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Industry Classification: J65100
Company Type: Stock Corporation

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S.E.C. Registration Number

PHILIPPINE VETERANS BANK

Company's Full Name

6TH FLOOR PVB BLDG 101 V.A. RUFINO ST COR DELA ROSA ST LEGASPI VILLAGE MAKATI CITY

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

Ma. Theresa L. Escobar

Contact Person

0279021600

Company Telephone Number

1	2		3	1
Month			Day	

Fiscal Year

2025 ACGR PC & RI

Form Type

0	5		2	2
Month			Day	

Annual Meeting

Secondary License Type, If Applicable

C G F D

Dept. Requiring this Doc.

Amended Articles Number/Section

398,430

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

sye/jps

SEC FORM-ACGR (FOR PC/RI)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

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

2. SEC Registration Number **0000024681**

3. BIR Tax Identification Number **000-836-616-000**

4. Exact Name of the Issuer as specified in its charter **PHILIPPINE VETERANS BANK**.

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

6. Address of Principal Office **PVB Bldg. 101 VA Rufino cor. Dela Rosa St. Legaspi Village, Makati City**

   Postal Code **1224**

7. Issuer's telephone number, including area code **02 7 902-1600**

8. Former name, former address, and former fiscal year, if changed since last report **N/A**

9. Industry Classification Code (For SEC's use only) ………………………………

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

	RECOMMENDATION	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
THE BOARD'S GOVERNANCE RESPONSIBILITIES				
Principle 1. ESTABLISHING A COMPETENT BOARD				
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 growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.				
Recommendation 1.1				
1	The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	*Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors. 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.*	PVB's Board of Directors is represented by a combination of highly qualified business professionals, former bank presidents and senior officials affiliated with regulatory bodies and international organizations with integrity, decades of experience, and technical expertise in banking and finance. Furthermore, it is composed of individuals with distinct finance, marketing, audit, risk, and legal competencies as well as business leaders with extensive knowledge and experience in different industries. This broad and collective range of expertise provides value in strengthening and upholding good corporate governance practices of the Bank. In determining the appropriate Board composition, Board diversity shall consider professional experience, skills, knowledge, background, moral standing in the community, and other distinctions between Directors. The Bank does not discriminate against gender, age, and ethnic, political, religious, or cultural backgrounds. Annex A -Profile of Directors in the 2025 Annual Report
2	The Board has an appropriate mix of competence and expertise.	COMPLIANT		
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.	COMPLIANT		
Recommendation 1.2				
1	The Board is headed by a competent and qualified Chairperson.	COMPLIANT	*Provide information or reference to a document containing information of the Chairperson, including his/her name, qualifications, and expertise.*	Mr. Emanuel G. Herbosa is the Chairman of Board. He has a proven track record of banking experience. He served in various senior management positions, including President & CEO, of various commercial banks.
Recommendation 1.3				
1	The company provides a policy on training of directors.	COMPLIANT	*Provide link or reference to the company's Board*	The training of directors is stipulated in Section 4.14 of the Corporate Governance Manual.

			Charter and Manual on Corporate Governance relating to its policy on training of directors.	
2	The company has an orientation program for first-time directors.	COMPLIANT	*Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.*	First-time directors undergo an orientation program for at least eight (8) hours. The orientation program ensures that new members are appropriately apprised of their duties and responsibilities before beginning their directorships and throughout their tenure. It covers topics on corporate governance, membership to Board-level committees, introduction to the company's business, Articles of Incorporation, and other topics relevant in carrying out his/her duties and responsibilities as director. The Corporate Secretary shall orient first-time directors. Directors attended a seminar on corporate governance for board of directors. First-time directors submit to the BSP a certification of their compliance/attendance on corporate governance training, except those exempted based on BSP regulation. The annual continuing training program makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Bank. Training can be on any matter relevant to the Bank, which could include seminars on new regulatory issuances, internal controls, risk management, sustainability, strategy, and other topics relevant in carrying out the director's duties and responsibilities. The annual continuing training shall be at least for four (4) hours. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf https://www.veteransbank.com.ph/corporate-governance
3	The company has relevant annual continuing training for all directors.	COMPLIANT		
Recommendation 1.4				
1	The Board has a policy on board diversity.	COMPLIANT	*Provide information or link/reference to a document containing the company's board diversity policy.* *Indicate gender, age and competence composition of the board.*	As stipulated in the PVB Corporate Governance Manual, in determining the appropriate Board composition, Board diversity shall consider professional experience, skills, knowledge, background, moral standing in the community and other distinctions between Directors. The Bank does not discriminate against gender, age, and ethnic, political, religious, or cultural backgrounds. In 2025, the Bank's board consists of 13 male directors and 1 female director. Age range is from 43 – 85 years old. The Profiles of each member of the Board are provided in the Bank's Annual Report. Coming from diverse backgrounds and with their own areas of expertise, discussions in the Committees and in the Board are always dynamic and enriching.
Recommendation 1.5				
1	The Board is assisted by a Corporate Secretary.	COMPLIANT	*Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name,*	The Corporate Secretary of the Bank is Atty. Tephanie M. Gandia. She is a practicing lawyer specializing in corporate and M&A, banking and capital markets and is a Partner of SERRANO LAW. She was named Asia Future Leader by the International Financial Law Review (IFLR), recognized as a Rising Star Partner by IFLR 1000, and among the first to be ranked by The Legal 500 as a Rising Star in Corporate and M&A. She is also cited as a Recommended Lawyer in
2	The Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		

3	The Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	*qualifications, duties and functions.*	various practice areas. Atty. Gandia obtained her Juris Doctor degree from the University of the Philippines and graduated cum laude with a degree in BA Political Science from the same university. The duties and responsibilities of the Corporate Secretary are stipulated in Section 4.3.6 the Corporate Governance Manual. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
4	The Corporate Secretary attends annual training/s on corporate governance.	COMPLIANT	*Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of training, number of hours and topics covered.*	Atty. Gandia has attended the Corporate Governance training on October 26, 2025. Annex C – Copy of Corporate Governance Training Certificate
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	COMPLIANT	*Provide information or link/reference to a document containing information of the Compliance Officer, including his/her name, position, qualifications, duties and functions.*	The Compliance Officer is Ma. Theresa L. Escobar. She has served the Bank for more than 30 years and had held various positions. Her present rank is First Vice President. The Compliance Officer has adequate stature and authority in the Bank. The duties and responsibilities of the Compliance Officer is stipulated in the Corporate Governance Manual.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3	The Compliance Officer is not a member of the board.	COMPLIANT		
4	The Compliance Officer attends annual training/s on corporate governance.	COMPLIANT	*Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of the training, number of hours and topics covered.*	The Compliance Officer has attended the Corporate Governance training on November 24, 2025. Annex D - Copy of Corporate Governance Training Certificate

Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD				
The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.				
Recommendation 2.1				
1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	*Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings).*	Materials are disseminated ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company.
Recommendation 2.2				
1	The Board oversees the development and approval of the company's business objectives and strategy.	COMPLIANT	*Provide information or link/reference to a document containing information on how the directors performed this function (this can include board resolutions and minutes of meetings).* *Indicate frequency of development of business objectives and strategy.*	The Board reviews monthly the performance of business units in terms of set targets. The 2025 Strategic Plan was approved by the Board of Directors. Annex E – Board Minutes except February 22, 2025 Regular Board Meeting
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
Recommendation 2.3				
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	*Disclose and provide information or link/reference to a document containing*	The Directors serve for a term of one (1) year from the time they are elected during the Bank's Annual Stockholders' Meeting. A Director shall remain in the Board for as long as he/she remains to be fit and proper for the position of a director and regularly attends the Board/Board Committee meetings as set forth in the Bank's Corporate Governance Manual and the rules and regulations of the BSP. The Board elects a new director for the unexpired term of a deceased or resigned director.

