candidates until closing.

Links/ References:

1. The Bank's Manual of Corporate Governance (Nomination and Election Policy, Page 48 to 50)

		<p>https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>2. The 2025 Integrated Report (Selection and Appointment Process, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>COMPLIANT</p>	<p>Under the Nomination and Election Policy, all shareholders have the right to nominate directors, which shall be subject to the review of the Nominations and Remunerations Committee for eligibility. This right is likewise reflected under the Section on Shareholders' Rights in the Manual of Corporate Governance. The list of nominees to the Board is filed and submitted to the Corporate Governance Committee through the Office of the Corporate Secretary at least thirty (30) business days before the annual stockholders' meeting.</p> <p>Historically, the last time that the Corporate Secretary and the Chairman received a nomination (together with the supporting resume) from a minority shareholder was in 2018. However, the period of nomination had already been closed. The submitted biodata of the nominee now forms part of the pool of nominees of the office of the Corporate Secretary in case of need of Board Director replacements.</p> <p>Links/ References:</p> <p>1. The Bank's Manual on Corporate Governance (Nomination and Election Policy, Page 48; Shareholders' Rights, Page 108) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	

<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>COMPLIANT</p>	<p>Under the Nominations and Election Policy, the Nominations and Remuneration Committee shall pre-screen the qualification and prepare a final list of candidates. This will ensure that only those who possess all qualifications and none of the disqualifications may be elected to the Board. The Committee shall put in place screening policies and parameters that meet the minimum requirements as provided by the Bank's By-Laws, Manual of Corporate Governance, and relevant rules and regulations. In the evaluation of nominees, the Committee shall consider the benefits of a diverse Board for competitive advantage. A diverse Board makes use of differences in skills, regional and industry experience, background, race, gender and other qualities of directors. These differences will be considered in determining the optimum composition of the Board and should be balanced appropriately.</p> <p>The final list of qualified nominees shall be recommended to the Board of Directors for approval. The Board shall recommend to the stockholders the qualified nominees included in the final list for election during the annual meeting of shareholders.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual on Corporate Governance (Nomination and Election Policy, Page 48; Shareholders' Rights, Page 108) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	<p>COMPLIANT</p>	<p>Under the Manual of Corporate Governance, the purpose of the Nominations and Remuneration Committee is to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval. It is also tasked to assess the effectiveness of the Board's processes and procedures in the election and replacement of directors, and to establish a formal and transparent procedure for developing policy on remuneration of directors and officers to ensure that compensation is consistent with</p>	

		<p>the Bank's culture, strategy and the business environment on which the Bank operates.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Nominations and Remuneration Committee, Pages 66 to 68) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>The Bank's Nomination and Election Policy in the Manual on Corporate Governance discusses the procedural guidelines being implemented by the Committee to ensure that qualifications of nominated directors are aligned with the strategic direction of the Bank. The Nominations and Remuneration Committee shall pre-screen the qualifications and prepare a final list of candidates. This will ensure that only those who possess all qualifications and none of the disqualifications may be elected to the Board. The Committee shall put in place screening policies and parameters that meet the minimum requirements as provided by the Bank's By-Laws, Manual of Corporate Governance, and relevant rules and regulations.</p> <p>In the evaluation of nominees, the Committee shall consider the benefits of a diverse Board for competitive advantage. A diverse Board makes use of differences in skills, regional and industry experience, background, race, gender and other qualities of directors. These differences will be considered in determining the optimum composition of the Board and should be balanced appropriately.</p> <p>Qualifications are thus viewed not just for competitive advantage but also in light of the future strategy of the Bank.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance 	

		(Nominations and Election Policy, Page 48) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	The Bank sources its candidates/ nominees for Directorship via professional management associations such as Financial Executives Institute of the Philippines (FINEX), Institute of Corporate Directors (ICD), contacts of Senior Officers & Directors, and nominations received by the Corporate Secretary via email. Links/ References 1. The Bank's Manual of Corporate Governance (Succession Plan for Board of Directors, Page 41) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Selection and Appointment Process, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Under the Bank's Manual of Corporate Governance, the Board is responsible for approving clear policies on the handling of any transaction with Directors, Officers, Shareholders and Related Interests (DOSRI) and other Related Parties, ensuring that there is effective compliance with existing laws, rules and regulations at all times, that these transactions are conducted on an arms' length basis and that no stakeholder is unduly disadvantaged.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	The Bank's Related Party Transactions Policy (RPT Policy) reiterates this responsibility of the Board to ensure that transactions with related	

parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders. As such, the RPT Policy To this end, the Related Party Transactions Committee (RPT Committee) was created to assist the Board in fulfilling their responsibilities over related party transactions, including but not limited to:

1. the evaluation on an ongoing basis of the existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.
2. the evaluation, for purposes of endorsement to the Board where warranted, of all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

The RPT Policy further provides for the minimum guidelines and requirements to be observed by the Bank, through the Board, in order to ensure effective conduct of robust due diligence and sound reporting and monitoring of transactions of the Bank with Related Parties, including the maintenance of a Related Party database, whistleblowing mechanisms, monitoring of regulatory limits and reporting processes.

Links/ References:

1. The Bank's Manual of Corporate Governance

		<p>(Specific Duties and Responsibilities of the Board of Directors, Pages 13, 26 to 27; Related Party Transactions Committee, Pages 80 to 83) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>2. Related Party Transaction Policy https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf</p> <p>3. The 2025 Integrated Report (Related Party Transactions, Page 76) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>4. The RPT Committee Charter https://www.securitybank.com/about-us/corporate-governance/</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>The RPT Policy applies to all subsidiaries, affiliates and/or entities within the SBC Group to ensure effective corporate governance oversight by the Board over the entire Group.</p> <p>Given this scope, the review being conducted by the Related Party Transaction Committee is overarching and covers all material related party transactions of the SBC Group.</p> <p>Link/ Reference:</p> <p>1. Related Party Transaction Policy (II. Scope, Page 3) https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf</p>	

2. The RPT Committee Charter
<https://www.securitybank.com/about-us/corporate-governance/>

Supplement to Recommendations 2.7

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.

COMPLIANT

The RPT Policy sets the materiality threshold at PHP100 Million for credit related transactions and PHP50Million for non-credit transactions. The Board's approval is required for the following transactions:

- a. All material credit and non-credit related party transactions endorsed by the RPT Committee
- b. Any renewal or material changes in the terms and conditions of RPTs
- c. All DOSRI transactions regardless of amount as required under existing rules
- d. Write off of all DOSRI and material non-DOSRI exposure to related parties
- e. Breaches in internal limits for individual and aggregate exposure to related parties

All material related party transactions shall be confirmed by a majority vote of the stockholders during the annual stockholders' meeting.

These are reported to SEC and BSP as part of materiality threshold reporting requirements. The thresholds are also reviewed semi-annually and may be changed upon discretion of the Board as may be needed for proper risk management.

To comply with SEC requirements, an individual RP transaction amounting to 10% of the Bank's total asset either individually or in aggregate over a twelve (12)-month period with the same Related Party shall be assessed/ evaluated by a Board appointed external independent party to evaluate the fairness of the terms of the material RPTs. These transactions must be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors' vote is not

		<p>secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. Related Party Transaction Policy https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf 	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>COMPLIANT</p>	<p>The Bank's RPT Policy prescribes the review and approval process of the RPTs:</p> <ul style="list-style-type: none"> • The RPT Committee, of which two (2) of the three (3) members are independent directors (including the Committee Chairperson) reviews all material credit and non-credit transactions and, if merited, endorses the transactions for Board approval. • The Board of Directors shall approve all material credit and non-credit related party transactions endorsed by the RPT Committee, as well as other transactions prescribed in the RPT Policy. The vote of the independent directors may be considered as representing the minority and/or non-related party shareholders given that they do not represent the majority and/or related party shareholders. For individual RPTs amounting to 10% of the Bank's total asset either individually or in aggregate over a twelve (12)-month period with the same Related Party, these must be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors' vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock. • During the Annual Stockholders' Meeting, the material RPTs are presented for ratification by the shareholders, which voting would include non-related party shareholders. 	

		<p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. Related Party Transaction Policy https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf 2. Minutes of the 2025 Annual Stockholders' Meeting https://www.securitybank.com/wp-content/uploads/2025/05/2025-ASM-Draft-Pack.pdf 3. Notice of 2026 Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b8b45cc187e158f64d70b69f0a3140b Also in: https://www.securitybank.com/asm/ 4. Minutes of the 2026 Annual Stockholder's' Meeting https://www.securitybank.com/wp-content/uploads/2026/05/2026-Minutes-of-the-Annual-Stockholders-Meeting.pdf 	
Recommendation 2.8			
<ol style="list-style-type: none"> 1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). 	COMPLIANT	<p>The Manual on Corporate Governance provides that the Board of Directors shall oversee the appointment/ selection of key members of Senior Management and heads of control functions based on the application of fit and proper standards, integrity, technical expertise and experience in the Bank's business.</p> <p>The appointment of the CEO and President, Executive Vice Presidents, Senior Vice Presidents, First Vice Presidents, and Vice Presidents, which includes the Chief Compliance Officer, Chief Risk Officer and Chief Audit Executive are confirmed during the Organizational Meeting of the Board of Directors.</p> <p>Links/ References:</p>	

		<ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 21) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59 	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>The Manual of Corporate Governance provides that the Board of Directors shall oversee the performance of Senior Management and Heads of control functions by regularly monitoring their actions and ensuring that these are consistent with the policies that it has approved. It shall also establish an effective performance management framework to ensure that the performance of personnel, which includes Management, including the Chief Executive Officer, and the heads of control functions, is at par with the standards set by the Board/ senior management.</p> <p>Specific to the Heads of Control Functions:</p> <ul style="list-style-type: none"> • the Board of Directors shall confirm the performance rating given by the President or Senior Management to the Chief Risk Officer (CRO) • the Audit Committee reports to the Board the performance appraisal of the Chief Audit Executive as required by the Audit Committee Charter. • the Corporate Governance Committee oversees the evaluation of the Chief Compliance Officer. • On an annual basis the CEO, CRO, CCO and CAE report their respective accomplishments vis-à-vis their Key Result Areas (KRA) for the year to the Board and the respective Board Level committees. 	

		<p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Pages 21; Chief Compliance Officer, Page 91; Chief Risk Officer, Pages 96 to 97; Chief Audit Executive, Page 94; Corporate Governance Committee, Page 65; Audit Committee, Page 73) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The Audit Committee Charter (Duties and Responsibilities, Internal Audit and Internal Audit Service Provider) https://www.securitybank.com/about-us/corporate-governance/ 3. The Corporate Governance Committee Charter (Duties and Responsibilities) https://www.securitybank.com/about-us/corporate-governance/ 	
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Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	<p>Under the Bank's Manual of Corporate Governance, the Board shall establish an effective performance management framework that will ensure that personnel's performance is at par with the standards set by the Board/senior management. Results of performance evaluation should be linked to other human resource activities such as training and development, remuneration, and succession planning. These should likewise form part of the assessment of the continuing fitness and propriety of personnel in carrying out their respective duties and responsibilities.</p> <p>The assessment of continuing fitness and propriety of personnel should take into account factors that may affect the performance of an individual. For instance, the financial circumstances of an employee who will be responsible for the custody of, or handling of</p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		

cash-related transactions, shall be taken into consideration in the evaluation of his continuing qualification.

The Bank implements a performance-based system where each officer is required to define their Key Result Areas (KRA) for the year. Objectives and deliverables are specifically stated and conditions that warrant a specific rating are defined. Performance is assessed relative to the set KRAs through a performance appraisal rating system at the end of the year. The performance appraisal process ensures that KRAs stem from or are aligned with the Bank's overall objectives. The Bank uses a bell curve to differentiate performance among employees. The process of reaching the bell curve is called Performance Rating Calibration. This process is where the performance of senior officers is reviewed by the CEO, the Head of HCM, and the Heads of Business and Enabling groups. The calibrated ratings and the recommended performance bonuses are then presented to the Nominations and Remuneration Committee of the Board for further deliberations and approval. The approved calibrated ratings serve as a significant basis for distribution of performance bonuses and other decisions related to reward, such as promotions, merit increases, and availment of certain benefits among others.

Link/ Reference:

1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Pages 22)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. The 2025 Integrated Report (Annual Performance Evaluation, Pages 70 to 71)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	The Manual of Corporate Governance states that the Board is ultimately responsible for business and risk strategy, organization, financial soundness and governance, which includes approving and overseeing the implementation of the Bank's internal control systems.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	<p>The Bank's Internal control system is a process designed and effected by the Board of Directors and Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operation; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations and the organization's policies and procedures. The internal control system shall include oversight on the implementation of the key control functions, such as risk management, compliance and internal audit, and reviewing the corporation's human resource policies, conflict of interest situations, and compensation program for employees and management succession plan. The Board, through the Audit Committee, monitors and evaluates the adequacy, effectiveness and efficiency of the Bank's internal control system, including financial reporting process, information technology, governance and management of risks.</p> <p>The Bank's internal control system includes a mechanism for identifying, reviewing and managing conflict of interest. Under the Bank's Code of Business Conduct and Ethics, employees are not allowed to pursue any personal or professional venture that may give rise to a conflict between their own interest and that of the Bank. The overall governing principle is that employees must avoid situations where their personal interest may conflict or appear to conflict with the interests of the Bank or its customers. They are prohibited from directly or indirectly engaging in any conduct or activity that may directly or indirectly be construed as inconsistent or incompatible with the Bank's business. Also, the Bank has an existing policy that identifies potential conflict of interest situations and the procedures that need to be undertaken. These include, but are not limited to, making the appropriate disclosures, voluntary abstention from</p>	

		<p>decision-making where circumstances require, using third parties as independent reviewers and implementing the Chinese Wall policy and Code of Conduct.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Governance System, Pages 3 to 5) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Corporate Governance, Pages 67 to 68; Audit Committee, Page 72; Conflict of Interest Policy, Page 78) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 3. The Audit Committee Charter (Purpose; Duties and Responsibilities – Internal Control) https://www.securitybank.com/about-us/corporate-governance/ 4. Code of Business Conduct and Ethics https://www.securitybank.com/about-us/code-business-conduct-ethics/ 	
3. Board approves the Internal Audit Charter.	COMPLIANT	Under the Manual of Corporate Governance, the Board approves the Internal Audit (IA) Charter, following a review by the Chief Audit Executive and recommendation of the Audit Committee. The Charter formally defines the role, authority, and responsibilities of Internal Audit, including the audit plan, and the Board oversees its effective implementation.	

		<p>The Internal Audit Charter was last reviewed in 2025, approved by the Audit Committee on 26 January 2026, and confirmed by the Board in its 28 April 2026 meeting.</p> <p>The Audit Committee also confirmed in the Audit Committee Report that Internal Audit's annual internal audit risk assessment and plan were reviewed and approved. The Audit Committee monitored the performance relative to the approved audit plans.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Audit Committee, Page 76; Chief Audit Executive, Page 94) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Audit Committee Report, Page 174) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<p>Under the Manual of Corporate Governance, the Board of Directors is responsible for approving the Bank's risk governance framework and overseeing management's implementation thereof.</p> <p>Through the Risk Oversight Committee (ROC), it shall develop and oversee the implementation of a formal enterprise risk management plan which contains (1) common language or registers of risks; (2) well-defined risk management goals, objectives and oversight; (3) uniform processes of assessing risks and developing strategies to manage prioritized risks; (4) designing and implementing risk management strategies and (5) continuing assessment to improve risk strategies, processes and measures. The ROC evaluates the risk</p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		

management plan to ensure its continued relevance, comprehensiveness and effectiveness.

The ROC's execution and operational arm is primarily the Risk Management Group (RMG) headed by the Chief Risk Officer (CRO) who is independent from executive functions and business line responsibilities, operations and revenue generating functions. RMG's activities assist the Board of Directors, through the ROC, in fulfilling its risk management responsibilities through the following fundamental tasks:

- Development and review of risk appetite/ limits and policies;
- Assessment, measurement, monitoring and reporting of the Group's risk-taking and risk management activities, including risk limit utilization and performance;
- Provision of subject matter expertise in business, product and project developments and other strategic decision-making activities;
- Elevation of issues and findings to Senior Management and the ROC.

Links/ References:

1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 14; Risk Oversight Committee – Authority and Responsibilities, Page 69); Chief Risk Officer, Page 96; Risk Management Function, Page 97)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. The 2025 Integrated Report (Risk Management, Pages 79 to 82)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The Bank's Manual of Corporate Governance serves as the Board Charter in as much as it already articulates the roles, duties and responsibilities, and accountabilities of the directors to guide them in carrying out their fiduciary duties and discharge their functions.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	The duties and responsibilities of the Board of Directors as a body and individually are described and explained in the Manual.	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	<p>The Manual is posted on the Bank's website.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Introduction, Page 1; General Responsibility of the Board of Directors, Page 9; Specific Duties and Responsibilities of the Board of Directors; Pages 12 to 34; Responsibilities of a Director, Pages 52 to 54) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	<p>As a publicly listed company, the Bank strictly observes the prohibition on insider trading under Section 27 of the Securities Regulation Code (SRC).</p> <p>As such, the Bank's Personal Investment Policy (PIP) sets down the following principles when making investments for their personal or family accounts:</p> <ul style="list-style-type: none"> • The transaction must be based solely on publicly available information. • The transaction shall not be in conflict with the activities of the SBC Group. • The transaction must be above board and must be generally oriented towards a philosophy of investment as distinguished from short term or speculative trading, 	

		<p>Directors, Officers and Personnel (DOP) whose functions involve participation in research, advisory, recommendation or decision-making in investment activities for the account of SBC Group or their customers are considered as Covered Persons and are required to obtain the necessary approvals prior to executing specific personal transactions. Certain transactions may be absolutely prohibited as specified in the policy.</p> <p>A copy of the Bank's Personal Investment Policy may be provided upon request.</p> <p>The Bank also has an Insider trading Policy specific to Security Bank shares (SECB shares) which sets down the requirements when a Director or Officer with the rank of Senior Vice President and up wishes to trade SECB shares, in addition to the requirements under the PIP. The requirements include prior notification to the Office of the Corporate Secretary (OCS) of the intention to trade and submission of the necessary SEC Form within three business days from the transaction, for subsequent filing of the OCS with the SEC.</p> <p>Link/ References:</p> <p>1. Insider Trading Policy – Policy on Trading on SECB Shares https://www.securitybank.com/about-us/company-policies/</p>	
Optional: Principle 2			
<p>1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.</p>	<p>COMPLIANT</p>	<p>The Bank's Policy on Related Party Transactions ensures that all transactions with its Directors, Officers, Stockholders and Related Interests (DOSRI) as well as Related Parties (RP) are conducted on an arm's length basis, in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. All credit transactions with a related party that crosses the materiality threshold are reviewed by the Related Party Transactions Committee and endorsed to the Board of</p>	

		<p>Directors for approval. The price discovery mechanisms used and the results obtained should also be disclosed in the proposal. This may include acquiring the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale. To avoid conflict of interest, directors are expected to disclose if they have any interest in a transaction. They should also abstain from the deliberation and approval of the related party transaction.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. Policy on Related Party Transactions https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf 	
<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>COMPLIANT</p>	<p>The Manual of Corporate Governance states that, pursuant to the Board's ultimate responsibility for the Bank's business and risk strategy, organization, financial soundness and governance, the Board should approve and monitor the overall business strategy of the Bank, thereby taking into account the Bank's long-term financial interests, its exposure to risks and its ability to manage risk effectively.</p> <p>Specifically, these include:</p> <ol style="list-style-type: none"> 1. Defining the Bank's corporate culture and values and conducting bank affairs with integrity; 2. Approving the Bank's objectives and strategies and overseeing management's implementation thereof; 3. Approving the Bank's risk governance framework and overseeing management's implementation thereof; 4. Overseeing the appointment/ selection of key members of Senior Management and heads of control functions and approving a sound remuneration and other incentives policy for personnel; 5. Approving and overseeing the implementation of the Bank's corporate governance framework; 6. Ensuring proper communication with shareholders; 	

7. Effectively utilizing the work conducted by internal audit, risk management and compliance functions and the external auditors;
8. Performing independent oversight over controls and system of checks and balances to ensure high quality of the external audit function in relation to the audited financial statements of the Bank;
9. Promoting high ethical and integrity standards; establishing appropriate culture that emphasizes, demonstrates and promotes the importance of internal control; and designing and implementing processes for the prevention and detection of fraud;
10. Exercising overall responsibility for defining an appropriate corporate governance framework that shall contribute to the effective oversight over entities in the group.
11. Ensuring an effective governance process is in place in handling interlocking positions of directors and officers in entities within the SBC Group and/or other external entities;
12. Promoting shareholders' rights.

Key decisions of the BOD are disclosed in PSE Edge within ten (10) minutes after approval of the BOD.