2	The Board adopts a policy for the retirement of directors and key officers.	COMPLIANT	*the company's succession planning policies and programs and its implementation.*	The Bank has in place a Retirement Plan and Succession Management Program that applies to officers holding key positions in the Bank. The normal retirement date shall be upon attainment of age 60. Early Retirement, with the approval of the Board of Directors, is the employee's attainment of age 50 and completion of at least 10 years of credited service. Late Retirement, with the approval of the Board of Directors, extends his/her service beyond his/her normal retirement date but not beyond age 65. Such deferred retirement shall be on a case-by-case and yearly extension basis. The Bank has established a formal and structured Succession Management Program that is closely aligned with, and supports, the Bank's Retirement Plan. The Program is designed to ensure leadership continuity and institutional resilience by maintaining a robust, forward-looking succession pipeline for all identified key and critical positions, particularly Senior Officer roles. Under the Program, key/critical roles are formally identified based on their strategic importance, regulatory impact, and operational risk. For each such role, potential successors are identified well in advance of the incumbent's planned retirement through a structured talent assessment process that considers performance history, leadership competencies, technical expertise, relationship management, and readiness levels. Successors may be designated as short-term or medium-term readiness candidates, with clear development timelines. They can also be classified as permanent successor or for temporary appointment (Officer-in-Charge or OIC) while searching for a suitable replacement externally. Identified successors are systematically developed through individualized development plans (IDPs) tailored to address role-specific competency gaps. These plans typically include targeted technical and leadership training, structured mentoring and coaching by the incumbent or other senior leaders, job rotation or stretch assignments, and planned exposure to key decision-making forums, committees, regulatory engagements, and stakeholder interactions relevant to the role. Progress against these development plans is periodically reviewed by senior management to ensure readiness milestones are met. As the retirement of a Senior Officer approaches, transition activities are intensified to enable effective knowledge transfer, including documentation of critical processes, structured handover sessions, and supervised assumption of selected responsibilities by the successor. This ensures that the identified successor is fully prepared to assume the role with minimal disruption to business operations, governance, and regulatory compliance. Through this comprehensive and proactive approach, the Succession Management Program ensures continuity of leadership, preserves institutional knowledge, and mitigates operational and governance risks arising from planned retirements of Senior Officers.
Recommendation 2.4				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT	*Provide information or link/reference to a document containing the company's remuneration policy and its implementation, including the relationship between*	The Bank has a clear policy in setting a remuneration and incentives policy for the Board of Directors and the President of the Bank, which policy is aligned with the long-term interests of the Bank, based on the acceptable banking industry rates, set in accordance with the pertinent provisions of the Revised Corporation Code of the Philippines as may be amended from time to time. The Board of Directors, upon recommendation and endorsement of the Remuneration
2	The Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		

3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	*remuneration and performance.*	Committee, approve this remuneration and other incentives policy. The directors do not participate in the determination of their own per diems or compensation. The Human Resources Committee, as endorsed by the President evaluates and recommends the appointment and compensation package of Senior Management to the Board.
Recommendation 2.5				
1	The Board has a formal and transparent board nomination and election policy.	COMPLIANT	*Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the candidates are shortlisted and how it encourages nominations from shareholders.* *Provide proof if minority shareholders have a right to nominate candidates to the board.* *Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.*	In accordance with the Bank's Amended By-Laws, nominations for directors must be submitted to the Secretary at least thirty (30) days before the annual stockholders' meeting of the Bank. The Corporate Governance and Compliance Oversight Committee, acting as a Nomination Committee as provided for under the Bank's Corporate Governance Manual, pre-screens the nominees based on their qualifications as provided in the Bank's Amended By-Laws, Corporate Governance Manual, and pertinent regulations of the BSP and the SEC (SRC Rule 38), which are then submitted to the Board to for confirmation to determine the final list of candidates. The Bank's Corporate Governance Manual also provides that nominees whose names appear on the final list of candidates shall be eligible for election. No other nominations shall be entertained after the final list of candidates shall have been prepared; and no further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. The Directors shall be elected by the stockholders entitled to vote during the annual meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	COMPLIANT		
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	COMPLIANT		
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	COMPLIANT		The assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director is included the self-assessment of the members of the Corporate Governance & Compliance Oversight Committee.
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	COMPLIANT		The Bank follows the requirement of the Bank's Charter and BSP & SEC regulations.
Recommendation 2.6				
1	The Board has overall responsibility in ensuring that there are a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	*Provide information or reference to a document containing the company's policy on related party transaction, including policy on review and*	The Bank has in place a board approved Related Party Transactions Policy (RPT) that includes identification of Related Parties of the Bank, vetting or review of transactions and reporting process. RPTs are generally allowed provided, that these are done using Arm's Length Principle (ALP). RPTs of the Bank consist of credit and non-credit transactions.

2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	*approval of significant RPTs.* *Identify transactions that were approved pursuant to the policy.*	n 2025, material RPTs are transactions with the Bank's subsidiaries regarding insurance payments, project management fees and sale of ROPA. Transactions with other related parties are advisory service payments, financial assistance to Board of Trustees of World War II veterans (BOTVWWII) and foreign exchange. Trust transactions such as investment management account, employee benefit trust and trust investment/placement.
Recommendation 2.7				
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	*Provide information or reference to a document containing the Board's policy on approving the selection of management.* *Identify the Management team appointed.*	The approval process in the selection of Management and heads of control functions is stipulated in the Recruitment Policy of the Bank. The Management Team is composed of the President, Chief Finance Officer, Lending Sector Head, Branch Banking Sector Head and Digital & Information Technology Sector Head
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	*Provide information or reference to a document containing the Board's policy on assessing the performance of management.* *Provide information on the assessment process and indicate frequency of assessment of performance.*	The heads of control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive) are being assessed by their respective Board Oversight Committee Chairperson. President's performance is assessed by the Board of Directors.
Recommendation 2.8				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT	*Provide information or link/reference to a document containing the Board's performance evaluation framework for management and personnel.*	The Bank has in place a board approved Performance Management Policy that outlined the criteria set forth in evaluating employee's performance as well as the approval process.
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par	COMPLIANT		

	with the standards set by the Board and Senior Management.			
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	COMPLIANT	*Provide information or link/reference to a document showing the Board's responsibility in ensuring that an appropriate internal control system is in place, and what comprises the internal control system.*	As provided under Sec. 4.7.4 of the Corporate Governance Manual on Audit Committee (Board-level Committee) shall monitor and evaluate the adequacy and effectiveness of the bank's internal control system. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	COMPLIANT		
3	The Board adopts an Internal Audit Charter.	COMPLIANT	*Provide reference or link to the company's Internal Audit Charter.*	The Bank has a board approved Internal Audit Charter.
Recommendation 2.10				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	*Provide information or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.* *Provide proof of effectiveness of risk management strategies, if any.*	As provided under Sec. 4.7.12 of the Corporate Governance Manual on Risk Management Oversight Committee (Board-level Committee), shall assist the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It shall advise the Board of the state of the Bank's risk profile and provide insights and propose the formulation of enhancement of programs, policies, directions and courses of action needed to address and manage the Bank's risk exposures. The effectiveness of risk management strategies can be seen in various risk management tools/documents.
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		
Recommendation 2.11				
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	*Provide link to the company's website where the Board Charter is disclosed*	**The Bank's Board Charter is disclosed in the Veterans Bank website.** Link: https://www.veteransbank.com.ph/corporate-governance

2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	COMPLIANT	*and/or other proof that it is publicly available.*	
3	The Board Charter is publicly available.	COMPLIANT		
Principle 3. ESTABLISHING BOARD COMMITTEES				
The 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, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.				
Recommendation 3.1				
1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	*Provide information or link/reference to a document containing information of all board committees established by the company.*	Section 4.7 of the Bank's Corporate Governance Manual enumerates the different Board Committees of the Bank and its functions. All Committees have the Charter the purpose, membership, duties and responsibilities, conduct of meeting and other relevant guidelines.
Recommendation 3.2				
1	The 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.	COMPLIANT	*Provide information or link/reference to a document containing information of the Audit Committee, including its functions.* *Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.*	Section 4.7.4 of the Corporate Governance Manual contains the information of the Audit Committee, its function, membership and appointment of an internal and external auditors. The statement that the chairperson of the audit committee is the chairperson of the board of directors or of any other board-level committees is stipulated in the same section of the manual. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf The membership of the Audit Committee, qualifications and type of directorship are attached in our submission. Annex F – Secretary Certificate on the Board Committee Membership
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	COMPLIANT	*Provide information or link/reference to a document containing information of the members of the Audit Committee, including their qualifications and type of directorship.*	

3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	*Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.*	
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	COMPLIANT	*Provide information or link/reference to a document containing information of the Chairperson of the Audit Committee.*	
Recommendation 3.3				
1	The 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 assigned to a Nomination and Remuneration Committee.	COMPLIANT	*Provide information or reference to a document containing information of the Corporate Governance Committee, including its functions.* *Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.*	Section 4.7.5 of the Corporate Governance Manual contains the functions, membership and Resource Persons. The CGCOC Charter specifically outlined the duties and responsibilities of the Committee, including nomination of Board of Directors. The membership of CGCOC, qualifications and type of directorship are attached in our submission. Annex G - Secretary Certificate on the Board Committee Membership
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	COMPLIANT	*Provide information or link/reference to a document containing information of the members of the Corporate Governance Committee, including their qualifications and type of directorship.*	
Recommendation 3.4				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's	COMPLIANT	*Provide information or link/reference to a document containing information of the Board Risk Oversight*	Section 4.7.5 of the Corporate Governance Manual contains the functions, and membership. The RMOC Charter specifically outlined the duties and responsibilities of the Committee.

	Enterprise Risk Management system to ensure its functionality and effectiveness.		*Committee (BROC), including its functions*	
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	COMPLIANT	*Provide information or link/reference to a document containing information of the members of the BROC, including their qualifications and type of directorship.*	Annex G – 2025 Annual Report on Board & Board Committee Composition
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	*Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.*	Annex H - Board of Directors Profile in the PVB 2025 Annual Report
Recommendation 3.5				
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	*Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.*	Section 4.7 of the Corporate Governance Manual contains all the information required regarding Board Committees. Section 4.13 of the Corporate Governance Manual provides the monitoring and assessment of the committees. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	COMPLIANT		
Principle 4. FOSTERING COMMITMENT				
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/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	*Provide information or link/reference to a document containing the process and procedure for tele/videoconferencing board and/or committee meetings.*	Section 4.6.3 of the Corporate Governance Manual provides provisions for the conduct of virtual meetings. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
2	The Directors review meeting materials for all Board and Committee meetings.	COMPLIANT	*Provide information or link/reference to a document containing the attendance and participation of directors to Board, Committee and shareholders' meetings.*	Annex K - 2025 Annual Report on the Board & Board Committee Composition & Attendance
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	*Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors*	Annex L - Refer to sample Minutes of the Board meeting where the Directors raised questions or sought clarification/explanation during the Board meeting.
Recommendation 4.2				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	COMPLIANT	*Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.* *Provide information or reference to a document containing information on the directorships of the company's directors in listed companies, registered issuers and public companies.*	Section 4.5.3 a5 Limit Interlocking Directorship provides the provisions for the said limit. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf Annex L – 2025 Annual Report Board of Director's Profile
Recommendation 4.3				
1	The Directors notify the company's board before accepting a directorship in another company.	COMPLIANT	*Provide copy of/reference to the written notification to the board or minutes of*	Section Section 4.5.3 a6 of the Corporate Governance Manual provides the provisions for documenting Interlocking Directorship.

			board meeting wherein the matter was discussed.	Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
Principle 5. REINFORCING BOARD INDEPENDENCE				
The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.				
Recommendation 5.1				
1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	*Identify or provide link/reference to a document identifying the directors, the type of their directorships and their qualifications.*	Annex N - Board Composition of the 2025 Annual Report
Recommendation 5.2				
1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	COMPLIANT	*Provide information or link/reference to a document containing the number of independent directors in the board.*	Annex O - Secretary Certificate on the 2025 Organizational meeting.
Recommendation 5.3				
1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	COMPLIANT	*Provide information or link/reference to a document containing the qualifications of independent directors.*	Section 4.3.2 of the Corporate Governance Manual provides the qualifications of the independent directors. All Independent Directors executed a certification that they continue to possess all the qualifications and none of the disqualifications. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
Recommendation 5.4				
1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	*Provide information or link/reference to a document containing the company's policy on term limits for its independent director.*	Section 4.3.2 b of the Corporate Governance Manual provides the term limit for Independent Director Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks	COMPLIANT	*Provide reference to the meritorious justification and proof of shareholders'/members' approval during the*	The Bank's policy does not allow an Independent Director to serve in the same capacity after nine years reckoned from 2012. None of the Independent Directors of the Bank has served for more than nine years.