Links/ References:

1. The Bank's Manual of Corporate Governance (Governance System, Page 3; Specific Duties and Responsibilities of the Board of Directors, Pages 12 to 34)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>To aid the Board in complying with the principles of good corporate governance, the Board constituted the following Board Committees:</p> <ul style="list-style-type: none"> • Executive Committee: Exercises the authority of the Board of Directors delegated to it by the Board and as may be allowed by law during intervals between meetings of the Board of Directors • Corporate Governance Committee: Assists the Board in approving and overseeing the implementation of the corporate governance framework and is responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines • Nominations and Remuneration Committee: (1) Reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval; (2) Assesses the effectiveness of the Board's processes and procedures in the election and replacement of directors; and(3) Establishes a formal and transparent procedure for developing policy on remuneration of directors and officers to ensure that compensation is consistent with the Bank's culture, strategy and the business environment in which the Bank operates. • Risk Oversight Committee: Provides oversight of the Bank's exposure to financial and non-financial risks <ul style="list-style-type: none"> • Information Security Risk Management Committee: A sub-committee of the ROC; Oversees the Bank's Information Security Strategic Plan (ISSP) and Information Security Program (ISP), ensuring protection of information assets and resilience against cyber, fraud and technology risks. • Audit Committee: Reviews the internal control and risk management systems, processes for financial control, internal and external audits, and compliance with laws and regulations • Related Party Transaction Committee: Ensures that related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors and stakeholders • Senior Credit Committee: As the highest credit decision-making body, reviews and approves proposals and transactions related 	
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		<p>to credit and works closely with the Risk Management Group in managing the overall credit risk of the Bank</p> <ul style="list-style-type: none"> • Trust Committee: Provides oversight on proper management and administration of the Trust and other fiduciary business of the Bank, including its investment activities • Transformation and Technology Committee: Provides oversight of the development and implementation of strategy, transformation, innovation and information technology initiatives of the Bank and its subsidiaries and affiliates, in support of the Group's vision, mission and strategic objectives. <p>The Board of Directors, in its meeting held on 29 April 2025, approved the organization and appointment of the Board Committee Members.</p> <p>Links/ References:</p> <p>List of Board Committees and their Responsibilities</p> <ul style="list-style-type: none"> • The Bank's Manual of Corporate Governance (Organizational Structure of the Board and Board Committees, Page 86; Board Committees, Pages 64 to 85) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf • Board Committees https://www.securitybank.com/about-us/corporate-governance/ • The 2025 Integrated Report (Board Committees, Pages 71 to 74; Table of Organization, Page 7) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf <p>Organization and Appointment of Board Committee Members</p>	
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		<ul style="list-style-type: none"> Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59 	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>COMPLIANT</p>	<p>The Audit Committee is responsible for monitoring and evaluating the adequacy, effectiveness and efficiency of the following: (1) Integrity of the Bank's financial statements; (2) Bank's internal control system including financial reporting process, information technology, governance and management of risks; (3) The Bank's process in monitoring compliance with applicable laws, rules and regulations, internal policies and its own code of business conduct; and (4) Conduct of operations and safeguarding and effective use of assets. It is also responsible for performing oversight functions over the Internal audit function and independence of auditors, the Internal audit service provider (if any) and its independence; and the external audit function and external auditor's qualifications, independence and performance.</p> <p>Pursuant to this mandate, it shall:</p> <ol style="list-style-type: none"> Review, discuss, and endorse for Board approval the interim and annual audited financial statements by evaluating key accounting policies, judgments, audit adjustments, going-concern assumptions, regulatory and tax compliance, and by assessing the external auditor's reports on internal controls, critical accounting principles, alternative financial reporting treatments, and recommendations in the management letter. Monitor and assess the effectiveness of the Bank's internal control and risk management systems, ensure annual independent reviews through internal and external audits, and oversee the timely implementation and reporting to the Board of corrective actions on identified control weaknesses and regulatory non-compliance Oversee the independence, authority, resourcing, and performance of the Internal Audit Group, including the appointment, evaluation, and remuneration of the Chief Audit Executive (CAE), approval of the Internal Audit Charter and audit 	

plans, and ensuring compliance with professional and regulatory standards. It ensures internal and external auditors are independent, adequately qualified, and granted unrestricted access, and that internal audit activities, including any outsourced services, are properly planned, executed, and quality-assured. The Committee reviews audit reports, fraud findings, and quality assurance results, monitors the implementation of corrective actions, and reports significant matters to the Board.

4. Establish and maintain whistleblowing mechanisms 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 shall ensure that arrangements are in place for the independent investigation, appropriate follow-up action and subsequent resolution of complaints.

With respect to external auditors, the Audit Committee is responsible for:

1. Recommending to the Board the appointment, reappointment, removal, and fees of external auditor, duly accredited by the Securities and Exchange Commission and BSP. It shall review and approve the engagement contract and ensure that the scope of audit likewise covers areas specifically prescribed by BSP and other regulators. For removal or change in the external auditor, the reasons for removal or change should be disclosed to the regulators, the shareholders and the public through the company website and other required disclosures.
2. Reviewing the recommendations in the External Auditor's management letter and oversee the resolution of disagreements, if any, between management and the external auditors.
3. Reviewing the performance of the external auditors at least annually including technical competence, integrity, independence, objectivity and overall effectiveness of the external audit process.

4. Discussing with the external auditors the nature, proposed audit scope, approach and expenses of the audit, including coordination of audit effort with internal audit.
5. Ensuring that external auditors, including the engagement and quality control partners of the audit firm are rotated in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines as adopted by the Philippine Board of Accountancy.
6. Evaluating and determining the non-audit work, if any, of the External Auditor, and periodically reviewing the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the bank's overall consultancy expenses; Disallowing any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence and objectivity
7. Ensuring that the scope of the external audit work appropriately covers areas relevant to the Bank's operations and risk exposures prescribed by Bangko Sentral ng Pilipinas and other regulators.

Links/ References:

1. The Bank's Manual of Corporate Governance (Audit Committee, Pages 73 to 79)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. Audit Committee Charter
<https://www.securitybank.com/about-us/corporate-governance/>
3. The 2025 Integrated Report (Audit Committee Report, Page 174)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>The Audit Committee shall be composed of at least three (3) members of the Board, who shall all be non-executive directors, majority of whom shall be independent directors, including the Chairman. All members must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing or finance. The Chairman should not be the chairman of the Board or of any other Board-level committees. The members of the Audit Committee shall not be members of the Trust Committee.</p> <p>In 2025, the Audit Committee was composed of three (3) non-executive directors, with 2 of the three members (including the Chairman) being Independent Directors: Chairman: Gerard H. Brimo (Independent Director) Vice Chairman: Cirilo P. Noel Member: Napoleon L. Nazareno* (Independent Director) <small>*deceased 23 March 2026</small></p> <p>Links/ References:</p> <p>Audit Committee Membership</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Audit Committee – Membership, Page 74) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Audit Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 3. The 2025 Integrated Report (Audit Committee, Page 72; Board and Management Committee meetings and attendance, Pages 189 to 190) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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		<p>Directors' Profiles</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Corporate Website (The Board of Directors) https://www.securitybank.com/about-us/leaders/board-of-directors/ <p>Appointment of Audit Committee members</p> <ol style="list-style-type: none"> 1. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59 	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<p>The members of the Audit Committee have the relevant background/ knowledge, skills and experience in accounting, auditing and finance.</p> <p>Links/ References:</p> <p>Directors' Profiles</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Corporate Website (The Board of Directors) https://www.securitybank.com/about-us/leaders/board-of-directors/ 	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	The Audit Committee Chairman is Mr. Gerard H. Brimo. He is not the Chairman of the Board nor is he a chairman of any other committee.	

		<p>Links/ References:</p> <p>Audit Committee members</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Board of Directors and Advisors, Page 9; Board Committees, Pages 71 to 74; Board and Management Committee meetings and attendance, Pages 189 to 190) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59 	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>The Audit Committee is tasked to evaluate and determine the non-audit work, if any, of the external auditor and periodically review the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the bank's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with his duties as an external auditor or may pose threat to his independence and objectivity.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Audit Committee – External Audit, Pages 78 to 79) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	The External Auditor presented to the non-executive Directors last 25 March 2025.	

Optional: Recommendation 3.2			
1. Audit Committee meets at least four times during the year.	COMPLIANT	<p>In 2025, the Audit Committee had seven (7) meetings, with 100% attendance at all meetings for two members and 86 % (6 out of 7) for one member.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> The 2025 Integrated Report (Board and Management Committee meetings and attendance, Page 189; Audit Committee Report, Page 174) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	<p>The Audit Committee reviews and approves the appointment, re-appointment, replacement, or dismissal of the Chief Audit Executive (CAE) and key internal auditors i.e., Department Heads.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> The Bank's Manual of Corporate Governance (Audit Committee – Internal Audit and Internal Audit Service Provider; Pages 76 to 79) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf Audit Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly	COMPLIANT	The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities including approving and overseeing the implementation of the corporate governance framework. The Committee shall be responsible for	

<p>assigned to a Nomination and Remuneration Committee.</p>		<p>ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines.</p> <p>Pursuant to this mandate, it shall:</p> <ul style="list-style-type: none"> • Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments; • Define the appropriate governance principles, guidelines and structure; ensure that these are reviewed and updated regularly; and consistently implemented in form and substance; • Oversee the periodic performance evaluation of the Board and its Committees and present recommendations to the Board on the manner by which performance may be evaluated, with the objective performance criteria approved by the Board. Performance indicators shall address how the Board and its Committees have enhanced long-term enterprise and shareholders' value. • Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvements; • Oversee the Bank's Compliance Program, including the management of the Bank's compliance function, to ensure that the Bank complies with all applicable laws, regulations, codes of conduct and standards of good practice. This includes the appointment, evaluation, remuneration and dismissal of the Chief Compliance Officer and the conduct of inquiries on Senior Management and key personnel's performance relative to regulatory findings. • Oversee and present recommendations to the Board regarding the continuing education program for directors. • Ensure that directors are able to commit to effectively discharge their responsibilities and that directors with multiple 	
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		<p>board seat are able to devote sufficient time to fulfill their duties.</p> <ul style="list-style-type: none"> • Ensure that the board structure promotes efficiency, critical discussion of issues such as values, conduct and behaviors, and thorough review of matters. It shall regularly review the board's structure, size and composition including board level-committees. • For the management-level committees that report to the Corporate Governance Committee, oversee the performance of their responsibilities as indicated in their respective charters and evaluate/ approve policies recommended by them to ensure the effective management of relevant risks. <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Corporate Governance Committee – Duties and Responsibilities, Pages 66 to 67) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Corporate Governance Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>COMPLIANT</p>	<p>The Corporate Governance Committee Charter provides that it shall be composed of at least three (3) members of the Board of Directors who shall all be non-executive directors, the majority of whom shall be independent directors including the Chairperson. This is in compliance with MORB Section 133 which requires membership of the Corporate Governance Committee of at least (3) members, who shall all be non-executive Directors, the majority of whom shall be independent directors, including the chairperson.</p> <p>In 2025, the members of the Corporate Governance Committee were as follows:</p>	

Chairman: Jose Perpetuo M. Lotilla (Independent)
Vice Chairman: Cirilo P. Noel (Non-Executive)
Members: Masatoshi Komoriya (Non- Executive)
Gerard H. Brimo (Independent)
Napoleon L. Nazareno* (Independent)
**deceased 23 March 2026*

Links/ References:

Corporate Governance Committee Membership

1. The Bank's Manual of Corporate Governance (Corporate Governance Committee – Committee Members, Page 65)

<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

2. Corporate Governance Committee Charter

<https://www.securitybank.com/about-us/corporate-governance/>

3. The 2025 Integrated Report (Corporate Governance Committee, Pages 72 to 73; Board Committee Meetings and Attendance, Page 189)

<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

Directors' Profiles

1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181)

<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

2. The Bank's Corporate Website (The Board of Directors)

		https://www.securitybank.com/about-us/leaders/board-of-directors/ Appointment of Corporate Governance Committee members 1. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	The Chairman of the Corporate Governance Committee is Atty, Jose Perpetuo M. Lotilla, who is an independent director. Links/ References: Corporate Governance members 1. The 2025 Integrated Report (Board Committee Meetings and Attendance, Page 189) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meets at least twice during the year.	COMPLIANT	In 2025, the Corporate Governance Committee held twelve (12) meetings. Link/ References: 1. The 2025 Integrated Report (Board Committee Meetings and Attendance, Page 189) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	

Recommendation 3.4			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	<p>COMPLIANT</p>	<p>The Risk Oversight Committee (ROC) shall be responsible for the approval and oversight of the Enterprise Risk Management (ERM) framework and program of the Bank and its Subsidiaries, including its implementation by Management. The framework shall lay out the foundation for the Bank's risk culture and risk governance structures aligned with its Vision, Mission, and Core Values; define the principles that shall align enterprise risk management with the Bank's strategic objectives and goals; and strengthen the roles and responsibilities among the three (3) lines of defense in terms of identifying, assessing, treating, monitoring, and reporting risks.</p> <p>Pursuant to this mandate, it is tasked to:</p> <ol style="list-style-type: none"> 1. Oversee the enterprise risk management plan 2. Oversee adherence to the risk appetite 3. Oversee the risk management function 4. Provide support to the Executive Committee in addressing matters related to the Internal Capital Adequacy Assessment Process (ICAAP), specifically on risk assessment and stress testing of scenarios 5. Oversee the Outsourcing Committee in its role of managing and reviewing outsourcing contracts with third party providers and approve policies recommended by the Outsourcing Committee to ensure effective management of risks arising from outsourced activities 6. Exercise oversight of risk management for the Trust and the Bank's subsidiaries in coordination with the respective boards of directors of the subsidiaries, provided that each such board of directors retains ultimate responsibility for the management and control of its risk exposures 7. Oversee the integration of operational resilience principles with the existing risk management framework and approve impact tolerances, recovery objectives and related policies to ensure prioritization of risks which impact critical operations <p>Links/ References:</p>	

		<ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Risk Oversight Committee, Pages 69 to 72) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Risk Oversight Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 	
<p>2. BROCC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The Risk Oversight Committee shall be composed of at least three (3) members of the Board of Directors, the majority of whom shall be independent directors including the chairman.</p> <p>During the 2025 Organizational Meeting of the Board, the following were appointed to the ROC: Chairman: Enrico S. Cruz (Independent) Vice Chairperson: Esther Wileen S. Go (Independent) Member: Hirofumi Umeno</p> <p>Links/ References:</p> <p>Risk Oversight Committee Membership</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Risk Oversight Committee – Membership, Page 69) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Risk Oversight Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 3. The 2025 Integrated Report (Board Committee Meetings and attendance, Page 190) 	

		<p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>Directors' Profiles</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Board of Directors as posted on the bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ <p>Appointment of Risk Oversight Committee members</p> <ol style="list-style-type: none"> 1. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59 	
<p>3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Director Cruz is not the Chairman of the Board nor a Chairman in any other committee.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Page 179; Board Committee Meetings and attendance, Pages 189 to 190) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. Results of the 2025 Organizational Meeting of the Board of Directors 	

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>All three (3) members of the ROC have knowledge and experience on Risk and Risk Management of Financial Institutions, as they currently or have previously held directorship and/or executive management roles in local and international financial institutions.</p> <p>Link/ Reference:</p> <p>Directors' Profiles</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Board and Leadership Profiles, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Board of Directors as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	<p>The Related Party Transactions Committee shall assist the Board of Directors ("Board") in fulfilling its oversight responsibilities in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and stakeholders. This includes, among others, the adoption and proper implementation of a group-wide RPT policy, encompassing all entities with the SBC Group, as well as the establishment of an effective system to determine, identify and monitor related parties and RPTs; continuously review and evaluate existing relationships between and among businesses and counterparties; and identify, measure, monitor and control risks arising from RPTs.</p> <p>Pursuant to this mandate, it shall:</p>	

		<ol style="list-style-type: none"> 1. Evaluate on an on-going basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, 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 should be reflected in the relevant reports to the Board and regulators/ supervisors; 2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non- related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions 3. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties; 4. 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; 5. Ensure that RPTs, including write-off exposures, are subject to periodic independent review and audit process; 6. Oversee implementation of RPT management system, including the periodic review of RPT policies and procedures <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Board's Manual of Corporate Governance (Related Party Transactions Committee. Pages 80 to 83) 	
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		<p>https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>2. RPT Committee Charter https://www.securitybank.com/about-us/corporate-governance/</p> <p>3. Policy on Related Party Transactions https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The RPT Committee shall be composed of at least three (3) members of the Board, two of whom shall be independent directors, including the chairperson, and one non-executive director.</p> <p>During the 29 April 2025 Organizational Meeting of the Board, the following were appointed to the RPT Committee: Chairman: Napoleon L. Nazareno* (Independent) <small>*deceased 23 March 2026</small> Vice Chairman: Jose Perpetuo M. Lotilla (Independent) Member: Diana P. Aguilar (Non-Executive Director)</p> <p>Links/ References:</p> <p>RPT Committee Membership</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Related Party Transactions Committee – Membership, Page 81) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. RPT Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 	

		<p>3. The 2025 Integrated Report (Related Party Transactions Committee, Page 73; Board Committee meetings and attendance, Page 190) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>Directors' Profiles</p> <p>1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>2. The Board of Directors as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/</p> <p>Appointment of RPT Committee members</p> <p>1. Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59</p>	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	All Committees have their own respective Charters containing all the required information on their purpose, membership, roles and responsibilities and other relevant information. The charters are reviewed annually and are posted on the Bank's Corporate Website.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	All Committee charters have provisions on self-assessment. The Corporate Governance Committee oversees the periodic performance evaluations of the Committees, consolidates the results thereof and presents these to the Board.	

		<p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. Board Committee Charters posted on the Bank's corporate Website https://www.securitybank.com/about-us/corporate-governance/ 	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p>The Bank's various Board level Committee charters are uploaded in the corporate website.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. Board Committee Charters posted on the Bank's corporate Website https://www.securitybank.com/about-us/corporate-governance/ 	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		<p>The Board shall hold regular and special meetings in accordance with the By- Laws. <i>Unless otherwise stated in the By-Laws, a quorum at any meeting shall consist of a majority of the entire membership of the Board and a majority of such quorum shall decide every question or matter duly submitted at such meeting.</i></p> <p><i>a. Full board of directors' meetings</i> The meetings of the board of directors may be conducted through modern technologies such as, but not limited to, teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein.</p> <p><i>b. Board level committee meetings</i></p>	
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		<p>Board-level committees shall meet as prescribed in their respective charters. Participation of committee members may likewise be in person or through modern technologies. The attendance and participation of members in committee meetings shall be considered in the assessment of continuing fitness and propriety of each director as member of board-level committees and the board of directors.</p> <p>In 2025, the Board actively participated in Board Meetings and Board-level committee meetings either in person or through teleconferencing/ video conferencing.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Conduct of Board Meetings, Pages 37 to 38) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Board Committees, Pages 71 to 74; Board meetings and attendance, Board Committee meetings and attendance, Pages 189 to 190) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>A detailed agenda, and to the extent feasible, supporting documents and proposed resolutions, will be provided in advance to the Directors at least five (5) calendar days before the date of Board and Committee meetings. The Board members are expected to review these materials in advance of the meeting.</p> <p>The agenda and meeting materials are uploaded in the Nasdaq Boardvantage System that is accessible to all directors or via email. On a usual basis, directors ask questions based on those materials. Questions and related responses/ discussions are documented in the minutes of the meetings.</p>	

		<p>Link/ Reference:</p> <p>1. The Bank's Manual of Corporate Governance (Agenda Items, Page 38) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>The minutes of the Board and Committee meetings record the discussions that transpire between the members on concerns, proposals and initiatives that are presented as part of the agenda. Directors' questions and clarifications during Board and Committee meetings are also duly documented in the minutes.</p> <p>The Minutes are provided to the Board and Committee members for validation.</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>The policy on interlocking directorships provides that the Board shall consider the number of directorships that its members can hold in other corporations. The Nominations and Remuneration Committee shall consider the following guidelines in addressing the competing time commitment of a director with multiple board seats:</p> <ul style="list-style-type: none"> • The nature of the business of the corporations which he is a director; • Age of the director; • Number of directorships/active memberships and officerships in other corporations or organizations; and • Possible conflict of interest. <p>The optimum number shall be related to the capacity of a director to perform his duties and responsibilities diligently and efficiently.</p> <p>Among the minimum qualifications for a director is the following: Board seats in other publicly listed companies shall not exceed five</p>	

		<p>(5), with due consideration of the capacity of the director to perform his duties and responsibilities diligently and efficiently, the nature and complexity of the business and absence of conflict of interest.</p> <p>Each director has also been assessed based on this criterion in the annual performance assessment. Performance evaluations were presented to the Nominations and Remuneration Committee in February 2025.</p> <p>Links/ References:</p> <p>Policy on Multiple Board Seats</p> <ol style="list-style-type: none"> The Bank's Manual of Corporate Governance (Criteria for the Selection/ Appointment of a Director, Page 46; Interlocking Directorships, Pages 47; Criteria for the Re-appointment of a Director, Page 48) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf <p>Directors' Profiles</p> <ol style="list-style-type: none"> The 2025 Integrated Report ((Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 4.3			
<ol style="list-style-type: none"> The directors notify the company's board before accepting a directorship in another company. 	COMPLIANT	<p>The Directors are required to notify the Board before accepting a directorship in another company. The Board, through the Nominations and Remuneration Committee, shall assess the Director's present responsibilities and commitment to assess if the director can still adequately perform his duties and responsibilities to the Bank.</p> <p>Link/ Reference:</p>	

		<p>Policy on Multiple Board Seats</p> <ol style="list-style-type: none"> The Bank's Manual of Corporate Governance (Interlocking Directorships, Page 47) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Optional: Principle 4			
<ol style="list-style-type: none"> Company does not have any executive directors who serve in more than two boards of listed companies outside of the group. 	COMPLIANT	<p>The Executive Directors are:</p> <ol style="list-style-type: none"> Sanjiv Vohra (<i>retired as of 4 January 2026</i>) Hirofumi Umeno <p>As of 5 January 2026, Mr Lee Meng Teck Victor was appointed in Mr Vohra's stead.</p> <p>The above executive directors do not hold any Board seat in listed companies outside of the Group.</p> <p>Link/ Reference:</p> <p>Directors' Profiles</p> <ol style="list-style-type: none"> The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<ol style="list-style-type: none"> Company schedules board of directors' meetings before the start of the financial year. 	COMPLIANT	<p>The schedule of the Board meetings for the year is part of the agenda of the April Board Meeting immediately following the election of a new Board.</p> <p>This is consistent with the provision in the Bank's By-laws which provides that the Board of Directors shall hold its regular meeting once a month, with or without notice, and unless otherwise determined by the Board, such meeting shall be held on the last Tuesday of each month at the head office of the Bank provided, however, that all regular meetings shall be held only within the</p>	

		<p>jurisdiction of the Philippines. Should the date appointed for the regular meeting fall on a legal holiday, such meeting shall be held at the same time on the next business day.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's By-Laws (Article V, Section 4) https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf 2. The Bank's Manual of Corporate Governance (Full Board of Directors' Meetings, Page 37) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 3. The 2025 Integrated Report (Board Committees, Pages 71 to 74; Board meetings and attendance, Board Committee meetings and attendance, Pages 189 to 190) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
3. Board of directors meet at least six times during the year.	COMPLIANT	<p>The Board of Directors held a total of fourteen (14) meetings in 2025.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Board Committees, Page 71; Board meetings and attendance, Page 189) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	NON-COMPLIANT		Under Article V, Section 6 of the By-Laws, except as otherwise may be provided, a quorum at any meeting, regular or special,

			<p>shall consist of a majority of the entire membership of the Board and a majority of such quorum shall decide every question or matter duly submitted to the Board at such meeting. This is likewise reflected in the Bank's Manual of Corporate Governance.</p> <p>This quorum is still consistent with the Revised Corporation Code which provides:</p> <p>Section 52. Regular and Special Meetings of Directors or Trustees; Quorum. - Unless the articles of incorporation or the bylaws provides for a greater majority, a majority of the directors or trustees as stated in the articles of incorporation shall constitute a quorum to transact corporate business, and every decision reached by at least a majority of the directors or trustees constituting a quorum, except for the election of officers which shall require the vote of a majority of all the members of the board, shall be valid as a corporate act. xxx</p> <p>Moreover, the Bank complies with any specific voting requirement that may be required under the Corporation</p>
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			<p>Code for voting decision for certain types of corporate transactions. An example of this is the RPT Policy which states that all individual Material Related Party Transactions as prescribed by SEC shall be approved by at least two-thirds (2/3) vote of the board of directors, with at least a majority of the independent directors voting to approve the material RPT.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's By-laws https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf 2. The Bank's Manual of Corporate Governance (Conduct of Board Meetings, Pages 36 to 38) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 3. Policy on Related Party Transactions https://www.securitybank.com/wp-content/uploads/2025/11/Policy-on-Related-Party-Transactions.pdf
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Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

Recommendation 5.1

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>COMPLIANT</p>	<p>The Bank's Board has fifteen (15) members, with seven (7) being independent directors, namely:</p> <ol style="list-style-type: none"> 1. Gerard H. Brimo 2. Esther Wileen S. Go 3. Enrico S. Cruz 4. Dr. Jikyeong Kang 5. Jose Perpetuo M. Lotilla 6. Napoleon L. Nazareno <i>(deceased 23 March 2026)</i> 7. Stephen G. Tan <p>The independent directors thus comprise 46%, or more than 1/3 of the Board.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Board of Directors and Advisors, Page 9; Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. Results of the 2025 Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=a684fa4b87ce31b8ec6e1601ccee8f59 <p>Also in: https://www.securitybank.com/wp-content/uploads/2025/05/2025-ASM-Draft-Pack.pdf</p>	
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Recommendation 5.2			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>COMPLIANT</p>	<p>The Independent directors possess all the qualifications and none of the disqualifications to hold the positions as certified by them in the Bank's Definitive Information Statement to support their nomination to the Board in 2025.</p> <p>Link/ References</p> <p>1. 2025 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe07071ff385cdcdec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-WS.pdf</p> <p>2025 Definitive Information Statement (amended) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p> <p>2. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
Supplement to Recommendation 5.2			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>COMPLIANT</p>	<p>The Bank is not aware of the existence of any shareholder agreement that constrains a director's ability to vote. The Manual on Corporate Governance expects Directors to actively participate and exercise objective independent judgment on corporate affairs requiring the decision or approval of the board.</p>	

Link/ Refence:

- The Bank's Manual of Corporate Governance (Responsibilities of a Director, Pages 52 to 54)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).