	shareholders'/members' approval during the annual regular meeting.		*annual regular meeting.*	
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	COMPLIANT	*Identify the company's Chairperson of the Board and Chief Executive Officer (or its equivalent).*	The Bank's Chairperson of the Board is Mr. Emmanuel G. Herbosa The Bank's President is Mr. Eulogio V. Catabran III
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	COMPLIANT	*Provide information or link/reference to a document containing the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer (or its equivalent).* *Identify the relationship of the Chairperson and CEO.*	Section 43.4 of the Corporate Governance Manual provides the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
Recommendation 5.6				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	COMPLIANT	*Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairperson is an independent director.*	Dir. Jose A. Nunez Jr. is the Bank's Lead Independent Director for the year 2025, and since been replaced by Dir. Cesar A. Rubio last 18 June 2026 Annex P – Secretary Certificate on the Appointment of Lead ID
Recommendation 5.7				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking	COMPLIANT	*Provide proof of full disclosure and abstention, if any, of the interested director/trustee.*	Annex Q - Please see sample Board minutes involving abstentions

	part in the deliberations for the same, and recuse from voting on the approval of transaction.			
Recommendation 5.8				
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 directors present.	COMPLIANT	*Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.*	The Oversight Officers (CRO, CCO, CAE) together with three (3) of the Independent Directors to discuss the combined assurance of the 3 oversight units. The said meeting was also attended by a third-party service provided who will conduct a review of the said oversight processes.
2	The meetings are chaired by the lead independent director, if applicable.	COMPLIANT		
Principle 6. ASSESSING BOARD PERFORMANCE				
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				
1	The Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	*Provide proof of self-assessments conducted by the whole board, the individual members, the Chairperson and the Committees.*	The results of the self-assessment of the 2025 performance of the Board, the individual members, the Chairman and the Committees are hereto attached as Annex R
2	The Chairperson conducts an annual self-assessment of his performance.	COMPLIANT		
3	The individual members conduct a self-assessment of their performance.	COMPLIANT		
4	Each committee conducts a self-assessment of its performance.	COMPLIANT		
Recommendation 6.2				
1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	COMPLIANT	*Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and*	Section 4.13 and 4.10.6 of the Corporate Governance Manual provides for the evaluation of the performance of the board, individual directors and committees, including a feedback mechanism from various stakeholders.
2	The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT		

			committees, including a feedback mechanism from shareholders/members.	
Principle 7. STRENGTHENING BOARD ETHICS				
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
Recommendation 7.1				
1	The 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 board members.	COMPLIANT	*Provide information or link/reference to the company's Code of Business Conduct and Ethics.*	Section 4.12 Code of Ethics of the Corporate Governance Manual aim to instill a commitment and dedication to the virtues of honesty and integrity, together with a high sense of prudence, responsibility and efficiency in the conduct of duties. It is imperative that Directors, officers and employees live by the values that the Bank stands for and reflect these values in their behaviors. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
2	The Code is properly disseminated to the members of Board.	COMPLIANT	*Provide information or discuss how the company disseminated the Code to the members of the Board.*	The Bank's Code of Ethics is posted and can be accessed by all PVB employees in the Veterans Bank Intranet portal. In the New employee orientation/program, the Bank's Code of Conduct is one of the topics being discussed. New directors are apprised of the code of conduct of the Bank
3	The Code is disclosed and made available to the public through the company website.	Non-COMPLIANT	*Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.*	The Bank's Code of Ethics is posted in the Veterans Bank Intranet portal. It will be posted in the Bank's website.
Recommendation 7.2				
1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	*Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics.* *Indicate who are required to comply with the Code of Business Conduct and Ethics and*	To ensure compliance with the Code of Conduct, all new employees undergo the Employee Orientation/ Program of the Bank wherein it is one of the topics being discussed. The Bank's Code of Conduct is posted in the Veterans Bank Intranet Portal. The Administrative Investigation Committee (AIC) and Board Administrative Investigation Committee (BAIC) was created to act as an independent body in the evaluation and review of cases involving violation of the Code of conduct of the Bank. The Committee also ensures that the appropriate preventive, corrective and disciplinary measures are imposed on cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an employee. Annex R – Agenda/Topics Outline of Orientation Program for New Employees

			any findings on non-compliance.	
DISCLOSURE AND TRANSPARENCY				
Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES				
The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.				
Recommendation 8.1				
1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	*Provide information or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders/members and other stockholders.*	Under the Bank's Corporate Governance Manual, all material information about the Bank that could potentially affect share price, its viability or the interest of its stockholders and other stakeholders, shall be publicly and timely disclosed. Such information shall include corporate strategy, earnings results, material acquisition or disposal of assets, off balance sheet transactions, Board changes, material related party transactions, shareholdings of directors, changes to ownership and direct and indirect remuneration of members of the Board and Senior Management. Among the reports distributed and made available to shareholders are the Definitive Information Statement, including the Annual Report and Financial Report, providing a fair and complete picture of the Bank's financial condition, results and business operations, material information dealings for the interest of the stakeholders, and relevant and material information on individual board members and key executives in accordance with the Bank's Corporate Governance Manual.
Recommendation 8.2				
1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	Non-COMPLIANT	*Provide information or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's shares.* *Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.*	The Bank commits to include this recommendation in the Corporate Governance Manual. At present and in previous submissions, the Bank only has a policy on Conflict Interest Disclosure and material related party transactions.
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	Non - COMPLIANT		
Recommendation 8.3				

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	*Provide link to the company's website where the Manual on Corporate Governance is posted.*	Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
2	The company's MCG is submitted to the SEC.	COMPLIANT		
3	The company's MCG is posted on the company website.	COMPLIANT		
Recommendation 8.4				
1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	COMPLIANT	*Provide link to the company's website where the Annual Corporate Governance Report is posted.*	2021 PVB ACGR 3_Redacted (1)(1).pdf 2022 PVB ACGR 3_Redacted (1).pdf PVB 2023 ACG Report 1_Redacted (1).pdf PVB 2024 ACG Report 1_Redacted (1).pdf
2	The company's ACGR is submitted to the SEC.	COMPLIANT		
3	The company's ACGR is posted on the company website.	COMPLIANT		
Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY				
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.				
Recommendation 9.1				
1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	COMPLIANT	*Provide information or link/reference to a document containing the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.*	The Audit Committee Charter oversee the external audit functions specifically review and approved the appointment, fees and replacement of external auditor; review and approved the engagement contract and ensure that the scope of audit covers areas prescribed by the BSP and other regulators.
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	COMPLIANT	*Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.*	The percentage of shareholders that ratified the appointment, reappointment, removal, and fees of the external auditor is more than 2/3 of outstanding shares of the capital stock of the Bank.