COMPLIANT

Under the Manual of Corporate Governance, the maximum term of an Independent Director is nine (9) years.

For FY 205, all Independent Directors are within the nine (9) year period, with the reckoning date at 2012 as per SEC Memorandum Circular No. 7, Series of 2026. However, given the maximum term limit reached for Independent Director Jikyeong Kang, she will no longer be re-elected as an independent director.

The start of the term as Independent Directors are as follows.

Independent Director	Start of Term
Jose Perpetuo M. Lotilla	2021
Esther Wileen S. Go	2021
Gerard H. Brimo	2019
Enrico S. Cruz	2019
Napoleon L. Nazareno Jr. <i>*deceased 23March 26</i>	2017
Jikyeong Kang <i>*Maximum term limit reached and was no longer re-elected in the 2026 Annual Stockholders' Meeting</i>	2017
Stephen G. Tan	2024

Links/ References:

- The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 179 to 181)

		<p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>2. The Bank's Manual of Corporate Governance (Independent Director, Pages 42 to 44; Additional Requirements for Independent Directors, Page 46) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>3. 2026 Definitive Information Statement (The Board of Directors/ Nominees for the Term 2026-2027, Annex A Pages 1 to 8, Pages 34 to 41 of the document), https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>The Bank's Manual of Corporate Governance provides that after the maximum cumulative nine-year term of an independent director, he shall be perpetually barred from re-election as such, but may continue to qualify as a non-independent director. Regulatory requests from the nine-year exemption shall not be allowed.</p> <p>Link/ Reference:</p> <p>1. The Bank's Manual of Corporate Governance (Independent Director, Pages 42 to 44; Additional Requirements for Independent Directors, Page 46) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	

<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>COMPLIANT</p>	<p>For FY 2025, all Directors are within the nine (9) year limit from effectivity of Independent Directors term limit in 2012 as per SEC Memorandum Circular No. 7, Series of 2026.</p> <table border="1" data-bbox="1008 326 1860 704"> <thead> <tr> <th>Independent Director</th> <th>Start of Term</th> <th>No. of Years as ID</th> </tr> </thead> <tbody> <tr> <td>Jose Perpetuo M. Lotilla</td> <td>2021</td> <td>5 years</td> </tr> <tr> <td>Esther Wileen S. Go</td> <td>2021</td> <td>5 years</td> </tr> <tr> <td>Gerard H. Brimo</td> <td>2019</td> <td>7 years</td> </tr> <tr> <td>Enrico S. Cruz</td> <td>2019</td> <td>7 years</td> </tr> <tr> <td>Napoleon L. Nazareno Jr. <i>*deceased 23 March 2026</i></td> <td>2017</td> <td>9 years</td> </tr> <tr> <td>Jikyeong Kang <i>*Maximum term limit reached and was no longer re-elected in the 2026 Annual Stockholders' Meeting</i></td> <td>2017</td> <td>9 years</td> </tr> <tr> <td>Stephen G. Tan</td> <td>2024</td> <td>2 year</td> </tr> </tbody> </table> <p>Given the maximum term limit reached for Independent Director Jikyeong Kang, she will no longer be re-elected as an independent director.</p> <p>Moreover, the Manual of Corporate Governance expressly bars any extension from the nine-year term limit as independent director. He may continue to qualify only as a regular director of the Bank.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 179 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Manual of Corporate Governance (Independent Director, Pages 42 to 44; Additional Requirements for Independent Directors, Page 46) 	Independent Director	Start of Term	No. of Years as ID	Jose Perpetuo M. Lotilla	2021	5 years	Esther Wileen S. Go	2021	5 years	Gerard H. Brimo	2019	7 years	Enrico S. Cruz	2019	7 years	Napoleon L. Nazareno Jr. <i>*deceased 23 March 2026</i>	2017	9 years	Jikyeong Kang <i>*Maximum term limit reached and was no longer re-elected in the 2026 Annual Stockholders' Meeting</i>	2017	9 years	Stephen G. Tan	2024	2 year	
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Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>COMPLIANT</p>	<p>The Manual of Corporate Governance provides that the role of the Chairman of the Board and the Chief Executive Officer (CEO) shall be kept separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.</p> <p>The Chairman of the Board is Mr. Cirilo P. Noel and the President and CEO is Mr. Sanjiv Vohra. Mr Vohra retired last 4 January 2026 and was succeeded by Lee Meng Teck Victor.</p> <p>Links/ References:</p> <p>Separation of Roles</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (The Chairman of the Board, Pages 35 to 36; Chief Executive Officer/ President, Pages 87 to 89) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Separation of Roles, Page 70) 	

		<p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>Identity and Profile of the Chairman of the Board and the Chief Executive Officer</p> <ol style="list-style-type: none"> 1. Board of Directors profiles as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 2. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>The Manual of Corporate Governance separately lists the Duties and Responsibilities of the Chairman of the Board and the Chief Executive Officer, to wit:</p> <p>Duties and Responsibilities of the Chairman of the Board</p> <p><i>The Chairman of the Board shall:</i></p> <ol style="list-style-type: none"> 1. <i>Provide leadership in the Board of Directors and ensure effective functioning of the Board, including maintaining a relationship of trust with board members.</i> 2. <i>Ensure that the Board takes an informed decision through a sound decision making process.</i> 3. <i>Encourage and promote critical discussions and ensure that dissenting views can be expressed and discussed within the decision-making process.</i> 4. <i>Ensure that meetings of the Board are held in accordance with the By-laws or as the Chair may deem necessary.</i> 5. <i>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into</i> 	

		<p><i>consideration the suggestions of the CEO, Management and the Directors.</i></p> <ol style="list-style-type: none"> 6. <i>Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.</i> 7. <i>Maintain open and timely lines of communication and information between the Board and Management.</i> 8. <i>Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.</i> 9. <i>Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.</i> 10. <i>Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.</i> 11. <i>Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and</i> 12. <i>Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on</i> <p>Deliverables of the Chairman of the Board</p> <ol style="list-style-type: none"> 1. <i>Lead in setting the long-term strategy and updating the mission and vision statements of the institution;</i> 2. <i>Ensure compliance of members to assignments on meetings per agenda, in accordance with By-laws and regulatory requirements;</i> 3. <i>Lead in compliance with the principles of good governance;</i> 4. <i>Lead in maintaining good corporate citizenship.</i> <p>Duties and Responsibilities of the Chief Executive Officer (CEO)/President</p>	
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As stated in the Bank's By-Laws, the President, subject to the control of the Board of Directors shall be the Chief Executive Officer of the Bank. As such, he shall have direct and immediate charge of the business, affairs and property of the Bank, with the following roles accountabilities:

Roles:

1. Lead, in conjunction with the Board, the development and execution of the institution's long-term strategy with a view to creating shareholder value;
2. Determine the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
3. Be ultimately responsible for all day-to-day management decisions and for implementing the institution's long- and short-term plans, in accordance with its strategy;
4. Act as a direct liaison between the Board and Management of the institution and communicate to the Board on behalf of Management; Provides the Board with timely information and interfaces between the Board and the employees;
5. Effectively communicate, on behalf of the institution, to shareholders, employees, Government authorities, other stakeholders and the public;
6. Set the tone of good governance from the top;
7. Have a good working knowledge of the corporation's industry and market and keep up-to-date with its core business purpose;
8. Oversee the operations of the corporation and manage human and financial resources in accordance with the strategic plan; and
9. Build the corporate culture and motivates the employees of the corporation.

Accountabilities:

To the Board of Directors:

1. Ensure that the institution maintains high standards of corporate governance, corporate citizenship and social responsibility wherever it does business;
2. Properly advise and provide sufficient information to enable the Directors to make appropriate judgments and decisions;
3. Ensure the integrity of all public disclosure by the institution

To Management and Employees:

1. Ensure proper dissemination of adequate information of all material undertakings and activities of the institution and all material external factors affecting it.
2. Direct, evaluate and guide the work of the key officers of the corporation.

To the Government:

Ensure the institution's compliance with all laws, rules and regulation.

Deliverables of the Chief Executive Officer

1. Communicate and implement the vision, mission, values of the Bank, including overall strategy and promotes any organization or stakeholder change in relation to the same; and the attainment of longterm sustainability for the benefit of all stakeholders;
2. Key Result Areas (KRAs) covering financial perspective, risk management perspective, employee perspective, customer perspective and society perspective

Link/ Reference:

1. The Bank's Manual of Corporate Governance
(The Chairman of the Board, Pages 35 to 36; Chief Executive Officer / President, Pages 87 to 89)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>COMPLIANT</p>	<p>Mr. Napoleon Nazareno was the Lead Independent Director since October 2018 and this was reconfirmed during the 2025 Organizational Board meeting. His duties and responsibilities are in the Bank's Manual of Corporate Governance. He passed away last 23 March 2026.</p> <p>Links/ References:</p> <p>Appointment as Lead Independent Director</p> <ol style="list-style-type: none"> Results of the 2025 Organizational Meeting of the Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edge_no=74f742846620c82dec6e1601ccee8f59 <p>Duties and Responsibilities:</p> <ol style="list-style-type: none"> The Bank's Manual of Corporate Governance (Lead Independent Director, Page 36) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<p>One of the responsibilities of a director of the Bank is to conduct fair business transactions with the Bank and to ensure that personal interest does not bias board decisions. Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the institution cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. The basic principle to be observed is that a director should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that would compromise his impartiality.</p> <p>Any director of the Bank who has an interest in the transaction is expected to disclose the same and recuse himself from participating in the deliberations or approving the transaction.</p>	

		<p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Responsibilities of a Director, Page 52; Conduct of Board Meetings/ Abstention of Deliberations, Pages 37 to 38; Code of Business Ethics for Members of the Board of Directors, Annex 1, Pages 118 to 122) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Code of Business Ethics for Members of the Board of Directors https://www.securitybank.com/about-us/code-of-business-ethics-for-members-of-the-board-of-directors/ 	
Recommendation 5.7			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p>	COMPLIANT	<p>The non-executive directors are expected to conduct periodic meetings with the external auditor and heads of internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	COMPLIANT	<p>The Non-Executive Directors' (NED) meetings were held last 25 March 2025 and 30 September 2025. The heads of the three control units of the Bank (Chief Audit Executive (CAE), Chief Compliance Officer (CCO) and Chief Risk Officer (CRO)) as well as the External Auditor were also in attendance. The meetings were chaired by Lead Independent Director Napoleon Nazareno as indicated in the minutes of the meeting. None of the Executive Directors were present in the meeting.</p> <p>The NED meeting agenda included reports from the three control units of the Bank (CAE, CCO and CRO), as well as the report of the External Auditor.</p> <p>Link/ Reference:</p>	

		<ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Meeting of Non-executive Directors, Page 37) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
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Optional: Principle 5

<ol style="list-style-type: none"> 1. None of the directors is a former CEO of the company in the past 2 years. 	COMPLIANT	<p>None of the directors has been a former CEO of the company in the past two years. The previous CEO, Mr. Vohra held the role since 1 July 2019 until 4 January 2026, while the incumbent CEO, Mr. Lee, was appointed to the role last 5 January 2026.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Board of Directors' profiles as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 2. The 2025 Integrated Report ((Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

<ol style="list-style-type: none"> 1. Board conducts an annual self-assessment of its performance as a whole. 	COMPLIANT	<p>The board of directors assess on an annual basis its performance and effectiveness as a body, as well as its various board-level committees, the Chairman, the Chief Executive Officer, the Corporate Secretary, and the individual directors. Management-level committees, in the same vein, also perform a self- assessment. The results thereof are reported to the Board through the Corporate Governance Committee (for the Board as a body, the Chairman and the Board-</p>	
<ol style="list-style-type: none"> 2. The Chairman conducts a self-assessment of his performance. 	COMPLIANT		
<ol style="list-style-type: none"> 3. The individual members conduct a self-assessment of their performance. 	COMPLIANT		

<p>4. Each committee conducts a self-assessment of its performance.</p>	<p>COMPLIANT</p>	<p>level Committees) and Nominations and Remuneration Committee (for the individual directors and the Chief Executive Officer). The results of the assessment of the individual directors and the Chief Executive Officer are taken into account in their re-appointment.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Page 25; Annual Performance Evaluation, Page 40) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Annual Performance Evaluation, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>COMPLIANT</p>	<p>Every three years, the assessment of performance is to be supported by an external facilitator, who can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization.</p> <p>Reyes Tacandong, an independent consulting firm, was engaged as an external facilitator in February 2019 to assess 2018 Board performance. R.G. Manabat & Co. (KPMG) was engaged in December 2021 to facilitate the assessment of the 2021 performance of the Board (individual and as a body) Board-level committees, Chairman, CEO and Corporate Secretary. They were hired again to conduct the assessment of the 2024 performance of the Board (individual and as a body). Board-level committees, Management – level committees, the Chairman, the CEO and the Corporate Secretary.</p>	

		<p>The copy of the official report of R.G. Manabat & Co. may be made available upon request.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Pages 25) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Annual Performance Evaluation, Page 70) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 6.2			
<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>	COMPLIANT	<p>The Board of Directors shall establish a system of checks and balances which applies in the first instance to the Board itself. Among the members of the Board, an effective system of checks and balances must exist. The system shall also provide a mechanism for effective check and control by the Board over the Chief Executive Officer and key managers and by the latter over the line officers of the Bank. Checks and balances in the Board shall be enhanced by appointing a chairperson who is a non-executive, whenever possible. As aforementioned, the Board of Directors shall assess at least annually its performance and effectiveness as a body, as well as its various committees, the Chairman, the Chief Executive Officer, the individual directors, and the Bank itself, which may be facilitated by the Nominations and Remuneration Committee or external facilitators. The composition of the Board shall also be reviewed regularly with the end in view of having a balanced membership. Towards this end, a system and procedure for evaluation shall be adopted which shall include, but not limited to, the setting of benchmark and peer group analysis.</p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	COMPLIANT		

Every three years, the assessment of performance of the Chairman, individual members of the Board and BOD-level committees should be supported by an external facilitator, who can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization.

Alternatively, the Bank allows feedback mechanism via the Investor Relations Officer, from its shareholders. The Investor Relations Office provides an avenue to receive feedback, complaints and queries from shareholders. It also assures their active participation with regard to activities and policies of the Bank. Further, it ensures all information regarding the activities of the Bank are properly and timely communicated to shareholders. The Investor Relations Officer shall be present at every shareholders' meeting.

The contact number of the Investor Relations office is (632) 888-7221 and email address is InvestorRelationsOffice@securitybank.com.ph

Shareholders can give feedback via:

- Investor Relations Office
- Office of the Corporate Secretary

Links/ References:

1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Pages 25; Investor Relations Office, Page 112)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. The 2025 Integrated Report (Contact Us – For Investor Relations, Page 235)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

		3. Investor Assistance Page on the Bank's Corporate Website https://www.securitybank.com/about-us/investor-relations/shareholder-information/investor-assistance/	
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Pursuant to its responsibility to define the Bank's corporate culture and values and conduct the bank's affairs with integrity, the Board established a code of conduct and ethical standards, which articulates acceptable and unacceptable activities, transactions and behaviours that could result or potentially result in conflict of interest, personal gain at the expense of the Bank as well as the corresponding disciplinary actions and sanctions.	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The Code is disseminated to the new directors as part of their Orientation Program, and to new hires during the New Hires Orientation. As the Codes are posted on the Bank's website, these may be accessed at any time by all the Directors and employees.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>Links/ References:</p> <ol style="list-style-type: none"> Code of Business Conduct and Ethics https://www.securitybank.com/about-us/code-business-conduct-ethics/ Code of Business Ethics for Members of the Board of Directors https://www.securitybank.com/about-us/code-of-business-ethics-for-members-of-the-board-of-directors/ The Bank's Manual of Corporate Governance (Annex 1 – Code of Business Ethics for Members of the Board of Directors, Page 118 to 119) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	

Supplement to Recommendation 7.1			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p>Pursuant to its responsibility to prevent the use of facilities of the Bank in the furtherance of criminal and other improper or illegal activities, such as but not limited to financial misreporting, money laundering, fraud, bribery or corruption, the Board has a governance policy on financial crime, fraud and bribery and corruption which provides the following:</p> <p><u>Financial Crime</u> <i>The Bank is committed to conducting all business activities in accordance with the highest ethical, legal, and professional standards. This commitment includes safeguarding the Bank's reputation and ensuring that its products, services, and operations are not misused as a vehicle, conduit, or target for money laundering, terrorism financing, or any other form of financial crime. Protecting the integrity of the financial system and the interests of our stakeholders remains a core governance priority.</i></p> <p><u>Fraud</u> <i>The Bank is committed to the highest standards of moral and ethical behavior and is opposed to any unethical behavior such as fraud and corruption. The Bank considers all forms of fraud as extremely serious offenses and is committed to preventing, deterring and eliminating fraud and/or corrupt conduct, whether committed for the benefit of or to the detriment of the institution. The Bank considers any act(s) of fraud or other wrongful acts committed by its officers and staff to be reprehensible and in response will take all necessary disciplinary action it deems appropriate.</i></p> <p><u>Bribery and Corruption</u> <i>The SBC Group has zero tolerance for bribery and corruption in any form. The Bank's zero-tolerance approach means it is fully committed to preventing, detecting, and deterring bribery and corruption and will not engage in, support, or appear to endorse any improper or unethical incentives. No SBC employee nor any third party acting on the Bank's behalf may offer, promise, authorize, request or accept</i></p>	

		<p><i>anything of value, whether directly or indirectly, to influence someone to misuse their position or to gain an improper business advantage. This applies to dealings with public officials and private parties alike, including benefits provided to close family members or individuals closely connected to them. Gifts of cash or cash equivalents are strictly prohibited unless specifically allowed under SBC policy. These standards apply to all dealings with customers, co-employees, third parties, and government officials</i></p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Pages 13 to 14; Board Duties to Stakeholders, Page 113; Governance Policy on Financial Crime, Fraud and Bribery and Corruption, Pages 113 to 114) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Anti-bribery and Corruption, Page 77; Ethical Operations and Good Governance, Pages 193 to 194) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 7.2			
<ol style="list-style-type: none"> 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics. 	COMPLIANT	<p>The Code of Business Conduct and Ethics applies at all times to all employees regardless of rank, position and employment status. At onboarding, employees are required to acknowledge that they have read and understood the Code.</p> <p>The Integrity Committee is the management committee that handles cases of employees suspected of having violated the internal policy of the Bank and/or possible commitment of fraud. It reports to the Corporate Governance Committee.</p>	

		<p>A summary of cases raised to the Committee are reported to the Corporate Governance Committee on a quarterly basis. The Integrity Committee is substantiated by controls such as Risk Control Self-Assessment, Internal Audit Reports and Compliance Testing Report.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Code of Business Conduct and Ethics https://www.securitybank.com/about-us/code-business-conduct-ethics/ 2. Code of Business Ethics for Members of the Board of Directors https://www.securitybank.com/about-us/code-of-business-ethics-for-members-of-the-board-of-directors/ 	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>COMPLIANT</p>	<p>The Board, through its Corporate Governance, Risk Oversight and Audit Committees, is able to monitor compliance with bank policies by proper testing and reporting by Compliance, Risk, and Audit functions.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Board Committees – Corporate Governance Committee, Risk Oversight Committee, Audit Committee, Pages 64 to 79; Chief Compliance Officer, Pages 91 to 92; Internal Control and Risk Management Framework, Pages 92 to 98) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p>Among the Bank's standards of corporate governance is Disclosure and Transparency. As such, it is committed to publicly and timely disclosing all material information which could adversely affect its viability or the interests of its stockholders and other stakeholders. Required reports or disclosures are prepared and submitted to the Securities and Exchange Commission (SEC), Bangko Sentral ng Pilipinas (BSP) and the Philippine Stock Exchange (PSE), as the case may be, in accordance with existing regulations, by the responsible department/officer or through the Bank's Chief Compliance Officer.</p> <p>All disclosures are posted on the company website.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Disclosure and Transparency, Pages 7 to 8; Disclosure and Transparency – Reportorial or Disclosure System of the Bank's Corporate Governance Policies and Policy Statement on Disclosure of Non-Financial Information, Pages 102 to 103) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Disclosures in the Corporate Website https://www.securitybank.com/about-us/#disclosures 	
Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>The 2025 AFS was uploaded and disclosed in the PSE Edge last 2 March 2026 and through the Bank Corporate website thereafter. Quarterly reports are likewise submitted to the PSE and SEC and published in the Bank's Corporate Website.</p> <p>Links/ References</p> <ol style="list-style-type: none"> 1. Audited Financial Statements as of 31 December 2025 as posted on PSE Edge 	

		<p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=4b0c827d69a84c1064d70b69f0a3140b</p> <p>2. Audited Financial Statements as of 31 December 2025 as posted on the Bank's Corporate Website https://www.securitybank.com/wp-content/uploads/2026/03/Audited-Financials-2025.pdf</p> <p>3. Quarterly Reports filed with the SEC and PSE and posted on PSE Edge</p> <p><u>Quarterly Reports (PSE Disclosure Form 17-2)</u></p> <p>3rd Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=d3d456ca8ee4d5dfec6e1601ccee8f59</p> <p>2nd Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=4b9a0db46bb7d366ec6e1601ccee8f59</p> <p>1st Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=37d648b094415ee3ec6e1601ccee8f59</p> <p><u>Balance Sheet</u></p> <p>4th Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=214b80fe4930a86464d70b69f0a3140b</p> <p>3rd Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ad1a6acb2569f36ec6e1601ccee8f59</p> <p>2nd Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=2e56b9579d4fe26cec6e1601ccee8f59</p> <p>1st Quarter https://edge.pse.com.ph/openDiscViewer.do?edge_no=5986315f2d4c88a7ec6e1601ccee8f59</p>	
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the</p>	<p>COMPLIANT</p>	<p>The following are disclosed in the Integrated Report:</p> <p>1. Principal risks to minority shareholders associated with the identity of the company's controlling shareholders</p> <p><i>"Directors are expected to observe fiduciary duties, including the duty of care, requiring informed, diligent, and good faith</i></p>	

<p>controlling shareholders' voting power and overall equity position in the company.</p>		<p><i>decision-making, and the duty of loyalty, requiring actions in the best interest of the Bank and all its shareholders."</i></p> <p>Link/ Reference:</p> <p>The 2025 Integrated Report (Board of Directors: Duties and Responsibilities, Page 69) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>2. Cross-holdings among company affiliates</p> <p>The conglomerate structure of SBC Group shows that the Bank owns 100% or less of affiliates and none vice versa. None of the Bank's subsidiaries or affiliates has any cross holding either to the Bank or in any of the subsidiaries and/or affiliates.</p> <p>Link/ Reference:</p> <p>The 2025 Integrated Report (Map Showing Relationships between and among Parent, Subsidiaries, Joint Ventures And Associate, Page 8) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>3. The Bank's controlling shareholders</p> <p>Link/ Reference:</p> <p>The 2025 Integrated Report (Security Ownership of Certain Record and Beneficial Owners, Page 191) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>4. No imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	
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		<p>Link/ Reference:</p> <p>2026 Definitive Information Statement (B. Control and Compensation Information, Pages 22 to 25 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>The Bank's Policy on Trading of SECB shares and Personal Investment Policy requires directors and officers (SVP and up) to: (1) Notify the Board through the Office of the Corporate Secretary (OCS) of his intention to deal in SECB shares at least one (1) day prior to trading; and (2) Submit the necessary disclosure form to the OCS within three (3) business days from trading.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Policy on Trading in SECB Shares https://www.securitybank.com/wp-content/uploads/2017/07/POLICY-ON-TRADING-IN-SECB-SHARES.pdf 2. The 2025 Integrated Report (Personal Investment Policy, Pages 77 to 78) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes	COMPLIANT	Shareholdings of Directors, Management and top 100 shareholders is disclosed in the Bank's Definitive Information Statement.	

<p>the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>		<p>Disclosures are made on PSE Edge portal whenever there is a relevant transaction.</p> <p>Link/ Reference:</p> <p>2026 Definitive Information Statement (B. Control and Compensation Information, Pages 22 to 25 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
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Recommendation 8.3

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p>The profiles of the Board of Directors are published in the corporate website and in the 2025 Integrated Report.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Board of Directors' profiles as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/leaders/board-of-directors/ 2. The 2025 Integrated Report (Leadership Profiles: Board of Directors and Advisors, Pages 177 to 181) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 3. 2025 Definitive Information Statement (Annex A, Board of Directors) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: 	
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		<p>https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p> <p>4. 2026 Definitive Information Statement (Annex A, Board of Directors) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <p>5. Public Ownership Report as posted on PSE Edge</p> <p>January 16, 2026 https://edge.pse.com.ph/openDiscViewer.do?edge_no=5990e17ea10ce1d964d70b69f0a3140b</p> <p>October 16, 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b6e8f9a10e21eaeec6e1601ccee8f59</p> <p>July 15, 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=fb98989bb7442c1dec6e1601ccee8f59</p> <p>April 15, 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=718ffa9e2eda6ab5ec6e1601ccee8f59</p> <p>February 13, 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=f20a9c26d01db7dfec6e1601ccee8f59</p> <p>January 15, 2025</p>	
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2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>The profiles of key executives are published in the annual report and included in the Definitive Information Statement.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Leadership Profiles: Executive Management and Advisors, Pages 181 to 187) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. 2025 Definitive Information Statement (Annex A Key Officers) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf 3. 2026 Definitive Information Statement (Annex A, Key Officers) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf 	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	The Board, through the Nominations and Remuneration Committee implements and approves the remuneration policy for key officers and board members that is aligned with the long-term interests of the Bank including the overall business and risk strategy.	

<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>Its components include fixed remuneration, performance-based bonus, regular bonuses, incentives and other benefits. The Nominations and Remuneration Committee determines appropriate remuneration based on specific financial and non-financial metrics to measure performance and set specific provisions for employees with significant influence on the overall risk profile of the corporation.</p> <p>Key considerations in determining proper compensation:</p> <ul style="list-style-type: none"> a. The level of remuneration is commensurate to the responsibilities of the role; b. No director shall participate in deciding his own remuneration; c. Remuneration pay-out schedules shall be sensitive to risk outcomes over a multi-year horizon d. Remuneration of employees assigned in control functions such as Audit, Risk and Compliance, shall be determined independent of any business line being overseen, and performance measures are based principally on the achievement of their objectives. <p>The directors receive fees and bonuses, while the executive directors receive salaries, bonuses and other usual bank benefits as approved by the Board of Directors commensurate with their attendance and individual contributions in meetings of the Board and committees. Executive directors are entitled to fixed compensation and performance-based bonuses plus fees for attendance at meetings. Non-executive directors receive performance-based bonuses and fees for attendance in meetings of the Board and its committees. The directors have no other compensation plan or arrangement with the Bank. No warrants or options are held by them.</p> <p>The executive officers receive salaries, bonuses and other usual bank benefits. Aside from these, they have no other compensation plan or arrangement with the Bank and do not hold warrants or options.</p> <p>Security Bank provides Senior Management with a remuneration program that is equitable and commensurate to the responsibilities of each key officer. The Bank maintains a competitive remuneration</p>	
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		<p>standard among industry peers to promote overall motivation and satisfaction, taking into consideration current industry trends and regulatory provisions, as well as alignment with the long-term interests of the Bank, including the overall business and risk strategy. The Bank's philosophy is to provide appropriate remuneration based on specific financial and nonfinancial metrics to measure performance and set specific provisions for key officers with significant influence on the overall risk profile of the Bank.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Remuneration Policy for Directors and Key Officers, Pages 54 to 55) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Remuneration and Incentives, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 3. 2026 Definitive Information Statement (Item 6, Compensation of Directors/ Executive Officers, Page 29 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b <p>Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	<i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i>	The remuneration of directors and the top five (5) executives are disclosed on an aggregate

			<p>basis in the Definitive Information Statement and the Integrated Report to protect the privacy and security of the Bank's Directors and Executives.</p> <p>Links/ References:</p> <ol style="list-style-type: none">1. 2026 Definitive Information Statement (Item 6. Compensation of Directors/ Executive Officers, Page 29 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf2. The 2025 Integrated Report (Remuneration and Incentives, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf
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Recommendation 8.5			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>The Manual on Corporate Governance establishes the creation of the Related Party Transactions Committee and describes its functions, roles and responsibilities, and authority, which is mainly to ensure that transactions with related parties across the SBC Group are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors and stakeholders.</p> <p>In case of conflict with regards to a related party transaction, a Director should abstain from participating in the deliberation of related party transactions, self-dealings or any transactions or matters on which he has material interest is a fundamental principle to be observed to ensure that the Board is acting in the best interest of the Bank and the shareholders.</p> <p>The Policy on Related Party Transactions is available on the Bank's Corporate Website.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Related Party Transactions Committee, Pages 80 to 83) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Policy on Related Party Transactions https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf 	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<p>A summary of material related party transactions as of 31 December 2025 is disclosed in the 2025 Integrated Report. A quarterly report on material related party transactions is also filed with the Bangko Sentral ng Pilipinas (BSP).</p>	

		<p>Upon request, the list of material RPTs reviewed by the RPT Committee in 2025 may be provided for viewing.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. 2026 Definitive Information Statement (e. Certain Relationships and Related Transactions, Pages 28 to 29 of the document; https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf 2. The 2025 Integrated Report (Material RPT for confirmation of majority stockholders, Pages 76; Note 32 (Related Party Transactions) of the Audited Financial Statements, Page 154 to 156) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Supplement to Recommendation 8.5			
<ol style="list-style-type: none"> 1. Company requires directors to disclose their interests in transactions or any other conflict of interests. 	COMPLIANT	<p>The Directors disclosed information of their consanguinity or affinity of up to the 1st degree through the biographical data submitted to the Bangko Sentral ng Pilipinas (BSP) through the Office of the Corporate Secretary.</p> <p>In addition, the Code of Business Ethics for Members of the Board of Directors mandates the disclosure of any conflict of interest, as follows:</p> <p><i>Promptly and fully disclose to the Chairman of the Board, the Chairman of the Corporate Governance Committee or the Corporate Secretary, any conflict of interest, whether of an actual or</i></p>	

		<p><i>potential nature, ad whether involving his personal (including family or close personal friends) or business affairs;</i></p> <p><i>Ensure appropriate disclosures to the Company Secretary on details of outside employment, business interests or interests of any family members which may be in conflict or potential conflict with businesses of the Security Bank Group.</i></p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Annex 1 - Code of Business Ethics for Members of the Board of Directors, Pages 118 to 123) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Code of Business Ethics for Board of Directors https://www.securitybank.com/about-us/code-of-business-ethics-for-members-of-the-board-of-directors/ 	
Optional : Recommendation 8.5			
<ol style="list-style-type: none"> 1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length. 	COMPLIANT	<p>The Bank recognizes that related party transactions (RPT) may give rise to conflict of interest. Thus, the Board has established an overarching policy that will ensure the effective conduct of robust due diligence and sound reporting and monitoring of transactions of the Bank with its Related Parties (RPs).</p> <p>The Board likewise constituted the RPT Committee to assist in the implementation of the RPT Policy and to review all Related Party Transactions of the Group. The Committee ensures that transactions with related parties and directors, officers, stockholders, and their Related Interests (DOSRI) are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders.</p>	

		<p>In carrying out its function, the Committee evaluates, on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all RPs are continuously identified, RPs are monitored and subsequent changes in relationship are captured. On a monthly basis, management, through the Committee Secretariat, submits RPT proposals that breach the defined threshold amount of the Bank. The Committee evaluates the proposals to ensure that these are not under unfavorable economic terms, taking into consideration at a minimum the charge price/interest, commission to be earned, fees, tenor and collateral.</p> <p>The proposals, after thorough evaluation, will be endorsed to the Board for final approval before the transactions can be entered into by the units submitting the proposals.</p> <p>The Bank's RPT Policy is posted on the Bank's Corporate website and is discussed in the 2025 Integrated Report.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Policy on Related Party Transactions https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf 2. The 2025 Integrated Report (Related Party Transactions, Pages 76 to 77) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 8.6			
<ol style="list-style-type: none"> 1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely 	COMPLIANT	<p>The Policy on Acquisition/ Sale of Significant/ Material Assets provides that the Bank should make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and</p>	

<p>affect the viability or the interest of its shareholders and other stakeholders.</p>		<p>other stakeholders. The disclosure should include the rationale, effect on operations and approval at board meetings with independent directors present to establish transparency and independence of the transaction.</p> <p>These are timely disclosed in accordance with PSE and SEC rules on disclosures. Material acquisitions or disposals are included in the Definitive Information Statement. Disclosures are likewise posted on the Bank's Corporate website.</p> <p>Links/ References:</p> <p>Policy</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporation Governance (Policy on Acquisition/ Sale of Significant/ Material Assets, Page 103) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf <p>Disclosures</p> <ol style="list-style-type: none"> 1. SEC Filings as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/investor-relations/sec-filings/ <p>Acquisition or Disposition of Shares of Another Corporation https://www.securitybank.com/wp-content/uploads/2025/10/Acquisition-or-Disposition-of-Shares-of-Another-Corporation-August-2025-2.pdf</p> <ol style="list-style-type: none"> 2. Other Disclosures as posted on the Bank's Corporate Website https://www.securitybank.com/about-us/investor-relations/public-disclosures/ 	
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<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	COMPLIANT	<p>The Policy on Acquisition/ Sale of Significant/ Material Assets also provides that an independent party should be appointed to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p> <p>Proposals for acquiring/ disposal of assets make use of a price discovery mechanism and result of such is disclosed in the proposal. The mechanism may include any of the following:</p> <ol style="list-style-type: none"> 1. External expert 2. Opening the transaction to a bidding process 3. Publication of available property for sale. <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporation Governance (Policy on Acquisition/ Sale of Significant/ Material Assets, Page 103) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Supplement to Recommendation 8.6			
<p>1. Company discloses the existence, justification and details on shareholder</p>	COMPLIANT	<p>The Bank has no existing shareholders' agreements and other agreements that may impact on the operations of the company.</p>	

<p>agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>			
Recommendation 8.7			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	COMPLIANT	<p>The Bank's Manual of Corporate Governance provides the corporate governance framework and sets the platform for corporate governance policies and practices that are in place in the Bank and to which both the Board collectively and the Directors individually are committed to consistently implement.</p>	
<p>2. Company's MCG is submitted to the SEC and PSE.</p>	COMPLIANT	<p>The revised Manual in 2025 was submitted to SEC via eFast on 20 January 2026 (a copy of the Final Acceptance issued by eFAST is attached as Annex F) and to PSE via EDGE last 2 Feb 2026.</p>	
<p>3. Company's MCG is posted on its company website.</p>	COMPLIANT	<p>The updated manual is uploaded to the Bank's Corporate website.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance submitted to PSE https://edge.pse.com.ph/openDiscViewer.do?edge_no=33d11b8fb1d67a5f64d70b69f0a3140b 2. The Bank's Manual of Corporate Governance posted on the Bank's Corporate Website https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Supplement to Recommendation 8.7			
<p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p>	COMPLIANT	<p>The revised Manual in 2025 was submitted to SEC via eFast on 20 January 2026 (a copy of the Final Acceptance issued by eFAST is attached as Annex F) and to PSE via EDGE last 2 Feb 2026.</p>	

		<p>The updated manual is uploaded to the Bank's Corporate website.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance submitted to PSE https://edge.pse.com.ph/openDiscViewer.do?edge_no=33d11b8fb1d67a5f64d70b69f0a3140b 2. The Bank's Manual of Corporate Governance posted on the Bank's Corporate Website https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	COMPLIANT	<p>Corporate Objectives are found on the following pages of the 2025 Integrated Report:</p> <ul style="list-style-type: none"> • Page 6 under "Corporate Profile and group structure: Our Vision, Our Mission and Our Values" • Page 11 under "Strategy and Purpose" <p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
b. Financial performance indicators	COMPLIANT	<p>Financial Performance Indicators are on pages 13 to 14 – "2025 at a glance: Financial Highlights" of the 2025 Integrated Report.</p> <p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
c. Non-financial performance indicators	COMPLIANT	<p>Non-Financial Performance Indicators are discussed in the following pages of the 2025 Integrated Report:</p> <ul style="list-style-type: none"> • Pages 15 to 16 – "Corporate Event Highlights" 	

		<ul style="list-style-type: none"> • Page 19 – “Our economic contribution” • Pages 22 to 24 – “Business Model and Value Creation” • Pages 27 to 46 – “Betterbanking in Action” • Pages 47 to 65 - “Sustainability Strategy and Performance” <p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
d. Dividend Policy	COMPLIANT	Dividend Policy is on Page 71 of the 2025 Integrated Report	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	Biographical data of the Directors are found in pages 177 to 181 of the 2025 Integrated Report under “Leadership Profiles: Board of Directors and Advisors”.	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	Attendance details in Board and Board-level Committee meetings are in pages 189 to 190 of the 2025 Integrated Report.	
g. Total remuneration of each member of the board of directors	NON-COMPLIANT		<p>The remuneration of directors and the top five (5) executives are disclosed on an aggregate basis in the 2025 Integrated Report to protect the privacy and security of the Bank’s Directors and Executives.</p> <p>Links/ References:</p>

			1. The 2025 Integrated Report (Remuneration and Incentives, Page 71) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains the reason for each such issue.	COMPLIANT	The Bank consistently adheres to the principles of fairness, accountability, and transparency, and upholds a high standard of integrity in the conduct of its affairs. Security Bank is substantially compliant with the SEC Code of Corporate Governance. Where applicable, the Bank explains material variances between existing practices and recommended best practices under the Code Please refer to Page 67 of the 2025 Integrated Report https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	Please refer to page 174 of the 2025 Integrated Report which covers the Audit Committee Report. https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	Please refer to page 174 of the 2025 Integrated Report which covers the Audit Committee Report. https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	

<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>COMPLIANT</p>	<p>The following sections in the 2025 Integrated Report discussed the various risks that the Bank is exposed to:</p> <ul style="list-style-type: none"> • Pages 79 to 83 - "Risk Management" • Pages 113 to 128 - "Notes to Financial Statements: 5. Financial Risk Management Objectives and Policies" <p>https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
<p>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p>			
<p>Recommendation 9.1</p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>The Audit Committee is responsible for exercising oversight over the external audit function and external auditor's qualifications, independence and performance. Pursuant to this, it reviews the appointment, re-appointment or discharge of auditors, as well as audit fees, prior to endorsement to BOD for approval.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Audit Committee, Pages 73 and 78 to 79) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Audit Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>COMPLIANT</p>	<p>The Audit Committee recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the Securities and Exchange Commission and the BSP. It reviews and approves the engagement contract.</p>	

		<p>In 2025, shareholders representing 1,370,276,842 or 99.13% of the 1,382,262,832 shares in the 2025 Annual Stockholders' Meeting voted to ratify the selection by the Audit Committee and the Board of Directors of SyCip Gorres Velayo & Co. as external auditor for the Bank.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual on Corporate Governance (Audit Committee: External Audit, Page 78) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Audit Committee Charter https://www.securitybank.com/about-us/corporate-governance/ 3. Minutes of the 2025 Annual Stockholders' Meeting https://www.securitybank.com/wp-content/uploads/2025/05/2025-ASM-Draft-Pack.pdf 	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>COMPLIANT</p>	<p>There was no change in the Company's external auditors from the previous year.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Audit Committee Report, Page 174) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Supplement to Recommendation 9.1			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>COMPLIANT</p>	<p>The Audit Committee ensures the rotation of the lead audit partner every five (5) years.</p>	

Year	Lead Audit Partner	Position	CPA Certificate No.
2010- 2013	Josephine Adrienne A. Abarca	SGV Partner	92126
2014-2018	Aris C. Malantic	SGV Partner	90190
2019	Vicky Lee Salas	SGV Partner	86838
2020-2024	Juan Carlo B. Maminta	SGV Partner	11526
2025	Miguel U. Ballelos Jr.	SGV Partner	109950

Link/ Reference:

1. The Bank's Manual on Corporate Governance (Audit Committee: External Audit, Page 78)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

2. The 2025 Integrated Report (Independent Auditor's Report, Page 88)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the 	<p>COMPLIANT</p>	<p>Among the duties and responsibilities of the Audit Committee are the following:</p> <ol style="list-style-type: none"> 1. The Committee recommends to the Board the appointment, reappointment, removal, and fees of external auditor, duly accredited by the Securities and Exchange Commission and BSP. It shall review and approve the engagement contract and ensure that the scope of audit likewise covers areas specifically prescribed by BSP and other regulators. For removal or change in the external auditor, the reasons for removal or change should be 	
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<p>effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>		<p>disclosed to the regulators, the shareholders and the public through the company website and other required disclosures.</p> <ol style="list-style-type: none"> 2. Reviews the recommendations in the External Auditor's management letter and oversee the resolution of disagreements, if any, between management and the external auditors. 3. Review the performance of the external auditors at least annually including technical competence, integrity, independence, objectivity and overall effectiveness of the external audit process. 4. Discuss with the external auditors the nature, proposed audit scope, approach and expenses of the audit, including coordination of audit effort with internal audit. 5. Ensure that external auditors, including the engagement and quality control partners of the audit firm are rotated in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines as adopted by the Philippine Board of Accountancy. 6. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the bank's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose threat to his independence and objectivity. The non-audit work, if allowed, should be disclosed in the bank's Annual Report and Annual Corporate Governance Report. 7. Ensure that the scope of the external audit work appropriately covers areas relevant to the Bank's operations and risk exposures prescribed by Bangko Sentral ng Pilipinas and other regulators. These include: <ul style="list-style-type: none"> • Review of the adoption of applicable reporting framework as well as the assessment of the accuracy, adequacy, and reliability of accounting records and financial reports; • Assessment of the propriety and adequacy of disclosures in the financial statements; • Assessment of the adequacy and effectiveness of internal controls and risk management systems; 	
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		<ul style="list-style-type: none"> • Assessment of the quality of capital in relation to risk exposures; and • Evaluation of the quality of corporate governance. <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Audit Committee: Duties and Responsibilities: External Audit, Pages 78 to 79) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	<p>In the Charter of the Audit Committee, the duties and responsibilities of the committee include, among others, the review of the performance of the external auditors at least annually including technical competence, integrity, independence, objectivity and overall effectiveness of the external audit process.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Audit Committee: Duties and Responsibilities: External Audit, Page 78) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	<p>In the Charter of the Audit Committee, the duties and responsibilities of the committee include, among others, the review of the performance of the external auditors at least annually including technical competence, integrity, independence, objectivity and overall effectiveness of the external audit process.</p> <p>Link/ Reference:</p>	

<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>COMPLIANT</p>	<p>1. The Bank's Manual of Corporate Governance (Audit Committee: Duties and Responsibilities: External Audit, Page 78) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>	
Recommendation 9.3			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>COMPLIANT</p>	<p>Non-audit services performed by the external auditor in 2025 are disclosed in the Definitive Information Statement. Non-audit work was performed by the external auditor in 2025.</p> <p>Link/ Reference:</p> <p>1. 2026 Definitive Information Statement (Annex B - External Audit Fees and Services, Page 30 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>COMPLIANT</p>	<p>Part of the responsibility of the Audit Committee as indicated in the Audit Committee Charter is to evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the bank's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose threat to his independence and objectivity.</p> <p>Link/ Reference:</p> <p>1. The Bank's Manual of Corporate Governance</p>	

		(Audit Committee: Duties and Responsibilities: External Audit, Pages 78 to 79) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf	
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Supplement to Recommendation 9.3