3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	COMPLIANT	*Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.*	The Bank's external auditor is Punongbayan & Araullo
Recommendation 9.2				
1	The Audit Committee Charter includes the Audit Committee's responsibility on: 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 effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	*Provide link/reference to the company's Audit Committee Charter.*	Attached Audit Committee Charter
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		
Recommendation 9.3				
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	COMPLIANT	*Disclose the nature of non-audit services performed by the external auditor, if any.*	In 2025, the Bank did not engage the external auditor for non-audit services.
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which	COMPLIANT	*Provide link or reference to guidelines or policies on non-audit services.*	Section 4.14 Reportorial Requirements and Disclosure of the Corporate Governance Manual on the disclosure in the Annual Report the nature of non-audit related services performed by external auditors.

	could be viewed as impairing the external auditor's objectivity.			
Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING				
The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.				
Recommendation 10.1				
1	The Board has a clear and focused strategy on the disclosure of non-financial information.	COMPLIANT	*Disclose or provide link to the company's policies and practices on the disclosure of non-financial information, including EESG issues.*	As stated in our 2025 Annual Report under Key Governance Policies and Initiatives – Focus on Financial Stability, the material and reportable non-financial and sustainability issues are included in the disclosures to all shareholders/ members and other stakeholders as part of the Bank's strategic (long-term goals) and operational objectives (short-term goals). The management of environmental, economic, social and governance (EESG) issues of the Bank's business, which underpin sustainability, are given importance and emphasis, as can be shown in the numerous policies approved by the Board.
2	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	COMPLIANT	*Provide link or reference to the company's disclosure of strategic and operational objectives, with emphasis on EESG matters.*	2025 Annual Report on Sustainability Disclosures
Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION				
The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.				
Recommendation 11.1				
1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	COMPLIANT	*Provide link to the company's website.*	www.veteransbank.com.ph
INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS				
Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS				

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 system.				
Recommendation 12.1				
1	The company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	*List quality service programs for the internal audit functions.* *Indicate frequency of review of the internal control system.*	Internal Audit conducts Quality Assurance & Improvement Program – periodic assessment which is an annual activity covering all engagements of internal audit within the year. On engagement level, internal audit conducts quality evaluation standards and peer review of the working papers. Every 5 years, there is an external quality assessment review of Internal Audit. Every engagement, internal audit reviews the internal control as part of the audit program guide. All engagements are part of the annual internal audit plan. As stated in Section 4.7.4 of the Corporate Governance Manual, the Audit Committee monitors and evaluates the adequacy and effectiveness of the Bank's internal controls.
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	*Identify international framework used for Enterprise Risk Management.* *Provide information or reference to a document containing information on:* *1. Company's risk management procedures and processes.* *2. Key risks the company is currently facing.* *3. How the company manages the key risks.* *Indicate frequency of review of the enterprise risk management framework.*	The Bank's Enterprise Risk Management Framework is included in our submission. The framework is reviewed annually or as needed. 2025 Annual Report Risk and Capital Management
Recommendation 12.2				

1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	*Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm hired.*	Internal Audit is in-house
CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS				
Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS				
The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.				
Recommendation 13.1				
1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	COMPLIAN T	*Provide link or reference to the company's Manual on Corporate Governance where shareholders'/members' rights are disclosed.*	Section 4.10 of the Corporate Governance Manual stipulates the shareholder rights and protection. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
Recommendation 13.2				
1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	COMPLIANT	*Indicate the number of days before the annual or special stockholders'/members' meeting when the notice and agenda were sent out.* *Provide link to the agenda included in the company's Information Statement (SEC Form 20-IS).*	The notice and agenda of the 2025 ASM were sent to all stockholders of record as of 21 May 2025, or thirty (30) days before the 2025 ASM on 20 June 2025. The Notice of the meeting was also published in two (2) newspapers of general circulation on 19 May 2025, or thirty-two (32) days before the 2025 ASM on 20 June 2025. Please see attached Agenda of the 2025 ASM.
Recommendation 13.3				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	COMPLIANT	*Provide information or reference to a document containing all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.*	Please see below the link to the Minutes of the Meeting of ASM – https://www.veteransbank.com.ph/ckfinder/userfiles/files/08_%20Annex%20H%20-%20PVB%20-%202025%20ASM%20Minutes%20(draft%20signed)_Redacted.pdf

2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	COMPLIANT	*Provide link to minutes of meeting in the company website.* *Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.* *Indicate also if the voting on resolutions was by poll.* *Include whether there was opportunity to ask question and the answers given, if any.*	
Recommendation 13.4				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	*Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.* *Provide link/reference to where it is found in the Manual on Corporate Governance.*	Section 4.11.6 of the Corporate Governance Manual provides for alternative dispute resolution.
Recommendation 13.5				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or it's equivalent to ensure constant engagement with its shareholders/members.	COMPLIANT	*Disclose the contact details of the officer/office responsible for investor relations, such as:* *1. Name of the person* *2. Telephone number* *3. Fax number* *4. E-mail address*	The Bank's Office of the Corporate Secretary is in-charge of ensuring constant engagement with the Bank's shareholders/members. Mr. Anthony Calica 7902-1600 local 8622
2	The IRO or CRO or its equivalent is present at every shareholders'/member's meeting.	COMPLIANT	*Indicate if the IRO or CRO or its equivalent was present during the ASM.*	The Officers and Staff of Office of the Corporate Secretary are present at every shareholder's/member's meeting
DUTIES TO STAKEHOLDERS				

Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS				
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				
1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	*Identify the company's stakeholders and provide information or reference to a document containing the company's policies and programs for its stakeholders.*	Section 4.10 of the Corporate Governance Manual lay down the shareholder rights and protection. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
Recommendation 14.2				
1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	COMPLIANT	*Identify policies and programs for the protection, fair treatment and enforcement of the rights of the company's stakeholders.*	Section 4.10 of the Corporate Governance Manual lay down the shareholder rights and protection. Link: https://www.veteransbank.com.ph/ckfinder/userfiles/files/PVB%20CG%20Manual%20Revised%202_10_24%20(1)(1).pdf
Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION				
A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.				
Recommendation 15.1				
1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	*Provide information or link/reference to company policies, programs and procedures that encourage employee participation.*	Section 4.11.5 of the Corporate Governance Manual ensure the establishment of policies, programs and procedures that encourage employees to actively participate in the Bank's projects and activities towards the realization of the Bank's goals and objectives.
Recommendation 15.2				
1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	COMPLIANT	*Identify or provide link/reference to the company's policies, programs and practices against corruption.*	The Bank's Integrity Upholding Policy (whistleblowing mechanism) for Directors, officers, and concerned individuals to "blow the whistle" on any potential or perceived wrongdoings, misconduct, or corrupt practices of Directors, employees, customers, suppliers, contractors, vendors, consultants, or other third parties, that come to their attention. The policy includes protection from reprisal for employees to communicate legitimate concerns about illegal, unethical, or questionable RPTs. The policy shall likewise provide guidance on how such concerns should be reported, investigated and addressed. The Bank's Code of conduct includes sanction for violation of anti-graft and corrupt practices.