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>COMPLIANT</p>	<p>The Definitive Information Statement lists the fees paid for professional services rendered by the Group's external auditors, which will show that fees paid for non-audit services do not outweigh the fees paid for audit services:</p> <p>External Audit Fees and Services</p> <p>The aggregate fees billed for each of the last two fiscal years for professional services rendered by the Group's external auditors are summarized as follows:</p> <table border="1" data-bbox="1061 730 1921 1006"> <thead> <tr> <th rowspan="2">Nature of Services Rendered</th> <th colspan="2">Aggregate Fees¹ (in thousands)</th> </tr> <tr> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Total audit fees²</td> <td>₱ 12,226</td> <td>₱ 10,829</td> </tr> <tr> <td>Non-audit services³</td> <td></td> <td></td> </tr> <tr> <td> Other assurance services</td> <td>55</td> <td>4,695</td> </tr> <tr> <td> Tax services</td> <td>450</td> <td>100</td> </tr> <tr> <td> All other services</td> <td>1,494</td> <td>5,785</td> </tr> <tr> <td></td> <td>1,999</td> <td>10,580</td> </tr> <tr> <td></td> <td>₱ 14,225</td> <td>₱ 21,409</td> </tr> </tbody> </table> <p>¹Excluding out of pocket expenses and value added tax (VAT) ²Agreed fees for the audit of the Bank's parent and consolidated financial statements and the covered Bank's consolidated subsidiaries' financial statements on which the external auditor expresses opinion. These do not include fees for special purpose audit or review of financial statements. ³Charged or billed fees for non-audit services to the Bank and its related entities over which the Bank has direct or indirect control that are consolidated in the financial statements on which the external auditor expresses an opinion</p> <p>Links/ References:</p> <p>1. 2026 Definitive Information Statement (Annex B - External Audit Fees and Services, Page 30 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in:</p>	Nature of Services Rendered	Aggregate Fees ¹ (in thousands)		2025	2024	Total audit fees²	₱ 12,226	₱ 10,829	Non-audit services ³			Other assurance services	55	4,695	Tax services	450	100	All other services	1,494	5,785		1,999	10,580		₱ 14,225	₱ 21,409	
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		https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Sycip Gorres Velayo and Co and the lead audit partner are also included in the list of accredited auditing firms and accredited external auditors posted in the SEC website.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. List of Accredited/ Selected External Auditors of SEC https://www.sec.gov.ph/wp-content/uploads/2026/04/2026List_Accredited-External-Auditors-31Mar2026.pdf 2. List of Accredited/ Selected Auditing Firms of SEC (up to 2025 Audit Period) https://www.sec.gov.ph/wp-content/uploads/2026/04/2026List_Accredited-Auditing-Firms-31Mar2026.pdf 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	SGV was subjected to the SOAR Inspection Program last 1 to 12 August 2022.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and	COMPLIANT	<p>The Bank has adopted globally recognized standards and framework in reporting material, non-financial information, such as:</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Standards • Integrated Reporting (IR) Framework 	

governance (EESG) issues of its business, which underpin sustainability.		<ul style="list-style-type: none"> • International Financial Reporting Standards Foundation (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2) • Sustainability Accounting Standards Board (SASB) Standards • United Nations Sustainable Development Goals (UN SDGs) <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (About this report: How to Read this Report: Reporting Frameworks, Page 2; Sustainability Reporting Standards and Assurance, Page 175) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	<p>The Bank has adopted globally recognized standards and framework in reporting material, non-financial information, such as:</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Standards • Integrated Reporting (IR) Framework • International Financial Reporting Standards Foundation (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2) • Sustainability Accounting Standards Board (SASB) Standards • United Nations Sustainable Development Goals (UN SDGs) <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (About this report: How to Read this Report: Reporting Frameworks, Page 2; Sustainability Reporting Standards and Assurance, Page 175; GRI Content Index, Pages 210 to 215; Sustainability Accounting Standard Board (SASB), Page 216 to 217; ISSB's IFRS S1 Sustainability-related Disclosures Content Index, Pages 218 to 219; ISSB's IFRS S2 Climate-related Disclosures Content Index, Pages 220 to 221; Philippine Securities and Exchange Commission (SEC) Sustainability Reporting for Publicly Listed Companies Content Index, Page 222) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p>The Bank has various channels that ensure timely and accurate dissemination of public material and relevant information to its shareholders and other investors:</p> <p>1. Investor Presentation and Analyst Briefing The Bank held Investor Presentations and Analyst Briefings in 2025 to provide business updates that are relevant to analysts' and provide input for their research about latest changes among others updates on the Bank's initiatives and result of operations.</p> <p>https://www.securitybank.com/about-us/investor-relations/briefing-schedules/</p> <p>Notices of Analysts' Briefings are also posted on PSE Edge:</p> <p>May 14, 2025 Briefing: https://edge.pse.com.ph/openDiscViewer.do?edge_no=077623253598f3bfec6e1601ccee8f59</p> <p>August 12, 2025 Briefing: https://edge.pse.com.ph/openDiscViewer.do?edge_no=285930bc501f33e3ec6e1601ccee8f59</p> <p>November 7, 2025 Briefing: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3adf3b5315b6250dec6e1601ccee8f59</p> <p>February 25, 2026 Briefing: https://edge.pse.com.ph/openDiscViewer.do?edge_no=7bce2f34f79504d464d70b69f0a3140b</p> <p>Investor Presentations and Analyst briefing materials for 2025 can be accessed via this link:</p>	
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<https://www.securitybank.com/about-us/investor-relations/presentations/>

Investor Presentations:

Q4

<https://www.securitybank.com/wp-content/uploads/2026/04/Q4-2025.pdf>

Q3

<https://www.securitybank.com/wp-content/uploads/2026/02/SECB-IR-Kit-Q32025-1.pdf>

Q2

<https://www.securitybank.com/wp-content/uploads/2025/08/SECB-IR-Kit-Q22025.pdf>

Q1

<https://www.securitybank.com/wp-content/uploads/2025/06/SECB-IR-Kit-Q12025.pdf>

Analyst Briefings

FY2025

<https://www.securitybank.com/wp-content/uploads/2026/03/FY-2025-Analysts-Briefing-Conference-Call-%E2%80%93-March-2-2026-4pm-5pm.pdf>

9M 2025

<https://www.securitybank.com/wp-content/uploads/2025/11/SECB-9M25-Results-Presentation-Nov17-2025.pdf>

H1 2025

<https://www.securitybank.com/wp-content/uploads/2025/08/SECB-H1-2025-Results-Presentation-August-18-2025.pdf>

Q1 2025

<https://www.securitybank.com/wp-content/uploads/2025/05/SECB-Q1-2025-Results-Presentation-May-20-2025.pdf>

2. Disclosures of material and relevant information via the corporate website and PSE Edge

Disclosures in the Bank's Corporate Website can be accessed through the following links:

Investor Relations Page: <https://www.securitybank.com/about-us/investor-relations/>

Financial Statements: <https://www.securitybank.com/about-us/investor-relations/financial-statements/>

SEC Filings:
<https://www.securitybank.com/about-us/investor-relations/sec-filings/>

Notice of the Meetings: <https://www.securitybank.com/about-us/investor-relations/notice-of-meetings/>

Minutes of the Meetings: <https://www.securitybank.com/about-us/investor-relations/minutes-of-meeting/>

Other Disclosures: <https://www.securitybank.com/about-us/investor-relations/public-disclosures/>

PSE Edge:
https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=32

3. Press releases
<https://www.securitybank.com/about-us/investor-relations/financial-information/press-releases/>

Press releases are likewise posted on PSE Edge.

November 14, 2025

https://edge.pse.com.ph/openDiscViewer.do?edge_no=0f4f4d8093051ebaec6e1601ccee8f59

October 29, 2025

		<p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=2422f0431c6c59a2ec6e1601ccee8f59 September 30, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=6fd0175ca6ed7fd7ec6e1601ccee8f59 September 22, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=c880af0db7ef5c07ec6e1601ccee8f59 August 13, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=68461a4df3435868ec6e1601ccee8f59 August 12, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=be7d3aceb590be24ec6e1601ccee8f59 July 29, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=1c8699f03e443887ec6e1601ccee8f59 May 15, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=5f8e2284c186ddd5ec6e1601ccee8f59 May 2, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=a6ae4c01a132622eec6e1601ccee8f59 March 3, 2025</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=e88d03dad8aeb53aec6e1601ccee8f59</p> <p>4. Other company website and official media sites include the following:</p> <p>Facebook: https://www.facebook.com/SecurityBank</p> <p>Linked In: https://www.linkedin.com/company/security-bank-corporation</p> <p>Instagram: https://www.instagram.com/securitybank</p>	
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		<p>YouTube: https://www.youtube.com/securitybank</p> <p>5. Investor Relations Office</p> <p>The Bank's Investor Relations Office (IRO) is designed to ensure constant engagement with its stockholders. The Investor Relations Office provides an avenue to receive feedback, complaints and queries from shareholders. It also assures their active participation with regard to activities and policies of the Bank. Further, it shall ensure all information regarding the activities of the Bank are properly and timely communicated to shareholders.</p> <p>The Bank IRO can be contacted through: Telephone : (632) 8888-7221 Email: InvestorRelationsOffice@securitybank.com.ph</p> <p>6. Office of the Corporate Secretary (OCS)</p> <p>Shareholders can contact the Office of the Corporate Secretary for queries related to governance, annual shareholders' meeting- including proxy statement and other corporate records.</p> <p>The OCS can be reached via: Telephone Nos.: (632) 8888-7335 or (632) 8888-7215 Email: corsec@securitybank.com.ph</p>	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	COMPLIANT	<p>Quarterly Financial Statements: https://www.securitybank.com/about-us/investor-relations/sec-filings/</p> <p>2025 Audited Financial Statement: https://www.securitybank.com/about-us/investor-relations/financial-statements/</p>	

<p>b. Materials provided in briefings to analysts and media</p>	<p>COMPLIANT</p>	<p>Materials Provided in briefings conducted in 2025 to analysts and media such as Investor Presentations, Analyst briefing materials and press releases https://www.securitybank.com/about-us/investor-relations/presentations/</p> <p>Investor Presentations: Q4 https://www.securitybank.com/wp-content/uploads/2026/04/Q4-2025.pdf Q3 https://www.securitybank.com/wp-content/uploads/2026/02/SECB-IR-Kit-Q32025-1.pdf Q2 https://www.securitybank.com/wp-content/uploads/2025/08/SECB-IR-Kit-Q22025.pdf Q1 https://www.securitybank.com/wp-content/uploads/2025/06/SECB-IR-Kit-Q12025.pdf</p> <p>Analyst Briefings FY2025 https://www.securitybank.com/wp-content/uploads/2025/03/SECB-FY-2024-Results-Presentation-March-5-2025.pdf 9M 2025 https://www.securitybank.com/wp-content/uploads/2025/11/SECB-9M25-Results-Presentation-Nov17-2025.pdf H1 2025 https://www.securitybank.com/wp-content/uploads/2025/08/SECB-H1-2025-Results-Presentation-August-18-2025.pdf Q1 2025 https://www.securitybank.com/wp-content/uploads/2025/05/SECB-Q1-2025-Results-Presentation-May-20-2025.pdf</p>	
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		<p>Press releases https://www.securitybank.com/about-us/investor-relations/financial-information/press-releases/</p>	
c. Downloadable annual report	COMPLIANT	<p>Downloadable Annual Report, also referred to as the Integrated Report: https://www.securitybank.com/about-us/investor-relations/financial-information/annual-reports/</p>	
d. Notice of ASM and/or SSM	COMPLIANT	<p>Notice of ASM and /or SSM: https://www.securitybank.com/about-us/investor-relations/notice-of-meetings/ https://www.securitybank.com/asm/</p>	
e. Minutes of ASM and/or SSM	COMPLIANT	<p>Minutes of ASM and/or SSM: https://www.securitybank.com/about-us/investor-relations/minutes-of-meeting/</p>	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	<p>Articles of Incorporation: https://www.securitybank.com/wp-content/uploads/2017/11/security-bank-amended-articles-of-incorporation-2017.pdf By-Laws: https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf</p>	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	<p>The Bank's Corporate Website complies with the SEC Memorandum Circular No. 11 series of 2014. The following information are the minimum recommended topics to be posted on the Bank's website:</p> <p>Our Business The Company's Business Operations https://www.securitybank.com/about-us/business-operations/</p>	

Our Company

1. The Company's Corporate or Business Profile;
<https://www.securitybank.com/about-us/business-profile/>
2. The Company's Mission, Vision and Values;
<https://www.securitybank.com/about-us/vision-and-mission/>
<https://www.securitybank.com/what-matters-to-us/>
3. The Company's Board of Directors, Management Team and Executive Officers;
<https://www.securitybank.com/about-us/leaders/>
4. The Company's Organizational Chart;
<https://www.securitybank.com/about-us/organizational-chart-group-structure/>
5. The Company's Conglomerate Map or Group Corporate Structure;
<https://www.securitybank.com/about-us/organizational-chart-group-structure/>
6. The Company's Shareholdings Structure; and
<https://www.securitybank.com/about-us/shareholdings-structure/>
7. The Company's Articles of Incorporation and By-Laws and all amendments thereto.

Articles of Incorporation: <https://www.securitybank.com/wp-content/uploads/2017/11/security-bank-amended-articles-of-incorporation-2017.pdf>

By-Laws: <https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf>

Corporate Governance

Manual on Corporate Governance

<https://www.securitybank.com/manualoncorporategovernance/>

Code of Business Conduct and Ethics

For Officers and Employees:

<https://www.securitybank.com/about-us/code-business-conduct-ethics/>

For Board of Directors: <https://www.securitybank.com/about-us/code-of-business-ethics-for-members-of-the-board-of-directors/>

Annual Corporate Governance Report (ACGR)

1. ACGR for 2012;

2. Updates and changes as of December 31, 2013;

3. Consolidated Changes in the ACGR for 2013;

4. Updates and Changes as of present date; and

5. Consolidated Changes in the ACGR for 2014 and so on and so forth until ACGR is required.

<https://www.securitybank.com/about-us/acgr/>

Integrated Annual Corporate Governance Report (IACGR)

<https://www.securitybank.com/about-us/iacgr/>

Board Committees

1. Board Committees;

2. Board Committee Members; and

3. Board Committee Charters

<https://www.securitybank.com/about-us/corporate-governance/>

Corporate Social Responsibility

BetterBanking is Sustainable

<https://www.securitybank.com/sustainability/>

<https://www.securitybank.com/foundation/>

The Company's Corporate Social Responsibility Initiatives
Build A School, Build A Nation

<https://www.securitybank.com/foundation/build-a-school-build-a-nation/>

Scholars for Better Communities

<https://www.securitybank.com/foundation/sbfi-scholars-for-better-communities/>

Ready, Set, Read!

<https://www.securitybank.com/foundation/ready-set-read/>

Mentoring Future Leaders for Nation-Building

<https://www.securitybank.com/mentoring-future-leaders/>

Other CSR Initiatives to uplift quality of life

<https://www.securitybank.com/foundation/other-csr-initiatives/>

Enterprise Risk Management

Risk Management

<https://www.securitybank.com/about-us/risk-management/>

Company's Policies

Company Policies

<https://www.securitybank.com/about-us/company-policies/>

1. Whistle Blowing Policy <https://www.securitybank.com/about-us/company-policies/whistleblowing-policy/>

<https://www.securitybank.com/what-matters-to-us/>

2. Conflict of Interest Policy

<https://www.securitybank.com/about-us/company-policies/conflict-of-interest/>

<https://www.securitybank.com/what-matters-to-us/>

3. Insider Trading Policy <https://www.securitybank.com/wp-content/uploads/2017/07/POLICY-ON-TRADING-IN-SECB-SHARES.pdf>

4. Related Party Transactions Policy <https://www.securitybank.com/wp-content/uploads/2025/10/COM-CGDPO-PP-3.2-Related-Party-Transactions-Policy.pdf>

5. Policy and Data Relating to Health, Safety and Welfare of Employees, including company sponsored trainings. <https://www.securitybank.com/about-us/policy-data-relating-health-safety-welfare-employees/>

Company Disclosures

SEC Filings

1. SEC Form 17- A (Annual Report);
2. SEC Form 17- Q (Quarterly Report);
3. SEC Form 17- C (Current Report);
4. SEC Form 20- IS (Information Statement);
5. SEC Form 23- A/B (Statement of Beneficial Ownership);
6. General Information Sheet

<https://www.securitybank.com/about-us/investor-relations/sec-filings/>

Also in:

<https://www.securitybank.com/about-us/investor-relations/public-disclosures/>

Notice of Annual or Special Stockholder's Meetings

<https://www.securitybank.com/about-us/investor-relations/notice-of-meetings/>

<https://www.securitybank.com/asm/>

Minutes of all General or Special Stockholder's Meetings

<https://www.securitybank.com/about-us/investor-relations/minutes-of-meeting/>

		<p>Other Disclosures to SEC, PSE and Other Pertinent Agencies https://www.securitybank.com/about-us/investor-relations/public-disclosures/</p> <p>Press Materials/ News Press Releases https://www.securitybank.com/about-us/investor-relations/financial-information/press-releases/</p> <p>News https://www.securitybank.com/news/</p> <p>Materials provided in briefings to analysts and media https://www.securitybank.com/about-us/investor-relations/presentations/</p> <p>Investor Relations Investor Relations Programs https://www.securitybank.com/about-us/investor-relations/investor-relations-program/</p> <p>Share Information 1. Total Outstanding Shares; 2. Exchange where listed; and 3. Top 20 Stockholders https://www.securitybank.com/about-us/investor-relations/shareholder-information/</p> <p>All required information are retained on the company's website for a period of five (5) years.</p>	
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The Manual on Corporate Governance provides that the internal control system shall include oversight on the implementation of key control functions, such as risk management, compliance and internal audit and reviewing the corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Governance System, Pages 3 to 5; Internal Control and Risk Management Framework, Pages 92 to 98) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>ERM is an essential component of the Security Bank Group's overall strategy. It provides an end-to-end framework for identifying, assessing, managing, monitoring, and reporting financial and non-financial risks that could affect the Group's ability to achieve its objectives.</p> <p>The ERM Framework ensures that risk decisions are aligned with strategy, strengthens asset protection, and supports sustainable performance in an increasingly complex operating environment.</p> <p>The Framework applies across the Security Bank Group, including subsidiaries, with structures adapted to reflect the nature, scale, and complexity of each entity's activities.</p> <p>It clearly delineates the risk management responsibilities of the Board and Management and reflects the Group's commitment to high standards of governance, regulatory compliance, and global best practices.</p> <p>The Risk Oversight Committee reviews, approves and oversees the effective implementation of the Bank's ERM Framework. Any material amendments in the Framework document will need to be</p>	

		<p>approved by the Risk Oversight Committee (ROC); unless the revisions / updates are already approved separately by the ROC and/or any other appropriate approving authorities. The Chief Risk Officer has authority to approve any other minor amendments to the Framework.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Risk Management, Pages 79 to 83) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Manual of Corporate Governance (Chief Risk Officer, Pages 96 to 97; Risk Management, Pages 97 to 98) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Supplement to Recommendations 12.1			
<ol style="list-style-type: none"> 1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances. 	COMPLIANT	<p>The Bank maintains a formal and structured Compliance Risk Management System that promotes Group-wide adherence to compliance standards and supports the early identification and mitigation of compliance risks that could erode franchise value.</p> <p>The system reinforces the independence of the Chief Compliance Officer (CCO) who reports to the Board Corporate Governance Committee. The CCO serves as the senior officer responsible for administering the Group's Compliance Program and for liaising with regulators on compliance matters, and is a member of key management committees, including the AML, Outsourcing, Sustainability, and Integrity Committees.</p> <p>The Compliance System is supported by the effective and efficient oversight of the Board of Directors and Senior Management, as well</p>	

		<p>as by sound policies and procedures embodied in a Board-approved Compliance Policy and Program Manual (Manual). The Manual is being implemented by Senior Management and includes the employment of robust internal controls and the regular conduct of audit. The Board-approved policy also defines the Group compliance framework and provides the structure adopted by the Group, where the compliance function is established primarily within the Parent Bank. The policy includes the overall responsibility of the Parent Bank's compliance function to likewise manage, or oversee the management of, the compliance risk exposures of subsidiaries/affiliates</p> <p>The Compliance Group oversees the implementation of the Group's Compliance Program using a risk-based approach that considers the size, complexity, and risk profile of operations. Risk-based regulatory and self-assessment compliance matrices are developed, regularly updated, and tested through defined verification procedures to identify gaps, address issues promptly, and resolve exceptions in a timely manner. Periodic compliance testing and monitoring are conducted, with focused feedback provided to business and operating units on their fulfillment of regulatory responsibilities.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Compliance, Pages 75 to 78) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Optional: Recommendation 12.1			
<ol style="list-style-type: none"> 1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board. 	COMPLIANT	<p>the Bank has adopted guidelines which are aligned with the Information Technology Risk Management System (ITRM) as required by the Bangko Sentral ng Pilipinas. It is ultimately responsible for understanding the IT risks confronted by the Bank and ensuring they are properly managed. To this end, it shall:</p>	

	<ul style="list-style-type: none"> • Approve the design and implementation of the IT Risk Management Systems (ITRM) and the IT strategic plan that is aligned with the institution's business strategy; • Delegate to an IT Steering Committee (ITSC) or its equivalent IT oversight function to cohesively monitor IT performance and institute appropriate actions to ensure achievement of desired results. The Board shall ratify the ITSC Charter which contain the roles and responsibilities of the IT Steering Committee. • The Board or Senior Management shall appoint an independent Information Security Officer (ISO) who will be responsible and accountable for the organization-wide IS program. The ISO shall report directly to the Board or Senior Management and have sufficient independence to perform his mandate. <p>Risks falling under IT Risk and Business Continuity are also being managed by the Risk Management Group, with the Risk Oversight Committee and its sub-committee, the Information Security Risk Management Committee, exercising the necessary oversight of information technology risk management and operational risks relating to IT systems and processes.</p> <p>The Transformation and Technology Committee, a board-level committee, exercises oversight on the development and implementation of strategy, transformation, innovation and information technology initiatives of the Bank and it is subsidiaries and affiliates, in support of the Group's vision, mission and strategic objectives.</p> <p>Links/ References:</p> <p>IT Risk Management</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Information Technology Risk Management, Page 19) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
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		<p>IT Risk under Risk Management Group, Risk Oversight Committee and Information Security Risk Management Committee</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Risk Oversight Committee and Information Security Risk Management Committee, Pages 70 to 72) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Risk Oversight Committee and Information Security Risk Management Committee, Page 73) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf <p>Transformation and Technology Committee</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Transformation and Technology Committee, Pages 85 to 86) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Transformation and Technology Committee, Page 74) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 12.2			
<ol style="list-style-type: none"> 1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add 	COMPLIANT	<p>The Bank has an Internal Audit Group that reports directly to the Audit Committee and assists in the discharge of its oversight responsibilities. The Internal Audit Group provides reasonable assurance that the Bank's key organizational and procedural controls are effective, appropriate and complied with. Internal Audit covers, at a</p>	