2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	*Identify how the board disseminated the policy and program to the employees across the organization.*	The Bank's policies and programs are discussed to all new employees in the Employee Orientation Program. As part of the continuing education of the employees, the Bank has developed an e-learning program on the various company policies which include, among others, Anti-Money Laundering Act, Related Party Transactions Policy, Data Privacy, etc. The Company Policies are also disclosed in the Bank's Intranet Portal which can be accessed by everybody.
Recommendation 15.3				
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	*Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.* *Indicate if the framework includes procedures to protect the employees from retaliation.* *Provide contact details to report any illegal or unethical behavior.*	The Bank has an Integrity Upholding Policy (Whistleblowing mechanism). The policy includes protection from reprisal for employees to communicate legitimate concerns about illegal, unethical, or questionable RPTs. The policy shall likewise provide guidance on how such concerns should be reported, investigated and addressed.
2	The 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.	COMPLIANT		
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	*Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.*	
Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY				
The company should be socially responsible in all its dealings with the communities in which 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				

1	The 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.	COMPLIANT	*Provide information or reference to a document containing the company's community involvement and environment-related programs.*	The Bank had a tree planting programs last September 2025 for participating employees of the Bank. We are diligently monitoring our solid waste generation, hauling and disposal.

Pursuant to the requirements of the Securities and Exchange Commission, this Annual Corporate Governance Report for Public Companies is signed on behalf of the registrant by the undersigned.

[redacted]

EMMANUEL G. HERBOSA
Chairman of the Board

[redacted]

EULOGIO V. CATABRAN III
President

[redacted]

MA. THERESA L. ESCOBAR
Compliance Officer

[redacted]

ATTY. TEPHANIE M. GANDIA
Corporate Secretary

ACKNOWLEDGEMENT

Republic of the Philippines)
TAGUIG CITY ~~Makati City~~)S.S

BEFORE ME, a duly notarized Notary Public for and in TAGUIG CITY City on JUN 29 2026, 2024 personally appeared before me, the following who are personally known to me and/or identified through competent evidence of identity and with community tax certificate/s, to wit:

Emmanuel G. Herbosa	Passport No. [redacted], issued at [redacted] valid until [redacted]
Eulogio V. Catabran III	UMID [redacted]
Ma. Theresa L. Escobar	Tax Identification No. [redacted]
Atty. Tephanie M. Gandia	Tax Identification No. [redacted]

[redacted]

MARK STEPHEN C. SY
Appointment No. 234 (2025-2026)
Notary Public for Taguig City
Until December 31, 2026
Attorney's Roll No. 80585
1105 Tower 2, Hight Street South Corporate Plaza
26th Street, Bonifacio Global City, Taguig City
PTR No. A-6769410, 01/05/2026, Taguig City
IBP Receipt No. INV 575194, 12/29/2025, RSM Chapter
MCLE Compliance No. VIII-0040621; valid until April 14, 2028

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Book No. I
Series of 2026

Pursuant to the requirements of the Securities and Exchange Commission, this Annual Corporate Governance Report for Public Companies is signed on behalf of the registrant by the undersigned.

[redacted]
JOSE A. NUNEZ JR.
Independent Director

[redacted]
CESAR A. RUBIO
Independent Director

[redacted]
REYNALDO V. VELASCO
Independent Director

[redacted]
ALFREDO S. PANLILIO
Independent Director

[redacted]
WINSTON CONRAD B. PADOJINOG
Independent Director

ACKNOWLEDGEMENT

Republic of the Philippines)
~~Makati City~~ TAGUIG CITY) S.S

BEFORE ME, a duly notarized Notary Public for and in TAGUIG CITY City on JUN 29 2026, 2024 personally appeared before me, the following who are personally known to me and/or identified through competent evidence of identity and with community tax certificate/s, to wit:

Jose A. Nunez Jr.	Drivers License No. [redacted] valid until [redacted]
Cesar A. Rubio	Senior Citizen No. [redacted]
Reynaldo V. Velasco	Senior Citizen No. [redacted]
Winston Conrad B. Padojinog	National ID No. [redacted]
Alfredo S. Panlilio	Drivers License No. [redacted] valid until [redacted]

[redacted]
MARK STEPHEN C. SY
Appointment No. 234 (2025-2026)
Notary Public for Taguig City
Until December 31, 2026
Attorney's Roll No. 80565
11th Tower 2, [illegible] Street South Corporate Plaza
[illegible] Street, Bonifacio Global City, Taguig City
PTR No. [illegible], 01/05/2026, Taguig City
IBP Receipt No. INV [illegible]; 12/29/2025, RSM Chapter
MCLE Compliance No. VIII-[illegible]; valid until April 14, 2028

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ANNEX A
ANNEX H
ANNEX L

Board of Directors Profile

GERARDO MANUEL LUIS B. ANONAS
Non-Executive Director
68, Filipino

- Appointed Director of Veterans Bank in September 2017
- President, ALLBANK (formerly Optimum Bank), 2015-2017
- Court Appointed Receiver, Davao Rehab Court, 2006-2015
- Executive Vice President, East West Banking Corp., 1998-2006
- Executive Vice President, Philippine Banking Corp., 1994-1998
- Senior Vice President, Urban Bank, 1991-1994
- Masters in International Business, Shiller International University Paris Study Center
- Bachelor of Science in Management, Ateneo de Manila University

MA. JOSEPHINE DIANA K. CALATRAVA
Director
43, Filipino

- Regional Chairperson, Regions 6 and 7 of Tingog Party List
- 10-year experience in both government and public private partnership projects, Bureau of Immigration and GMR Megawide at Mactan Cebu International Airport.
- In the field of commerce and banking, previously connected with Ayala Center Cebu and Bank of the Philppine Islands
- Delegate, Women Leaders Global Forum in Iceland, 2018
- Degree in Professional Secondary Education, Cebu Technological University
- Graduate Studies in Early Childhood Education and Diploma in Special Education (SPED)
- Currently completing Master's in Business Administration Regis Program, Ateneo De Manila University
- Bachelor of Science in Commerce Major in Business Management, Assumption College

ALBERTO B. CARLOS
Director
58, Filipino

- Elected Director of Veterans Bank in April 2025
- Director, Intervest Projects, Inc. (IPI) and Intervest Insurance Agency, Inc.
- Retired from Military Service with the rank of Vice Admiral, PN
- Previously headed the Philippine Fleet of the Philippine Navy
- Former Deputy Chief of Staff for Logistics, Armed forces of the Philippines (AFP)
- Appointed to head the AFP Western Command, January 2022
- Private Pilot Course, Airlink International Aviation School
- Masters in Business Administration, Philippine Christian Graduate School of Business and Management
- Bachelor of Science in Computer Science, United States Naval Academy

RENATO A. CLARAVALL
Non-Executive Director
74, Filipino

- President & CEO, Philippine Veterans Bank (2024)
- President & Acting CEO, Philippine Veterans Bank (January 2023- March 2024)
- President & Chief Operating Officer, Philippine Veterans Bank (2018 2022)
- Director, Philippine Veterans Bank (2015-2018)
- Senior Vice President and Chief Finance Officer (CFO), Benguet Corporation, 2010-2015 (retired)
- Director, various wholly owned companies of Benguet Corporation
- 50 years of experience in banking, both domestic and international
- Bachelor of Arts in Economics, Ateneo De Manila University

JOSE A. NUÑEZ, JR.
Lead Independent Director
73, Filipino

- Former Chairman, Development Bank of the Philippines
- Vice-Chairman, Unicapital Securities, Inc.
- Director and Treasurer - Agus 3 Hydro Corp.; Lear Aero Ltd. Inc.; Tranzen Group, Inc.; La Costa Development Corporation, Inc.
- Director, Intervest Projects Inc.
- Director, Intervest Insurance Assurance Inc.
- Former Director, Unicapital, Inc.
- Former Director, Unicapital Finance, Inc.
- Former Member, Philippine Navy Board of Advisers
- Former Vice-Chairman, Amanah Islamic Bank
- Former Vice Chairman and CEO, Federal Savings Bank
- Former Chairman and President, Asian Express Money Services Corp.
- Former Chairman, SB Cards Corp.
- Former President, Security Diners International Corp.
- MBA Candidate, Ateneo De Manila University
- Bachelor of Arts major in Economics, Xavier University

DR. WINSTON CONRAD B. PADOJINOG
Director
58, Filipino

- Elected Director of Veterans Bank in August 2025
- Elected Independent Director of Cebu Landmasters, Inc., August 2025
- Founding Director, Center for Excellence in Governance
- Former President, Center for Research and Communications Foundation, Inc.
- Former President, Chairman of the Management Committee, University of Asia and the Pacific Foundation, Inc. (UA&PFI)
- Associate professor of Strategic Management and Industrial Economics, University of Asia and the Pacific (UA&P)
- Senior Economist and Fellow, Center for Research and Communication Foundation, Inc.
- International Faculty Program and the Advanced Management Program, IESE Business School, Barcelona, Spain.
- Doctorate in Business Administration, De Lasalle University Graduate School
- Masters of Science in Industrial Economics, Center for Research and Communication

ALFREDO S. PANLILIO
Independent Director
63, Filipino

- Chairman, Maybank
- Director, PLDT, Inc.
- Director, SMART Communications Inc.
- Independent Director, Vivant Corporation
- Independent Director, Marcventures
- Director, Digitel Mobile Phils. Inc. (SUN)
- Director, Digitel Telecommunications, Phils. Inc. (DIGITEL)
- Director, Cignal TV, Inc.
- First Vice President, Philippine Olympic Committee
- Trustee, Samahang Basketball Association
- Central Board Member, Federation International Basketball Association (FIBA)
- Trustee-President, National Golf Federation of the Philippines (NGAP)
- Former Board of Trustee, DIGICO Senior Advisor, PLDT, Inc.
- Former President, Samahang Basketbol ng Pilipinas
- Former President and CEO, Smart Communications, Inc.
- Former President and CEO, PLDT, Inc.
- MBA, J.L Kellogg School of Management, Northwestern University and The Hongkong University of Science and Technology
- Bachelor of Science in Business Administration-Computer Information Systems, The California State University

Board of Directors Profile

REYNATO S. PUNO
Director
85, Filipino

- Elected Director of Veterans Bank in June 2025
- Director, Intervest Projects, Inc. (IPI) and Intervest Insurance Agency, Inc.
- Former Supreme Court Chief Justice, 2006-2010
- Former Supreme Associate Justice, 1993-2006
- Independent Director,San Miguel Brewery Inc. and San Miguel Brewery Hongkong, Ltd.
- Member, Board of Regents, Manuel L. Quezon University
- Member, Board of Commissioners of PT Delta Djakarta Tbk
- Chairman, Environmental Heroes Foundation
- Chairman, CyberCool Defcon, Inc.
- Vice-Chairman, GMA Kapuso Foundation
- Master of Comparative Laws, Southern Methodist University, Dallas Texas
- Master of Laws, University of California, Berkely
- Bachelor of Laws, University of the Philippines, Diliman

CESAR A. RUBIO
Independent Director
79, Filipino

- Director, New Rural Bank of Agoncillo, Inc.
- Trustee, Board of Trustees of the Veterans of World War II
- Former Director, Intervest Projects, Inc. (IPI) ad Intervest Insurance Agency, Inc.
- Former EVP-CFO, United Coconut Planters Bank
- Former Director - UCPB Savings Bank; UCPB Securities; UCPB Leasing and Finance; UCPB Foreign Exchange Corporation
- Former Chairman, UCPB Condominium Corp., Master Caterers, Inc.
- Former EVP, RCBC Corporate Planning Group
- Former AVP Metrobank
- Attended Citibank Executive Training Program prior to becoming Credit and Account Officer
- Past Director, Financial Executive Institute of the Philippines (FINEX)
- Past Treasurer and Member of the Board of Trustees, FINEX Foundation
- Past Director, Makati Sports Club, Inc.
- Masters in Business Management, Asian Institute of Management
- Pacific Rim Bankers Program, University of Washington
- Certified Public Accountant, Professional Regulatory Commission
- Bachelor of Science in Commerce major in Accounting, De La Salle University

ANTHONY M. TE
Director
57, Filipino

- Director, Media Quest Holdings Inc.
- Director, Media Serbisyo Corporation
- Chairman, Strong Built (Mining) Development Corporation
- Chairman, Armstrong Capital Holdings Inc.
- Pse Nominee, Armstrong Securities Inc.
- Director, Philippine Stock Exchange
- Director, Benguet Corporation
- Director, Marcventures Holdings Inc.
- Director, Marcventures Mining and Development Corporation
- Chairman, AE Proteina Industries Inc.
- Chairman and President, Cymac Holdings Corporation
- Chairman, Top Team Dynamics Inc.
- Chairman, Professional Funding Services Inc.

- Chairman, Amalgamated Project Management Service Inc.
- Chairman, Asian Appraisal Company Inc.
- Chairman, Asian Asset Insurance Brokerage
- Chairman and CFO, Mactel Corporation
- Bachelor of Arts In Business Management, De La Salle University

PLTGEN. REYNALDO V. VELASCO PH.D., (RET)
Director
77, Filipino

- Director, Independent Insight, Inc.
- Chairman, Filipino Veterans, Inc.
- Former Administrator, Metropolitan Waterworks and Sewerage System (MWSS) 2017 - 2021
- Former Chairman, Board Of Trustees, MWSS 2019 -2021
- Former Municipal Mayor, Sta. Barbara Pangasinan 2007 - 2010
- Former PNP Deputy Chief for Operations & Administration 2004 - 2005
- Former Executive Director, Philippine Center on Transnational Crime (PCTC)
- Former Regional Director, Philippine National Police Regional Office (PNP NCRPO)
- Former Director, Philippine National Police Regional Office I
- Former Director, Philippine National Police Regional Office – Autonomous Region in Muslim Mindanao (ARMM)
- Former Trustee, AFP Savings & Loans, Inc. 2001 -2003
- Former Board of Director, Public Safety Mutual Benefit Fund Inc. 2001 – 2002
- Former Board of Director, AFP Mutual Benefit Association Inc. 2004 - 2005
- Doctor of Philosophy, Bicol University 2003
- Master in Business Administration, University of St. La Salle, Bacolod 1992 - 1996
- Bachelor of Science, Philippine Military Academy 1967 - 1971
- Bachelor Of Science in Chemical Engineering, Mapua Institute of Technology Manila 1965 - 1967