<p>value and improve the company's operations.</p>		<p>minimum, the evaluation of the adequacy and effectiveness of controls that cover governance, operations, and information systems; reliability and integrity of financial and operational information; effectiveness and efficiency of operations, protection of assets and compliance with contracts, laws, rules and regulations.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Internal Auditor/ Chief Audit Executive, Pages 92 to 94) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Internal Audit and Audit Committee Report, Pages 173 to 174) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Recommendation 12.3			
<ol style="list-style-type: none"> 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. 	<p>COMPLIANT</p>	<p>The Bank's Chief Audit Executive is Mr. Dakila Socrates Lavila, who assumed the role last 1 January 2024.</p> <p>The Chief Audit Executive (CAE) shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, some qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.</p> <p>The CAE, in order to achieve the necessary independence to fulfill his/her responsibilities, directly reports functionally to the Audit Committee and administratively to the CEO. The following are the responsibilities of the CAE, among others:</p>	

		<p>a. Periodically reviews the internal audit charter and presents it to Senior Management and the Board Audit Committee for approval;</p> <p>b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;</p> <p>c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to Senior Management and the Audit Committee for review and approval;</p> <p>d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization;</p> <p>e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and</p> <p>f. Presents findings and recommendations to the Audit Committee and gives advice to Senior Management and the Board on how to improve internal processes.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Chief Audit Executive, Page 94) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>COMPLIANT</p>	<p>Among the responsibilities of the Chief Audit Executive as stated in the Manual of Corporate Governance is to oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Chief Audit Executive, Page 94) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	

<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>NOT APPLICABLE</p>	<p>This is not applicable since the Bank has an in-house internal audit team.</p>	
Recommendation 12.4			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>COMPLIANT</p>	<p>The Risk Management Group is primarily the execution and operational arm of the Risk Oversight Committee, It is headed by a Chief Risk Officer who is independent from executive functions and business line responsibilities, operations, and revenue generating functions. The CRO reports directly to the ROC.</p> <p>RMG's activities assist the Board (through the Risk Oversight Committee) in fulfilling its risk management responsibilities through the following fundamental tasks:</p> <ul style="list-style-type: none"> • Development and review of risk appetite/limits and policies. • Assessment, measurement, monitoring, and reporting of the Group's risk-taking and risk management activities, including risk limit utilization and performance. • Provision of subject matter expertise in business, product and project developments, and other strategic decision-making activities. • Elevation of issues and findings to Senior Management and the ROC. <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Risk Management, Pages 79 to 83) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 2. The Bank's Manual of Corporate Governance 	

		(Chief Risk Officer/ Risk Management Function, Pages 96 to 97) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	In 2025, the Risk Management Group engaged multiple 3 rd party services to support risk management activities.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>The Chief Risk Officer of the Bank is Ms. Luz Pilar U. De Guzman. The CRO is independent from executive functions and business line responsibilities, operations and revenue generating functions, and reports directly to the Risk Oversight Committee.</p> <p>Her duties and responsibilities as Chief Risk Officer are as follows:</p> <ol style="list-style-type: none"> a. Support the Board of Directors in the development of the risk appetite and the Risk Appetite Statement (RAS) of the Bank, and for translating the risk appetite into a risk limit structure. b. Supervise the entire Enterprise Risk Management (ERM) process and spearhead the development, implementation, maintenance and continuous improvement of ERM processes and documentation; c. Communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee; d. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee; e. Suggest ERM policies and related guidance, as may be needed; and f. Provide insights on the following: <ul style="list-style-type: none"> • Risk management processes are performing as intended; • Risk measures reported are continuously reviewed by risk owners for effectiveness; and • Established risk policies and procedures are being complied with. 	

Links/ References:

Ms. De Guzman's Profile and Qualifications

1. The 2025 Integrated Report (Leadership Profiles: Executive Management and Advisors, Page 182)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>
2. 2026 Definitive Information Statement (Annex A – Key Officers as of February 28, 2026, Pages 27, 44 and 46 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b

Also in:

<https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf>

Duties and Responsibilities of the CRO

1. The Bank's Manual on Corporate Governance (Chief Risk Officer, Pages 96 to 97)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

Reporting Line:

1. The 2025 Integrated Report (Table of Organization, Page 7)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.

COMPLIANT

The Chief Risk Officer of the Bank is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to the Bank's size, risk profile and complexity of operations. He shall be independent from executive functions and business line responsibilities, operations and revenue-generating functions. This independence shall be displayed in practice at all times as such, albeit the CRO may report to the President or Senior Management, he shall have direct access to the Board of Directors and the Risk Oversight Committee without any impediment. In this regard, the Board of Directors shall confirm the performance ratings given by the President or Senior Management to the CRO.

The Bank's RMG structure is as follows:



Links/ References:

1. The Bank's Manual of Corporate Governance (Chief Risk Officer, Pages 96 to 97)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>

		2. The 2025 Integrated Report (Chief Risk Officer and Risk Management Group/ Risk Management Scope and Structure, Page 80) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	Attached as Annex G is the attestation by Chief Executive Officer and Chief Audit Executive.	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	The fundamental rights of shareholders, which includes the right to nominate, voting right, pre-emptive right, power of inspection, right to information, right to dividends and appraisal right, are explained in the Manual of Corporate Governance. Links/ References: 1. The Bank's Manual of Corporate Governance (Shareholder's Rights, Pages 108 to 110) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	The Bank's Manual of Corporate Governance, which includes a section on Shareholder's Rights, is published in the Bank's Corporate website. https://www.securitybank.com/manualoncorporategovernance/ Shareholders' rights are also disclosed as part of the Investor Relation Program in the Bank's Corporate website:	

<https://www.securitybank.com/about-us/investor-relations/investor-relations-program/>

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.

COMPLIANT

The 2026 Definitive Information Statement provides as follows:

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Securities:

Number of Shares Outstanding as of 28 February 2026 (broken down as follows):			
	COMMON SHARES	PREFERRED SHARES	TOTAL
A. Filipino Equity Shares	489,649,562	772,843,900	1,262,493,462
B. Foreign Equity Shares	263,889,325	227,156,100	491,045,425
TOTAL	753,538,887	1,000,000,000	1,753,538,887
Percentage of Foreign Equity:	28%		
Number of Votes Entitled:	One (1) vote per share with cumulative voting, as will be discussed in detail below		

A similar section is found in the 2025 Definitive Information Statement.

Link/ Reference:

1. 2026 Definitive Information Statement (Item 4. Voting Securities and Principal Holders Thereof, Page 22 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b
 Also in:
<https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf>
2. 2025 Definitive Information Statement (Item 4. Voting Securities and Principal Holders Thereof, Page 17 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59
 Also in:

		https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf																													
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>COMPLIANT</p>	<p>Consistent with the Board's duties and responsibilities to its various stakeholders, the Board shall establish programs to provide a mechanism on the fair treatment and protection of stakeholders.</p> <p>Also, the 202 Definitive Information Statement provides as follows:</p> <p>Item 4. <u>Voting Securities and Principal Holders Thereof</u></p> <p>(a) Class of Voting Securities:</p> <table border="1" data-bbox="1061 621 1895 792"> <thead> <tr> <th colspan="4">Number of Shares Outstanding as of 28 February 2026 (broken down as follows):</th> </tr> <tr> <th></th> <th>COMMON SHARES</th> <th>PREFERRED SHARES</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>A. Filipino Equity Shares</td> <td>489,649,562</td> <td>772,843,900</td> <td>1,262,493,462</td> </tr> <tr> <td>B. Foreign Equity Shares</td> <td>263,889,325</td> <td>227,156,100</td> <td>491,045,425</td> </tr> <tr> <td>TOTAL</td> <td>753,538,887</td> <td>1,000,000,000</td> <td>1,753,538,887</td> </tr> <tr> <td>Percentage of Foreign Equity:</td> <td colspan="3">28%</td> </tr> <tr> <td>Number of Votes Entitled:</td> <td colspan="3">One (1) vote per share with cumulative voting, as will be discussed in detail below</td> </tr> </tbody> </table> <p>Annex D – List of Top 100 Common Shareholders</p> <p>Pursuant to Article Seven of the Bank's Articles of Incorporation, no holder of shares of securities issued by the Bank shall be entitled to pre-emptive rights with respect to shares issued by the company. No issuance or transfer of shares of stock of the Bank which would reduce the stock ownership of citizenship of the Philippines to less than the minimum percentage of the outstanding capital stock required by any applicable provision of law or regulation to be owned by Philippine Nationals, shall be made or effected by, or shall be recorded in the books of the Bank, and this restriction shall be printed in the certificates of stock of the Bank.</p> <p>There is no provision in the charter and by-laws that grants preferential material rights to stockholders that would delay, defer and prevent a change in control.</p> <p>The Bank declares and pays out dividends from the earned surplus or net profits from the Bank as often as such times as the Board of Directors may determine and in accordance with provisions of law and the regulations of the Bangko Sentral ng Pilipinas (BSP). The dividend policy aims to ensure compliance with regulatory requirements, maintain strong credit ratings and maintain healthy capital ratios to support business and maximize shareholder value.</p> <p>All stockholders as of record date are entitled to cumulative voting rights with respect to the election of directors. The stockholders may vote for such number of shares for as many people as there are directors to be elected, or he may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of shares shall equal or he may distribute</p>	Number of Shares Outstanding as of 28 February 2026 (broken down as follows):					COMMON SHARES	PREFERRED SHARES	TOTAL	A. Filipino Equity Shares	489,649,562	772,843,900	1,262,493,462	B. Foreign Equity Shares	263,889,325	227,156,100	491,045,425	TOTAL	753,538,887	1,000,000,000	1,753,538,887	Percentage of Foreign Equity:	28%			Number of Votes Entitled:	One (1) vote per share with cumulative voting, as will be discussed in detail below			
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Percentage of Foreign Equity:	28%																														
Number of Votes Entitled:	One (1) vote per share with cumulative voting, as will be discussed in detail below																														

them on the same principle among as many nominees as he shall see fit. Discretionary authority to cumulate vote is solicited.

A similar section is found in the 2025 Definitive Information Statement.

Link/ Reference:

1. The Bank's Manual of Corporate Governance (Board Duties to Stakeholders, Page 110)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. 2026 Definitive Information Statement (Item 4. Voting Securities and Principal Holders Thereof, Page 22 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b
Also in:
<https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf>
3. 2025 Definitive Information Statement (Item 4. Voting Securities and Principal Holders Thereof, Page 17 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59
Also in:
<https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf>

<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>COMPLIANT</p>	<p>Item 19 of the Definitive Information Statement describes the voting procedures as follows:</p> <p><i>(a) Except in cases where a higher vote is required under the Revised Corporation Code, the approval of any corporate action shall require the majority vote of all stockholders present in the meeting, if constituting a quorum.</i></p> <p><i>(b) Except in cases where voting by ballot is applicable, voting and counting shall be by viva voce. If by ballot, the counting shall be supervised by the External Auditors and transfer agent of the Company.</i></p> <p>Requirements and procedure for participation and voting through remote communication is as follows:</p> <p>All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered Stockholder may vote as follows:</p> <ul style="list-style-type: none"> a. For all items, except for Election of Directors, the registered Stockholder has the option to vote: For, Against or Abstain. The vote is considered cast for all the registered Stockholder's shares. b. For the Election of Directors, a Stockholder entitled to vote: <ul style="list-style-type: none"> i. may vote such number of shares owned for as many persons as there are Directors to be elected; or ii. may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by the number of their shares; <p>or</p> <ul style="list-style-type: none"> iii. may distribute them on the same principle among as many candidates as may be seen fit. c. The Company's stock transfer agent and Office of the Corporate Secretary will tabulate all votes received and will validate the results. d. Except for the Election of Directors, all the items on the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a 	
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		<p>majority of the issued and outstanding voting stock present at the meeting.</p> <p>Regarding the election of the members of the Board of Directors, cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. The fifteen (15) nominees receiving the highest number of votes shall be declared elected, provided that the minimum number of Independent Directors as required by law is satisfied.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. 2026 Definitive Information Statement (Item 19. Voting Procedures, Pages 32 to 33 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf 2. 2025 Definitive Information Statement (Item 19. Voting Procedures, Page 27 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf 	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to</p>	<p>COMPLIANT</p>	<p>The Bank's By-laws state that, except as otherwise provided by law, the Articles of Incorporation or the By-laws, a majority of the stockholders constituting a quorum at the meeting shall decide any question that may duly come before the meeting.</p>	

<p>protect minority shareholders against actions of controlling shareholders.</p>		<p>Similarly, Item 19 of the Definitive Information Statement provides: <i>(a) Except in cases where a higher vote is required under the Revised Corporation Code, the approval of any corporate action shall require the majority vote of all stockholders present in the meeting, if constituting a quorum.</i></p> <p>As such, Bank complies with the provision of the Revised Corporation Code of the Philippines which requires 2/3 votes of shareholders in the following cases:</p> <p>(a) extension or shortening of corporate term (b) increasing or decreasing capital stock; incurring creating or increasing bonded indebtedness (c) sale, encumbrance or other disposition of all or substantially all corporate assets (d) investment of corporate funds for business purposes other than its primary purpose (e) declaration of stock dividends (f) amendment of articles of incorporation</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's By-laws (Article IV, Section 5) https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf 2. 2026 Definitive Information Statement (Item 19. Voting Procedures, Pages 32 to 33 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b <p>Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	
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		<p>3. 2025 Definitive Information Statement (Item 19. Voting Procedures, Page 27 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9e03a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p>	
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	COMPLIANT	<p>Article IV, Section 2 of the By Laws allows for the holding of special shareholders' meeting at the request of shareholders.</p> <p>There was no special stockholders' meeting in 2025. The last special stockholders' meeting was in 2013, to get approval of shareholders to (1) Creation and issuance of Preferred Shares; (2) Increase the authorized Capital Stock; and (3) Amendment of Articles of Incorporation.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's By-Laws (Article IV, Section 2) https://www.securitybank.com/wp-content/uploads/2021/11/Security-Bank-By-Laws.pdf 	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	COMPLIANT	<p>The Bank respects and honors the rights and protection of stockholders' minority Interest as stated in the Manual on Corporate Governance:</p> <p>Stockholders' Rights and Protection of Stockholders' Minority Interests <i>The Board shall respect the rights of the stockholders as provided for in the Corporation Codes, namely:</i></p> <ol style="list-style-type: none"> <i>i. Right to vote on all matters that require their consent and approval;</i> <i>ii. Pre-emptive right to all stock issuances of the corporation;</i> <i>iii. Right to inspect corporate books and records</i> <i>iv. Right to information</i> 	

		<p>v. Right to dividends vi. Appraisal right</p> <p><i>Pre-emptive right to all stock issuances of the corporation was waived. Article 7 of the Bank's Articles of Incorporation states that no holder of shares of securities issued by the Corporation shall be entitled to pre-emptive rights with respect to shares issued by the Bank.</i></p> <p><i>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.</i></p> <p><i>All shareholders, including minority shareholders, shall have the right to nominate candidates for the Board of Directors.</i></p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Stockholders' Rights and Protection of Stockholders' Minority Interests, Page 7) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>COMPLIANT</p>	<p>Security Bank declares and pays out dividends from the earned surplus or net profits of the Bank as often and at such times as the Board of Directors may determine, with dividend pay-outs for common shares, generally ranging from 15% to 30% of the prior year's Net Income After Taxes (NIAT).</p> <p>Security Bank has a Dividend Policy that will enable the Bank to weather the uncertainties and volatilities in the market, comply with the tighter requirements of Basel III and the BSP, maintain strong credit</p>	

ratings, minimize the need for capital calls in the medium-term, and provide a capital base for business expansion that will create value over the long-term for all stakeholders. In declaring dividend pay-outs for common shares only, the total dividend pay-outs shall range from 15% to 30% of prior year's NIAT.

Cash Dividend Payouts in the two most recent fiscal years were as follows:

Common Shares

Dividend Per Share	Total Dividend Amount	Record Date	Payment Date
₱1.50	₱1.130 billion	April 15, 2024	April 29, 2024
1.50	1.130 billion	November 13, 2024	November 27, 2024
1.50	1.130 billion	April 10, 2025	April 28, 2025
1.50	1.130 billion	November 12, 2025	November 26, 2025

Preferred Shares

Dividend Per Share	Total Dividend Amount	Record Date	Payment Date
₱0.004805	₱1.91 million	March 14, 2024	April 1, 2024
0.0039	2.35 million	June 26, 2024	July 20, 2024
0.004805	1.91 million	March 11, 2025	April 1, 2025
0.0062874	3.79 million	June 26, 2025	July 10, 2025

Links/ References:

1. The 2025 Integrated Report (Dividend Policy, Page 71; Notes to Audited Financial Statement: Item 26. Equity, Page 167)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>
2. 2026 Definitive Information Statement (Dividends, Page 75 of the document; Noted to Audited Financial Statements Item 26. Equity, Page 219 of the document)
https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59
 Also in:
<https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf>

Optional: Recommendation 13.1															
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>COMPLIANT</p>	<p>The Bank commissions the stock transfer agency, Stock Transfer Service, Inc., to count the votes at the ASM and this is validated by SGV in the event of disputes.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. 2026 Definitive Information Statement (Item 19. Voting Procedures, Pages 32 to 33 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf 2. 2025 Definitive Information Statement (Item 19. Voting Procedures, Page 27 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf 													
Recommendation 13.2															
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>COMPLIANT</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2024</th> <th style="text-align: center;">2025</th> <th style="text-align: center;">2026</th> </tr> </thead> <tbody> <tr> <td>Date of Annual Meeting</td> <td style="text-align: center;">May 7, 2024</td> <td style="text-align: center;">April 29, 2025</td> <td style="text-align: center;">April 28, 2026</td> </tr> <tr> <td>Preliminary Information Statement</td> <td style="text-align: center;">March 22, 2024</td> <td style="text-align: center;">March 13, 2025</td> <td style="text-align: center;">March 13, 2026</td> </tr> </tbody> </table>			2024	2025	2026	Date of Annual Meeting	May 7, 2024	April 29, 2025	April 28, 2026	Preliminary Information Statement	March 22, 2024	March 13, 2025	March 13, 2026
	2024	2025	2026												
Date of Annual Meeting	May 7, 2024	April 29, 2025	April 28, 2026												
Preliminary Information Statement	March 22, 2024	March 13, 2025	March 13, 2026												

Definitive Information Statement	April 8, 2024	April 2, 2025 April 16, 2025 (amended)	March 31, 2026
Release of Notices to Shareholders	January 30, 2024	January 28, 2025	January 27, 2026

The agenda for the meeting includes ratification of all actions of the Bank for the preceding year.

The agenda is also included in the company's Definitive Information Statement (SEC Form 20-IS).

Links/ References:

1. Company Disclosures Tab for Security Bank Corporation in PSE Edge
https://edge.pse.com.ph/companyDisclosures/form.do?company_id=32
2. 2026 Notice of Annual Stockholders' Meeting
https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b8b45cc187e158f64d70b69f0a3140b
3. 2026 Preliminary Information Statement
https://edge.pse.com.ph/openDiscViewer.do?edge_no=3bd0251c270ce44264d70b69f0a3140b
Also in:
<https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Preliminary-SECB-2026-12Mar26-s.pdf>
4. 2026 Definitive Information Statement
https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b
Also in:

		<p>https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <p>5. 2025 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0ceb595046c4f054ec6e1601ccee8f59</p> <p>6. 2025 Preliminary Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=a7c259a870aee282ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/03/Information-Statement-for-Annual-Stockholders-Meeting-Preliminary-SECB-2025-P.pdf</p> <p>7. 2025 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p>	
Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		<p>1. 2026 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b8b45cc187e158f64d70b69f0a3140b</p> <p>2. 2026 Preliminary Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=3bd0251c270ce44264d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Preliminary-SECB-2026-12Mar26-s.pdf</p>	

		<p>3. 2026 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <p>4. 2025 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0ceb595046c4f054ec6e1601ccee8f59</p> <p>5. 2025 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p> <p>6. Notice of ASM in the Bank's Corporate Website https://www.securitybank.com/asm/</p>	
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	<p>COMPLIANT</p>	<p>Please refer to the following:</p> <p>1. 2026 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b8b45cc187e158f64d70b69f0a3140b</p> <p>2. 2026 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p>	

		<p>3. 2025 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0ceb595046c4f054ec6e1601ccee8f59</p> <p>4. 2025 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p> <p>The Definitive Information Statement, which contains the Board of Directors' profiles, may also be accessed through the Notice of ASM on the Bank's Corporate Website. https://www.securitybank.com/asm/</p>	
<p>b. Auditors seeking appointment/re-appointment</p>	<p>COMPLIANT</p>	<p>The Notice of ASM indicates that the Bank seeks ratification of all acts, resolutions and proceedings adopted and/or implemented by the Board of Directors, Board and Management Committees, officers and agents of the Bank and significant transactions with its DOSRI and other related parties, as well as the appointment of the Bank's External Auditor, since the last annual stockholders' meeting to the present as reflected in the minutes of the Board of Directors will be ratified and approved by the stockholders.</p> <p>This is likewise reflected in the Definitive Information Statement.</p> <p>Link/ Reference:</p> <p>1. 2026 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b8b45cc187e158f64d70b69f0a3140b</p> <p>2. 2026 Definitive Information Statement</p>	

		<p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b</p> <p>Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <ol style="list-style-type: none"> 1. 2025 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0ceb595046c4f054ec6e1601ccee8f59 2. 2025 Definitive Information Statement (Item 7. Independent Public Accountants, Page 24 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 <p>Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p>	
c. Proxy documents	COMPLIANT	<p>The proxy form is available in the following:</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Bank's Corporate Website https://www.securitybank.com/asm/ 2. 2026 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b <p>Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <ol style="list-style-type: none"> 2. 2025 Definitive Information Statement 	

		https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Links/ References: 1. 2026 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0b8b45cc187e158f64d70b69f0a3140b 2. 2025 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=0ceb595046c4f054ec6e1601ccee8f59	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Questions of the shareholder/s are captured in the minutes of the meeting of the ASM, which are posted on the Corporate Website and may also be accessed via PSE Edge. The results of the Annual Meeting on the election of Directors are disclosed immediately to the PSE via EDGE on the same day as the Annual Meeting. The Minutes are posted on the Corporate Website within five business days from the end of the meeting.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	Links/ References: 1. Minutes of the 2026 ASM on the Corporate Website https://www.securitybank.com/wp-content/uploads/2026/05/2026-Minutes-of-the-Annual-Stockholders-Meeting.pdf 2. Results of the 2026 ASM as posted on PSE Edge	

		<p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=e06dca0435d5063764d70b69f0a3140b</p> <p>3. Minutes of the 2025 ASM on the Corporate Website https://www.securitybank.com/wp-content/uploads/2025/05/2025-ASM-Draft-Pack.pdf</p> <p>4. Results of the 2025 ASM as posted on PSE Edge https://edge.pse.com.ph/openDiscViewer.do?edge_no=a684fa4b87ce31b8ec6e1601ccee8f59</p>	
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Supplement to Recommendation 13.3

<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>COMPLIANT</p>	<p>Representatives from SGV, the External Auditor and Stock Transfer Services, Inc., stock transfer agent, were present during the ASM. The Bank's CEO, Head of Investor Relations, Corporate Secretary, Heads of the Control Functions and Business Heads were also present to answer any questions that may be raised by any shareholder during the ASM.</p> <p>Links/ References:</p> <p>1. 2026 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf</p> <p>2. 2025 Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf</p>	
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Recommendation 13.4

<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>COMPLIANT</p>	<p>The Bank has established a venue and system that allows stockholders and stakeholders to communicate their concerns including issues or situations where their rights were violated.</p> <p>Corporation and Stockholders - The Office of the Investor Relations and the Office of the Corporate Secretary attend to stockholders' concerns.</p> <p>Corporation and Third Parties- The authorized officers of the Bank meet with concerned third parties to discuss, resolve conflicts and arrive at a compromise.</p> <p>Corporation and Regulatory Authorities - Compliance Office acts as Liaison to regulatory agencies with primary objectives of identifying and averting potential issues and resolving actual audit exceptions by providing substantive explanation and documentation to avoid monetary and administrative sanctions.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Alternative Dispute Resolution, Pages 111) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>The Bank's Manual of Corporate Governance includes a section on alternative dispute resolution.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Alternative Dispute Resolution System, Pages 111) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p>Under the Manual of Corporation Governance, the Bank's Investor Relations Office is designed to ensure constant engagement with its stockholders. The Investor Relations Office provides an avenue to receive feedback, complaints and queries from shareholders. It also assures their active participation with regard to activities and policies of the Bank. Further, it shall ensure all information regarding the activities of the Bank are properly and timely communicated to shareholders. The Investor Relations Officer shall be present at every shareholders meeting.</p> <p>Contact information of the Investor Relations Office</p> <ol style="list-style-type: none"> 1. Name of IR Head - Mr. ROPI DANGAZO 2. Telephone number - (632) 8888-7221 3. Fax number- 8891-1049 4. E-mail address - InvestorRelationsOffice@securitybank.com.ph <p>Links/ References:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Investor Relations Office, Page 112) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. Bank's Corporate Website (Investor Assistance) https://www.securitybank.com/about-us/investor-relations/shareholder-information/investor-assistance/ 3. The 2025 Integrated Report (Contact Us, Page 235) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
2. IRO is present at every shareholder's meeting.	COMPLIANT	The Investor Relations Officer, Mr. Ropi Dangazo was present in the 2024 and 2025 ASM.	

		<p>Links/ References:</p> <ol style="list-style-type: none"> 2026 Definitive Information Statement (Annex B, Page 280 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2026-30Mar26.pdf 2025 Definitive Information Statement (Annex B, Page 276 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=9ea3a386a54c46f5ec6e1601ccee8f59 Also in: https://www.securitybank.com/wp-content/uploads/2025/04/Information-Statement-for-Annual-Stockholders-Meeting-Definitive-SECB-2025-Amended.pdf 	
Supplemental Recommendations to Principle 13			
<p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p>	<p>COMPLIANT</p>	<p>The Bank's Board has seven (7) independent directors who actively participate in board and board committee meetings. The Bank has a strategic partnership with MUFG which acquired 20% of SBC and ensures effective bank management.</p> <p>Further, the Bank adheres to the rules on voting as provided under the Revised Corporation Code as well as the Manual of Corporate Governance. A stockholder whose subscription is fully paid is entitled to vote either in person or by proxy. Pre-emptive right to all stock issuances of the corporation was waived. Article 7 of the Bank's Articles of Incorporation states that no holder of shares of securities issued by the Corporation shall be entitled to pre-emptive rights with respect to shares issued by the Bank.</p> <p>Link/ Reference:</p>	

		<p>1. The Bank's Manual of Corporate Governance (Stockholders' Rights and Protection of Stockholders' Minority Interests, Page 7; Shareholders' Rights, Page 7) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p>											
<p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p>	<p>COMPLIANT</p>	<p>The Bank's public float are disclosed in PSE Edge through Public Ownership Reports:</p> <table border="1" data-bbox="1008 535 1760 714"> <thead> <tr> <th>Report Date (as of)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>31 March 2025</td> <td>52.10%</td> </tr> <tr> <td>30 June 2025</td> <td>52.10%</td> </tr> <tr> <td>30 September 2025</td> <td>52.10%</td> </tr> <tr> <td>31 December 2025</td> <td>52.10%</td> </tr> </tbody> </table> <p>Link/ Reference:</p> <p>1. Public Ownership Reports as posted on PSE Edge https://edge.pse.com.ph/companyDisclosures/form.do?company_id=32</p> <p>As of 31 March 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=718ffa9e2eda6ab5ec6e1601ccee8f59</p> <p>As of 30 June 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=fb98989bb7442c1dec6e1601ccee8f59</p> <p>As of 30 September 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b6e8f9a10e21eaec6e1601ccee8f59</p> <p>As of 31 December 2025</p>	Report Date (as of)	Percentage	31 March 2025	52.10%	30 June 2025	52.10%	30 September 2025	52.10%	31 December 2025	52.10%	
Report Date (as of)	Percentage												
31 March 2025	52.10%												
30 June 2025	52.10%												
30 September 2025	52.10%												
31 December 2025	52.10%												

https://edge.pse.com.ph/openDiscViewer.do?edge_no=5990e17ea10ce1d964d70b69f0a3140b

Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting

COMPLIANT

Shareholders may engage with the Bank beyond the ASM through the following:

Power of inspection- All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporate Code at reasonable hours on business days. All shareholders shall also be furnished with annual reports, including financial statements, without costs or restrictions.

Right to Information- The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Bank's shares, dealings with the Bank, relationships among directors and key officers, and the aggregate compensation of directors and officers. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes. The minority shareholders shall have access to any and all information relating to matters for which the Management is accountable for and to those relating to matters for which the Management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

One of the channels available to the Bank's shareholder is the Investor Relations Office, designed to ensure constant engagement

		<p>with its stockholders. The Investor Relations Office provides an avenue to receive feedback, complaints and queries from shareholders. It also assures their active participation with regard to activities and policies of the Bank. Further, it shall ensure all information regarding the activities of the Bank are properly and timely communicated to shareholders. The Investor Relations Officer shall be present at every shareholders meeting.</p> <p>Link/ Reference</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Shareholders' Rights, Pages 108 to 110) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>COMPLIANT</p>	<p>The Revised Corporate Code allows a stockholder to vote through remote communication or in absentia. Starting with the 2024 Annual Stockholders' Meeting and until current, voting through remote communication/ in absentia was made available to stockholders through the Lumi Global system.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. Notification and Log-in Page in the Corporate Website https://www.securitybank.com/asm/ 2. Meeting Guidelines for Participants 2026: https://www.securitybank.com/wp-content/uploads/2026/03/Meeting-Guidelines-for-Participants-ASM-2026.pptx 2025: https://www.securitybank.com/wp-content/uploads/2025/03/Meeting-Guidelines-for-Participants-ASM-2025.pdf 	

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>COMPLIANT</p>	<p>Delivering BetterBanking requires a true understanding of our stakeholders' concerns and expectations.</p> <p>The 2025 Integrated Report lists how we engage with our stakeholders in a meaningful manner and across all touchpoints.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Stakeholder engagement and key feedback, Page 20; Materiality Analysis, Page 21, Material topics impact, Pages 25 to 26; Betterbanking in action, Pages 27 to 46; Sustainability Strategy and Performance, Pages 47 to 65) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p>Consistent with the Board's duties and responsibilities to its various stakeholders, the Board has adopted mechanisms and frameworks to aid in fulfilling its duties to its stakeholders.</p> <p>Link/ Reference:</p> <p>Duties to Stakeholders</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Accountability of the Board of Directors, Pages 11 to 12; Specific Duties and Responsibilities of the Board of Directors, Pages 12 to 34; Duties to Stakeholders, Page 113) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
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		<p>2. The 2025 Integrated Report (Customer protection and conduct, Page 60; Consumer Protection Risk, Pages 82 to 83; Data Privacy, Page 77, Data privacy and cybersecurity, Pages 194 to 195; Customer satisfaction, Pages 195 to 196) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p> <p>Disclosures</p> <p>1. Company Disclosures in the Bank's Corporate Website which include AFS, Meeting Minutes, SEC Filings, Notice of Meetings, Other disclosures https://www.securitybank.com/about-us/#disclosures</p> <p>2. Investor Relations Page in the Bank's Corporate Website which includes Shareholder Information, Financial Information, Presentations, Investment Information, IR Calendar and IR Program https://www.securitybank.com/about-us/investor-relations/</p> <p>3. News in the Bank's Corporate Website https://www.securitybank.com/news/</p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>COMPLIANT</p>	<p>The Bank provides channels for stakeholders and employees to raise their concerns with the company.</p> <p>Link/ Reference:</p> <p>Corporate Website:</p> <p>1. Investor Relations https://www.securitybank.com/about-us/investor-relations/</p>	

		<p>https://www.securitybank.com/about-us/investor-relations/shareholder-information/investor-assistance/</p> <p>2. Whistleblower Program and Policy https://www.securitybank.com/what-matters-to-us/</p> <p>3. Help Centre https://help.securitybank.com/?_ga=2.38282987.936439592.1713084190-1470692482.1709101696&_gac=1.241421750.1711423122.EAlalQobChMIm6Ok7_uQhQMVOBiDax1D9wYIEAAYASAAEgK1_P_D_BwE</p> <p>2025 Integrated Report:</p> <p>1. Contact Us, Page 235 https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
Supplement to Recommendation 14.3			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>COMPLIANT</p>	<p>The Bank establishes a venue and system that allows stockholders and stakeholders to communicate their concerns including issues or situations where their rights were violated</p> <p>Corporation and Stockholders - The Office of the Investor Relations and the Office of the Corporate Secretary attend to stockholders' concerns.</p> <p>Corporation and Third Parties- The authorized officers of the Bank meet with concerned third parties to discuss, resolve conflicts and arrive at a compromise.</p> <p>Corporation and Regulatory Authorities - Compliance Office acts as Liaison to regulatory agencies with primary objectives of identifying and averting potential issues and resolving actual audit exceptions</p>	

		<p>by providing substantive explanation and documentation to avoid monetary and administrative sanctions.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Alternative Dispute Resolution, Pages 111 - 112) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 	
Additional Recommendations to Principle 14			
<ol style="list-style-type: none"> 1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation. 	COMPLIANT	<p>The Bank has not requested for any exemption from the Securities and Exchange Commission.</p>	
<ol style="list-style-type: none"> 2. Company respects intellectual property rights. 	COMPLIANT	<p>Please refer to item ix (pages 7 to 8) of Annex B of the Definitive Information Statement (Pages 66 to 67 of the document) for the list of Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements Held.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. 2026 Definitive Information Statement (Pages 7 to 8 of Annex B; Pages 66 to 67 of the document) https://edge.pse.com.ph/openDiscViewer.do?edge_no=587b92bfddf5b7b964d70b69f0a3140b Also in: https://www.securitybank.com/wp-content/uploads/2026/03/Information-Statement-for- 	

Optional: Principle 14

1. Company discloses its policies and practices that address customers' welfare

COMPLIANT

The Board of Directors of Security Bank adopted a Consumer Protection Risk Management Framework (the Framework) in accordance with the BSP policy to provide for an enabling environment that protects the interest of financial consumers and institutionalizes the responsibilities of all stakeholders.

The Framework adheres to the five consumer protection standards that must be observed at all times:

1. Disclosure and Transparency – Security Bank ensures that financial consumers are provided with all material details of an instrument or services they are availing prior to entering into agreements or over the course of their relationships.

2. Fair Treatment – Security Bank details behavioral expectations and standards of professional conduct for all its directors, officers and employees, as well as its third-party providers. Terms and conditions are reviewed to ensure that these are fair to both the Bank and the customers. The Bank also determines whether the product or service it is offering is suitable for the risk and financial profile of the financial consumer.

3. Privacy and protection of client data – In accordance with bank secrecy laws under Republic Act No. 1405 and Republic Act No. 6426 and its amendments, as well as the Data Privacy Act of 2012 (Republic Act No. 10173), Security Bank has implemented its Data Protection Policy which governs the collection, processing, use, distribution, storage and eventual disposal of customer information. The Bank does not share any customer information without his/her consent. Risk mitigation measures are also in place to protect the confidentiality and integrity of personal data of the Bank's customers.

4. Protection of consumer assets against fraud and misuse – Security Bank has a published Fraud Risk Management Framework that establishes its strategy for the prevention, detection, investigation, handling and recovery from fraudulent attacks against the organization and its customers.

5. Effective Recourse – Security Bank maintains efficient processes for effective and prompt handling of customer complaints in line with its promise of BetterBanking.

The Bank has a Whistleblower Program (Speak Up) that encourages the timely reporting of suspected misconduct, fraud or unethical behavior, while safeguarding individuals who raise concerns in good faith.

Link/ Reference:

1. The Bank's Manual of Corporate Governance (Specific Duties and Responsibilities of the Board of Directors, Pages 28 to 29; Whistleblowing Mechanism, Page 112)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. The 2025 Integrated Report (Customer protection and conduct, Page 60; Consumer Protection Risk, Pages 82 to 83; Code of Conduct, Page 78; Handling Customer Complaints, Page 196, Whistleblower Protection Program, Page 194)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>
3. Whistleblower Program in the Bank's Corporate Website
<https://www.securitybank.com/what-matters-to-us/>

<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>COMPLIANT</p>	<p>The Bank implements a comprehensive policy on outsourcing that is attuned to the practice of good corporate governance. The Bank's Outsourcing Policy, which is also a BSP requirement, covers the following aspects:</p> <ul style="list-style-type: none"> • Assuming responsibility for the performance of the outsourced activity; • Ensuring compliance with all laws and regulations; • Monitoring the performance of the service providers on an on-going basis; • Conducting appropriate risk assessment of outsourcing arrangements/service provider; • Prepare and maintain an updated central record of all outsourcing arrangements; and • Annual reviews of outsourcing arrangements by the bank <p>Additionally, the Bank has a stringent Vendor Selection Policy in place which in summary gauges the:</p> <ul style="list-style-type: none"> • Capability of supplier/ contractor to provide the services or goods. • Track record of the company. • Financial standing and going concern of the company. • Evaluation of conflict of interest, if any. <p>Copies of these policies may be made available upon request.</p>	
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>COMPLIANT</p>	<p>Launched in 2023, the Bank's Employee Value Proposition (EVP)—“YOU matter” is championed by the Bank's Human Capital Management (HCM) Segment, creating a nurturing work environment that equips the Bank's people with tools and education they need to thrive. This core people mandate is anchored around six pillars:</p> <p>Care (health and wellness, assistance programs, occupational health and safety, mental health service);</p>	
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		<p>Enablement (digital learning through LinkedIn Learning, personalized learning pathways through mandatory and competency-based modules); Flexibility (hybrid work arrangements, eased dress code); Listening (employee feedback, learning caravans, town halls); Purpose (Corporate Social Responsibility and sustainability programs); and Rewards and Recognition (annual performance bonus and merit increase, annual promotion cycle, role-based salary structure, and career development progression).</p> <p>Specific descriptions of the initiatives under this proposition are described in the 2025 Integrated Report under “Social Performance; Working smarter and empowering our people” and “Employee relations, development and retention”.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. What Matters to Us – Our Employee Value Proposition https://www.securitybank.com/what-matters-to-us/ 2. The 2025 Integrated Report (Social Performance; Working smarter and empowering our people, Pages 57 to 59; Employee relations, development and retention, Pages 202 to 206) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
Supplement to Recommendation 15.1			
<ol style="list-style-type: none"> 1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. 	COMPLIANT	<p>Besides fixed remuneration, performance-based bonus and regular bonuses, incentives and other benefits, the Nomination and Remuneration Committee determines appropriate remuneration based on specific financial and non-financial metrics to measure performance and set specific provisions for employees with significant influence on the overall risk profile of the corporation.</p>	

Rewards and compensation policy of the Bank beyond short-term financial measures consist of the following:

- Gratuity Benefits- Security Bank Retirement Plan automatically covers officers and employees of the Bank. Membership in the plan continues until the officers/employee retires or is separated for cause.
- Service Tenure Awards – Security Bank is appreciative of the continuous service of its officers and employees. The company recognizes long and faithful service and value of the skill, knowledge and judgment gained through years of experience. Each regular officer/employee will be honored on specified milestones in his/her career. As such, the management aims to recognize length of service by giving service awards to those officers/employees who have demonstrated their continuous employment to the company.
- Financing Plans- it is the policy of the Bank to provide its employees with financial assistance for their housing, emergency and personal needs.

Link/ Reference:

1. The Bank's Manual of Corporate Governance (Remuneration Policy for Directors and Key Officers, Page 54 to 55)
<https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf>
2. The 2025 Integrated Report (Remuneration and Incentives, Page 71; Employee Benefits and Remuneration, Pages 203 to 204)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>The Bank continuously implements programs that support both physical and mental health. Employees have access to licensed psychologists for consultations, themed mental health webinars, and a dedicated Mental Health Officer for guidance. To enhance medical accessibility, in-house teleconsultation services and online doctor appointment booking complement existing HMO coverage. The Wellness in the Workplace Series promotes preventive care through webinars on heart health, sleep wellness, and nutrition, while digital HMO IDs and online scheduling for Annual Physical Exams (APE) improve healthcare access for employees in a hybrid work environment.</p> <p>The Bank also has a documented health and safety policy that applies to all employees, aligning with the Department of Labor and Employment (DOLE) Workplace regulations and industry best practices. A formal joint management-worker Health and Safety Committee meets monthly to assess workplace risks, oversee hazard identification, and recommend corrective measures. Hazard identification, Risk Assessment and Control (HIRAC) is used to evaluate risks, with findings reported to the Occupational Safety and Health Committee to continuously improve safety protocols.</p> <p>To support employee health, the Bank provides free and subsidized medicines and vaccinations, compliance with various health guidelines, and access to teleconsultation services and wellness webinars. Additional initiatives include a Mother-Baby Friendly Workplace program, with onsite lactation rooms and breastfeeding kits. Voluntary health programs are also offered for musculoskeletal disorders, influenza, COVID-19, tuberculosis and mental health issues. Employees receive digital updates via email. Sharepoint and workplace advisories, ensuring they stay informed about health, safety and risk management measures.</p> <p>For 2025, there were nil numbers for:</p> <ul style="list-style-type: none"> • Lost time accidents 	
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		<ul style="list-style-type: none"> • Recordable cases of work-related ill-health and fatalities resulting therefrom • Work-related injuries and fatalities resulting therefrom <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Sector-specific sustainability focus areas: Health and safety, Page 52; Employee relations, development and retention, Pages 202 to 205; Health, Wellness, and Safety, Page 205) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<p>Learning and development are anchored on building internal capability, reducing dependency on external vendors, and delivering measurable business outcomes. SBC Academy transitioned to a scalable, in-house learning ecosystem—improving speed to delivery, consistency, and alignment with business priorities.</p> <p>Key learning platforms include:</p> <ul style="list-style-type: none"> • SBC Sales University, addressing critical sales capability gaps • Execution Excellence University, embedding Agile, Lean, and Human-Centered Design • BOOST Program, focused on problem-solving, strategic thinking, and action learning • Heart of BetterBanking, translating CARE values into consistent customer-centric behaviors <p>Digital learning transformation shifted training from classroom-based delivery to LinkedIn Learning and e-learning automation.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Training and Development, Pages 204 to 205) 	

		https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>The Bank has zero tolerance for corruption across its operations. As such, bribery is strictly prohibited in any form – direct or indirect – whether involving public officials, private entities or their associates.</p> <p>Consistent with the Bank's Code of Conduct, conflict of interest, and the principle of arm's length terms, the ABC Policy is instituted to emphasize and strengthen the ethical culture and integrity of Security Bank Group's directors, officers, and employees. The Policy defines the proper guidelines and controls on how to prevent bribery and corruption within the organization, including its subsidiaries and affiliates. The Bank and its subsidiaries are committed to the highest level of ethical behavior and adopt a Zero Tolerance approach on bribery and corruption. The Group does not tolerate any acts of bribery and corruption including engagement in facilitation payments and acceptance of kickbacks. Sections stating clear provisions on acceptance of gifts and business hospitality including escalations are put in place to document and monitor exposure. Relevant training and risk assessments are conducted throughout the Group as part of the Bribery and Corruption Prevention Program</p> <p>Links/ References;</p> <ol style="list-style-type: none"> 1. The Bank's Manual of Corporate Governance (Governance Policy on Financial Crime, Fraud, Bribery and Corruption, Pages 113 to 114) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 2. The 2025 Integrated Report (Anti Bribery and Corruption, Page 77; Ethical operations and good governance, Page 193) 	

		https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>The initiating Unit/Group disseminates the new policy and/or procedural guidelines via email to the President, Group Heads, and Segment Heads of all affected units. It is then the responsibility of the Group Head / segment heads/ Department Heads to further cascade the information to their respective subordinates. Relevant training and risk assessments are conducted throughout the Group as part of the Bribery and Corruption prevention program.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Anti Bribery and Corruption, Page 77; Ethical operations and good governance, Page 193) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	

Supplement to Recommendation 15.2

1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Employees found guilty of violating any provision of the Anti-Bribery and Corruption Policy will be penalized according to the Code of Conduct.</p> <p>To the best of our knowledge, there has been no finding of any violation of the Anti-Bribery and Corruption Policy.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Anti Bribery and Corruption, Page 77; Ethical operations and good governance, Page 193) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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Recommendation 15.3

<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>COMPLIANT</p>	<p>The Bank supports a Whistle Blower Program, which serves as a mechanism to prevent and detect incidents of fraud or misconduct and enable fast and coordinated incident responses to protect the Bank from potential financial, regulatory, or reputational risks. It encourages and allows employees and all other stakeholders to report to Speak_up@securitybank.com.ph or through the whistleblowing page in the SBC website, in good faith without fear of discrimination, harassment and/or retaliation because Management ensures anonymity and non-disclosure of information about the whistleblower other than to the investigating body.</p> <p>Disclosures are directed to the authorized personnel of Human Capital Management (HCM) for assessment and to initiate due process, as warranted. A thorough investigation shall be conducted to establish the validity of any report in consonance with due process as prescribed by the Bank's Code of Conduct.</p> <p>The Bank prohibits discrimination, harassment and/or retaliation against any employee who reports suspected employee offenses or irregularities. Management shall ensure that the whistleblower's safety and wellbeing is adequately protected up to the maximum extent allowed by the SBC Code of Conduct such as, but not limited to:</p> <ul style="list-style-type: none"> • Anonymity and non-disclosure of information about the whistleblower to parties other than the investigating body. Protection of the whistleblower's identify shall at all times be ensured unless he/she personally discloses his/her identity, in which case, the obligation of the Management to keep the whistleblower's identity shall no longer be applied. • Transfer to another unit in case of harassment / retaliation from the concerned parties, co-workers and in certain cases from 3rd parties connected to the parties involved. <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Whistleblower Program in the Bank's Corporate Website https://www.securitybank.com/what-matters-to-us/ 	
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		<p>2. The Bank's Manual of Corporate Governance (Whistleblowing Mechanism, Page 112) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf</p> <p>3. The 2025 Integrated Report (Code of Conduct, Page 78; Whistleblower Protection Program, Page 194) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>COMPLIANT</p>	<p>The Whistleblowing Mechanism established in the Bank encourages employees to report in good faith suspected employee offenses or irregularities to their immediate superior for proper disposition. If the immediate superior cannot act on the said offense due to his involvement, the employee may elevate the same to any of the authorities. As reporting party, who may only divulge information that is of his personal knowledge, said employee is prohibited to act on his own by conducting any investigative activity nor participate in any investigative activity other than the one conducted by the duly authorized investigating body. At any rate, due process shall at all times be observed at any stage of the investigation into the acts exposed by the whistleblower.</p> <p>Discrimination, harassment and retaliation against any employee who reports suspected employee offenses or irregularities is prohibited. Management shall ensure that a whistleblower's safety and well-being is adequately protected up to the maximum extent allowed by the SBC Code of Conduct.</p> <p>Links/ References:</p> <p>1. Whistleblower Program in the Bank's Corporate Website https://www.securitybank.com/what-matters-to-us/</p>	

		<ol style="list-style-type: none"> 2. The Bank's Manual of Corporate Governance (Whistleblowing Mechanism, Page 112) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 3. The 2025 Integrated Report (Code of Conduct, Page 78; Whistleblower Protection Program, Page 194) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>	<p>The Bank, through its Investigation Committee, Audit, Compliance and Risk Management Group, reports and endorses to Management for investigation the reported incidents and imposes penalties to the erring employee as needed.</p> <p>Links/ References:</p> <ol style="list-style-type: none"> 1. Whistleblower Program in the Bank's Corporate Website https://www.securitybank.com/what-matters-to-us/ 2. The Bank's Manual of Corporate Governance (Whistleblowing Mechanism, Page 112) https://www.securitybank.com/wp-content/uploads/2026/03/Manual-of-Corporate-Governance-2025.pdf 3. The 2025 Integrated Report (Code of Conduct, Page 78; Whistleblower Protection Program, Page 194) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p>Security Bank integrates sustainability into its strategy, operations, and stakeholder engagement to create long-term value for customers, businesses, communities, and shareholders, in line with its vision of becoming the most customer-centric bank in the Philippines. Our sustainability approach is anchored on three pillars: Enrich lives, empower businesses, and build communities sustainably. These guide how we advance financial well-being, supports business growth, and contributes to resilient communities. Engagement with key stakeholders, including customers, employees, shareholders, businesses, and communities, helps identify the Bank's most relevant environmental, social, and governance (ESG) priorities, which inform business decisions, risk management, and value creation. Guided by these priorities, Security Bank aims to be the best-in-class sustainable bank in the Philippines by fostering a strong sustainability culture, strengthening climate risk management, and expanding sustainable finance. These efforts are supported by the Bank's Environmental and Social Risk Management System (ESRMS), Sustainable Finance Framework, and recognized ESG reporting standards, while contributing to selected United Nations Sustainable Development Goals.</p> <p>Link/ Reference:</p> <p>1. The 2025 Integrated Report (Our Sustainability Framework, Pages 48 to 65) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf</p>	
Optional: Principle 16			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	<p>COMPLIANT</p>	<p>Security Bank integrates sustainability into its strategy, operations, and stakeholder engagement to create long-term value for customers, businesses, communities, and shareholders, in line with its vision of becoming the most customer-centric bank in the Philippines. Our sustainability approach is anchored on three pillars: Enrich lives, empower businesses, and build communities sustainably. These guide</p>	

how we advance financial well-being, support business growth, and contribute to resilient communities. Engagement with key stakeholders, including customers, employees, shareholders, businesses, and communities, helps identify the Bank's most relevant environmental, social, and governance (ESG) priorities, which inform business decisions, risk management, and value creation. Guided by these priorities, Security Bank aims to be the best-in-class sustainable bank in the Philippines by fostering a strong sustainability culture, strengthening climate risk management, and expanding sustainable finance. These efforts are supported by the Bank's Environmental and Social Risk Management System (ESRMS), Sustainable Finance Framework, and recognized ESG reporting standards, while contributing to selected United Nations Sustainable Development Goals.

Security Bank's sustainability agenda is anchored on strong governance and clear accountability. Oversight begins at the Board level and is embedded across strategy, risk management, and execution, ensuring that sustainability considerations are integrated into business decisions, policies, and performance outcomes, consistent with long-term value creation.

Sustainability objectives are embedded into functional key result areas (KRAs) for sustainability-integrated roles, including senior management, and into behavioral KRAs for all employees. Performance against these objectives is linked to compensation, incentives, and recognition, reinforcing accountability for execution.

Link/ Reference:

1. The 2025 Integrated Report (Our Sustainability Framework, Pages 48 to 65; ESG and sustainability data performance index, Pages 192 to 209)
<https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf>

<p>2. Company exerts effort to interact positively with the communities in which it operates.</p>	<p>COMPLIANT</p>	<p>The Bank's Corporate Social Responsibility (CSR) programs aim to strengthen community resilience, inclusive economic participation, and cultural pride in the areas where SBC operate.</p> <p>In 2025, SBC's initiatives reached 44,578 individuals nationwide, exceeding our original target by more than 13 times. Through partnerships, employee engagement, and disciplined program execution, SBC delivered programs that supported livelihoods, advanced inclusion, celebrated culture, and responded to communities in times of crisis.</p> <p>Link/ Reference:</p> <ol style="list-style-type: none"> 1. The 2025 Integrated Report (Building futures through education, Pages 61 to 62; Strengthening communities, Pages 63 to 65) https://www.securitybank.com/wp-content/uploads/2026/04/1-Security-Bank-2025-Integrated-Report-Final.pdf 	
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Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on May 28, 2026.

SIGNATURES



CIRILO P. NOEL
CHAIRMAN OF THE BOARD



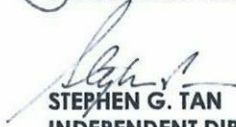
GERARD H. BRIMO
INDEPENDENT DIRECTOR



ESTHER WILEEN S. GO
INDEPENDENT DIRECTOR



JOSE PERPETUO M. LOTILLA
INDEPENDENT DIRECTOR



STEPHEN G. TAN
INDEPENDENT DIRECTOR



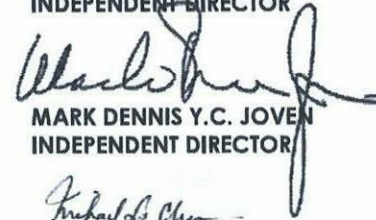
ANNA CHRISTINA M. CHINJEN
CHIEF COMPLIANCE OFFICER



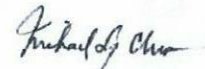
LEE MENG TECK VICTOR
CHIEF EXECUTIVE OFFICER



ENRICO S. CRUZ
INDEPENDENT DIRECTOR



MARK DENNIS Y.C. JOVEN
INDEPENDENT DIRECTOR



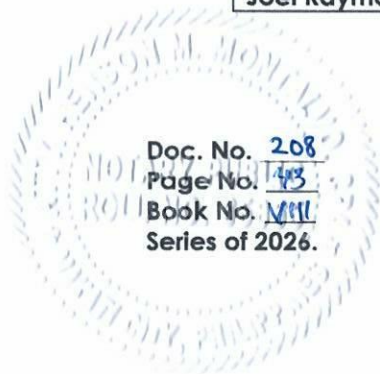
MICHAEL S. CHUA
INDEPENDENT DIRECTOR




JOEL RAYMOND R. AYSON
CORPORATE SECRETARY

Subscribed and sworn to before me this 28th day of May 2026, affiants exhibiting to me their identification details as follows:

Name	Passport No. / ID No.	Date of Issue	Place of Issue
Cirilo P. Noel	Passport No: P5718000A	22 January 2018	DFA NCR South
Lee Meng Teck Victor	Passport No: K4695691N	22 January 2024	Singapore
Gerard H. Brimo	Passport No: P7274048B	27 July 2021	DFA NCR East
Enrico S. Cruz	Passport No: P7341447B	04 August 2021	DFA NCR North
Esther Wileen S. Go	Passport No: P9643372B	18 April 2022	DFA Manila
Jose Perpetuo M. Lotilla	Passport No: P7054808B	28 June 2021	DFA Manila
Stephen G. Tan	Passport No: P1261081C	11 August 2022	DFA Manila
Michael S. Chua	Passport No: P8430763B	10 December 2021	DFA Manila
Mark Dennis Y.C Joven	Passport No: P6942455B	08 June 2021	DFA Manila
Anna Christina M. Chinjen	SSS: 3333987486		Manila
Joel Raymond R. Ayson	Passport No: P1101504B	19 March 2019	DFA Manila




ATTY. HENSON W. MONTALVO, CPA
NOTARY PUBLIC FOR AND IN THE CITY OF MAKATI,
UNTIL DECEMBER 31, 2026
APPOINTMENT No. M-164; ROLL No. 65865
IBP No. 590437; 01/06/2026; PPLM CHAPTER
PTR No. 10766125; 01/05/2026; MAKATI CITY
MCLE Compliance No. VIII-0036850; 05-29-2025; Pasig City
20/F SECURITY BANK CENTRE, 6776 AYALA AVE., MAKATI CITY



Institute of Corporate Directors

presents this

Certificate of Participation

to

Hirofumi Umeno

Security Bank Corporation

for having completed the

Corporate Governance Orientation Program

held on

June 3, 2025 | 8:00 AM - 12:00 PM

June 4, 2025 | 8:00 AM - 12:00 PM

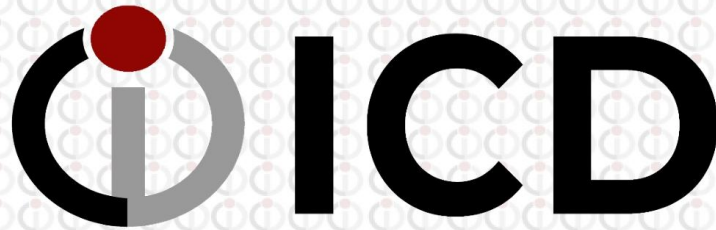
through Zoom Meetings

A handwritten signature in black ink that reads 'Catherine Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



2025-025-048



Institute of Corporate Directors

presents this

Certificate of Participation

to

Masatoshi Komoriya

Security Bank Corporation

for having completed the

**Corporate Governance
Orientation Program**

held on

October 7, 2025 | 8:00 AM - 12:00 PM

October 8, 2025 | 8:00 AM - 12:00 PM

through Zoom Meetings

A handwritten signature in black ink that reads "Jalandoni".

Ms. Catherine Denise Jalandoni
Executive Director



Certificate of Completion

is given to

Masatoshi Komoriya

*For having successfully completed the
Orientation for New Directors*

Completed on June 20, 2025.

A handwritten signature in blue ink, appearing to read "A. Chinjen".

ANNA CHRISTINA M. CHINJEN, SVP
Compliance Group

A handwritten signature in black ink, appearing to read "Cirilo P. Noel".

CIRILO P. NOEL, CHAIRMAN
Office of the Chairman



Institute of Corporate Directors

presents this

Certificate of Participation

to

Diana P. Aguilar

Security Bank Corporation /
Security Bank Capital Investment Corp.

for having completed the

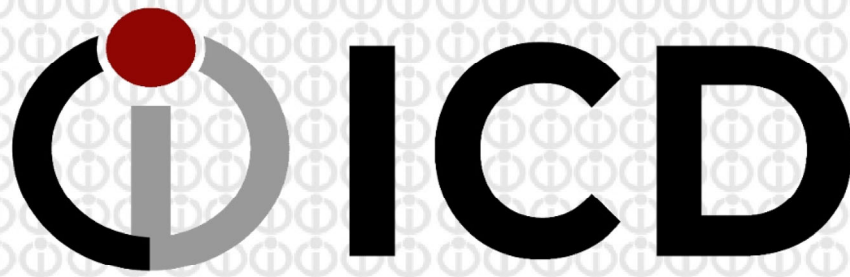
**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

A handwritten signature in black ink that reads 'Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Gerard H. Brimo

Security Bank Corporation

for having completed the

**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:30 PM - 5:30 PM

through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Enrico S. Cruz

Security Bank Corporation/
Security Bank Capital Investment Corp.

for having completed the

Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Daniel S. Dy

Security Bank Corporation/ SB Finance Inc.

for having completed the

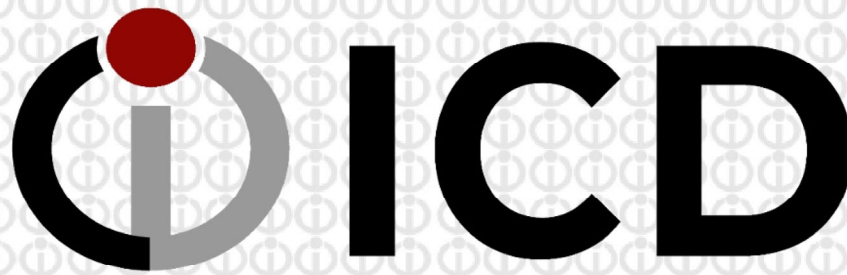
Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Frederick Y. Dy

Security Bank Corporation

for having completed the

Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Esther Wileen S. Go

Security Bank Corporation

for having completed the

**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Denise Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Jikyeong Kang

Security Bank Corporation

for having completed the

Advanced Corporate Governance Training

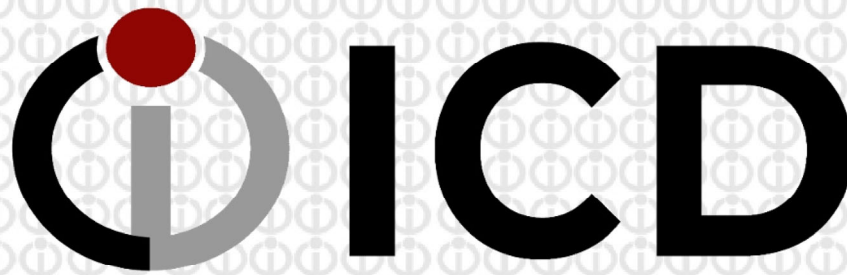
held on

April 29, 2025 | 1:30 PM - 5:30 PM

through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Jose Perpetuo M. Lotilla

Security Bank Corporation

for having completed the

**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:30 PM - 5:30 PM

through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Napoleon L. Nazareno

Security Bank Corporation

for having completed the

**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:50 PM - 5:30 PM

through Microsoft Teams

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Cirilo P. Noel

Security Bank Corporation

for having completed the

Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Denise Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Stephen G. Tan

Security Bank Corporation

for having completed the

**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:30 PM - 5:30 PM

through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Denise Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Maria Cristina A. Tingson

Security Bank Corporation/ SB Rental Corp.

for having completed the

Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Sanjiv Vohra

Security Bank Corporation / SB Finance Inc.

for having completed the

Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

A handwritten signature in black ink that reads 'Catherine Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



Institute of Corporate Directors

presents this

Certificate of Participation

to

Joel Raymond R. Ayson

Security Bank Corporation

for having completed the

Advanced Corporate Governance Training

held on

April 29, 2025 | 1:30 PM - 5:30 PM

through Microsoft Teams

A handwritten signature in black ink that reads 'Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director

ANNEX D

24 February 2026 SBC Board Meeting Guide

REPLY ALL

Tina Regondola

Feb 18, 2026 4:34 PM

To: Frederick Dy, Cirilo Noel, Diana Pardo Aguilar +13 moreCc: Joel Raymond Ayson, Kristine Anne Cadacio

Dear Board of Directors and Advisors,

The 24 February 2026 SBC Board Meeting Agenda is now available in your Nasdaq Boardvantage account.

Available materials are likewise uploaded for your advance review.

Thank you.

Office of the Corporate Secretary

Attachments (1)

24 February 2026 SBC Board Meeting Guide - Main Document.pdf

24 February 2026 SBC Board Meeting Guides

REPLY ALL

Tina Regondola

Feb 20, 2026 9:14 PM

To: Frederick Dy, Cirilo Noel, Diana Pardo Aguilar +13 moreCc: Joel Raymond Ayson, Kristine Anne CadacioBcc: Tina Regondola

Dear Board of Directors and Advisors,

The 24 February 2026 SBC Board Meeting Guides are now available for your review in your Nasdaq Boardvantage account.

- Main Document - contains matters for approval, confirmation, and ratification
- Matters for Notation - contain matters for reference

Thank you.

Office of the Corporate Secretary

Attachments (2)

24 February 2026 SBC Board Meeting Guide - Main Document.pdf 24 February 2026 SBC Board Meeting Guide - Matters for Notation.pdf

31 March 2026 SBC Board Meeting Guides

REPLY ALL



Tina Regondola

Mar 25, 2026 4:37 PM

To: Frederick Dy, Cirilo Noel, Diana Pardo Aguilar +12 moreCc: Joel Raymond Ayson, Kristine Anne CadacioBcc: Tina Regondola

Dear Board of Directors and Advisors,

Please be informed that the 31 March 2026 SBC Board Meeting Agenda is now available in your Nasdaq Boardvantage account.

Kindly apprise us if you have comments or matters which you wish to formally present before the Board.

Available materials are likewise uploaded for your advance review.

Thank you.

Office of the Corporate Secretary

Attachments (2)

31 March 2026 SBC Board Meeting Guide - Main Document.pdf

31 March 2026 SBC Board Meeting Guide - Matters for Notation.pdf

31 March 2026 SBC Board Meeting Guides

REPLY ALL



Tina Regondola

Mar 27, 2026 11:37 PM

To: Frederick Dy, Cirilo Noel, Diana Pardo Aguilar +12 moreCc: Joel Raymond Ayson, Kristine Anne CadacioBcc: Tina Regondola

Dear Board of Directors and Advisors,

The 31 March 2026 SBC Board Meeting Guides are now available for your review in your Nasdaq Boardvantage account.

- Main Document - contains matters for approval, confirmation, and ratification
- Matters for Notation - contain matters for reference

Thank you.

Office of the Corporate Secretary

Attachments (2)

31 March 2026 SBC Board Meeting Guide - Main Document.pdf

31 March 2026 SBC Board Meeting Guide - Matters for Notation.pdf

28 April 2026 SBC Board and Organizational Board Meeting Guides

REPLY ALL    

Tina Regondola

Apr 22, 2026 4:41 PM

To: Frederick Dy, Cirilo Noel, Diana Pardo Aguilar [+12 more](#)Cc: Joel Raymond Ayson, Kristine Anne CadacioBcc: Tina Regondola

Dear Board of Directors and Advisors,

Please be informed that the 28 April 2026 SBC Board and Organizational Board Meeting Agenda is now available in your Nasdaq Boardvantage account.

Kindly apprise us if you have comments or matters which you wish to formally present before the Board.

Available materials are likewise uploaded for your advance review.

Thank you.

Office of the Corporate Secretary

Attachments (2)

 [28 April 2026 SBC Board Meeting Guide - Main Document.pdf](#)  [28 April 2026 SBC Board Meeting Guide - Matters for Notation.pdf](#)

28 April 2026 SBC Board and Organizational Board Meeting Guides

REPLY ALL    

Tina Regondola

Apr 24, 2026 10:18 PM

To: Frederick Dy, Cirilo Noel, Diana Pardo Aguilar [+11 more](#)Cc: Joel Raymond Ayson, Kristine Anne CadacioBcc: Tina Regondola

Dear Board of Directors and Advisors,

The 28 April 2026 SBC Board Meeting Guides are now available for your review in your Nasdaq Boardvantage account.

- Main Document - contains matters for approval, confirmation, and ratification
- Matters for Notation - contain matters for reference

Thank you.

Office of the Corporate Secretary

Attachments (2)

 [28 April 2026 SBC Board Meeting Guide - Main Document.pdf](#)  [28 April 2026 SBC Board Meeting Guide - Matters for Notation.pdf](#)



Institute of Corporate Directors

presents this

Certificate of Participation

to

Anna Christina M. Chinjen

Security Bank Corporation

for having completed the

**Advanced Corporate
Governance Training**

held on

April 29, 2025 | 1:30 PM - 5:30 PM
through Microsoft Teams

A handwritten signature in black ink that reads 'Jalandoni'.

Ms. Catherine Denise Jalandoni
Executive Director



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: January 20, 2026 09:45:36 AM

Company Information

SEC Registration No.: 0000006030

Company Name: SECURITY BANK CORPORATION

Industry Classification: J65000

Company Type: Stock Corporation

Document Information

Document ID: OST10120202683885121

Document Type: MANUAL_ON_CORPORATE_GOVERNANCE

Document Code: MCG

Period Covered: January 20, 2026

Submission Type: Regular

Remarks: None

Acceptance of this document is subject to review of forms and contents



2025 ATTESTATION OF INTERNAL CONTROL AND COMPLIANCE SYSTEM

As part of good corporate governance, Security Bank Corporation has implemented a Governance System that encompasses three critical pillars consisting of (1) a Board of Directors that provides governance and oversight in the implementation of adequate internal control mechanisms, compliance and risk management process; (2) Management that is responsible in designing and implementing an effective internal control system and risk management processes to ensure compliance with laws, rules and regulations; and (3) an internal control system that involves key control functions such as Risk Management, Compliance and Internal Audit.

SGV & Co, the Bank's external auditor, is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards (PFRS) and the overall quality of the financial reporting process.

The Internal Audit Group (IAG) adopts a risk-based audit approach in developing an annual plan and conducts reviews to assess the effectiveness and adequacy of the Bank's internal controls.

The IAG reports functionally to the Board of Directors through the Audit Committee to ensure independence and objectivity in the performance of its functions and responsibilities, and administratively to an Executive Director.

Internal audit activities conform with the Global Internal Audit Standards (GIAS) and are continuously evaluated through an independent Quality Assessment Review conducted every five years.

Based on the reviews undertaken by the Bank's IAG and its external auditors for the year 2025, we attest that Security Bank Corporation's system of internal controls, risk management, compliance and governance processes are designed and operating effectively.

A handwritten signature in black ink, appearing to read "M. Lee", written over a light blue horizontal line.

MENG TECK VICTOR LEE
President & CEO

A handwritten signature in black ink, appearing to read "D. Lavilla", written over a light blue horizontal line.

DAKILA SOCRATES B. LAVILLA
FVP – CHIEF AUDIT EXECUTIVE