ATTY. TEPHANIE M. GANDIA
Corporate Secretary
38, Filipino

- Practicing lawyer, Partner in Serrano Law, specializing in corporate law
- Recognized as a leading lawyer by the International Financial Law Review (IFLR), IFLR 1000 and Legal 500
- Juris Doctor, University of the Philippines
- Certified Associate Treasury Professional, Treasury Certification Program of the Ateneo-BAP Institute of Banking
- Bachelor of Arts in Political Science, University of the Philippines, cum Laude

Leadership Team Profile

EULOGIO V. CATABRAN III
President
59, Filipino

- Joined the Bank in 2024
- Manager, Treasury Operations - South Australia Financing Authority (SAFA), Department of Treasury and Finance (DTF), 2024
- Business Development Manager - CCK Financial Solutions Pty Ltd., 2024
- Treasurer and Group Head Treasury Banking, Executive Vice President – United Coconut Planters Bank (UCPB), 2006 - 2021
- Board Member, UCPB Securities & Savings Bank, 2007 – 2017
- Deputy Treasurer and Chief Dealer, Senior Vice President - Chinatrust Commercial Bank Corporation, 1997 - 2005
- Senior FX, Swap and Bonds Dealer, Solidbank Corporation, 1992 - 1996
- Graduate Diploma of Applied Finance – University of Adelaide, SA
- Master of Leadership & Governance – James Cook University, Townsville, Queensland, AU
- Graduate Diploma of Applied Risk Management & Corporate Governance – Governance Institute of Australia, NSW, AU
- Certificate of Advanced Management Programme – Harvard Business School, Cambridge, Massachusetts, U.S.A.
- Certificate of Strategic Business Economics Program – University of Asia & Pacific
- Education: Bachelor of Arts in Management Economics – Ateneo de Manila University

CYNTHIA A. ALMIREZ
Executive Vice-President
Chief Finance Officer and Controller
60, Filipino

- Joined the Bank in November 2024
- Past Positions: Former Chief Operating Officer and Head of Operations Control Group, Philippine Business Bank; Chief Finance Officer (CFO) and Controller, United Coconut Planters Bank (UCPB); Internal Audit Manager, Majid Futtain Group (MAF Group) and GE Money Bank, Philippines; Head Controllership Department, UCPB
- Certified Public Accountant (CPA)
- Certified Management Accountant (CMA)
- Certified Financial Services Auditor (CFSA)
- Education: MBA units, Ateneo Graduate School of Business ; Bachelor of Science in Business Administration Major in Accounting, Pamantasan ng Lungsod ng Maynila.

CERWINA ELENORE A. SANTOS
Executive Vice-President and Head Lending Sector
65, Filipino

- Joined the Bank in September 2024
- Past Positions Held: Senior Vice President, Unit Head – Commercial Banking Group (Metro Manila South) – Banco De Oro Unibank, Inc.
- Education: Bachelor of Science in Applied Economics, Polytechnic University of the Philippines, graduated Magna cum Laude

ANNEX C

BAIPHIL

1941

BANKERS INSTITUTE OF THE PHILIPPINES, INC.

presents this

Certificate of Attendance

to

Tephanie M. Gandia

Corporate Secretary, Philippine Veterans Bank

for having attended the 7-hour webinar on

Basic Course on Corporate Governance

Conducted by the Institute on
October 6, 2025

[redacted]

MA. BERNADETTE T. RATCLIFFE
Chairperson
Governance, Legal, Regulatory & Compliance Course Committee

[redacted]

ATTY. JOSEPH B. SALUD
Chairperson
Governance, Legal, Regulatory & Compliance Course Committee

[redacted]

ATTY. EMMA B. CO
Trustee-in-Charge
Governance, Legal, Regulatory & Compliance Course Committee

[redacted]

ANGELITA U. EGALIN
Trustee-in-Charge
Governance, Legal, Regulatory & Compliance Course Committee

[redacted]

ATTY. LEILA P. PAZ-AGUBA
Trustee-in-Charge
Governance, Legal, Regulatory & Compliance Course Committee

ANNEX D

1941
BAIPHIL

BANKERS INSTITUTE OF THE PHILIPPINES, INC.

presents this

Certificate of Attendance

to

Ma. Theresa L. Escobar

Head - Compliance Group, Philippine Veterans Bank

for having attended the 7-hour webinar on

Basic Course on Corporate Governance

Conducted by the Institute on
November 24, 2025

[redacted]

MA. BERNADETTE T. RATCLIFFE
Chairperson
Governance, Legal, Regulatory &
Compliance Course Committee

[redacted]

ATTY. JOSEPH B. SALUD
Chairperson
Governance, Legal, Regulatory &
Compliance Course Committee

[redacted]

ATTY. EMMA B. CO
Trustee-in-Charge
Governance, Legal, Regulatory &
Compliance Course Committee

[redacted]

ANGELITA U. EGALIN
Trustee-in-Charge
Governance, Legal, Regulatory &
Compliance Course Committee

[redacted]

ATTY. LEILA P. PAZ-AGUBA
Trustee-in-Charge
Governance, Legal, Regulatory &
Compliance Course Committee

ANNEX E

CERTIFICATION

This is to certify that the following is an accurate excerpt from the minutes of the regular meeting of the Board of Directors of Philippine Veterans Bank held 22 February 2025, to wit:

"**IV. PRESIDENT'S REPORT**

X X X

14. EVC then presented the Bank's 5-year financial projections on total assets and net income. EVC noted that these shall increase further through the Bank's digitalization efforts and other initiatives to increase its market share in government accounts.

On motion duly made and seconded, the Board of Directors approved the proposal and issued the following resolution:

RESOLUTION NO. 2025-028 (B)

"RESOLVED, that the Board of Directors of the **PHILIPPINE VETERANS BANK** (the **Bank**) approve the Strategic Plan of the Bank for 2025-2029 as presented."

X X X

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Bank on this ***30th*** day of ***June 2026*** at ***Makati City***.

[redacted]

Atty. PATRICIA AGATHA MAY B. DOROJA
Assistant Corporate Secretary

RECOMMENDATIONS 2.9

Veteransbank

AUDIT COMMITTEE CHARTER

DOCUMENT CONTROL DETAILS	
Type	Revised
Classification	Public
Document Control Number	
Document Owner	Office of the Board Secretary in coordination with the Internal Audit Division
Version Number	14
Date Drafted	November 12, 2023
Date of Next Review	One (1) year after the effectivity date or on an as-needed basis
BOD Approval	November 20, 2024

PUBLICATION OF INFORMATION

Authored By:	Date	Reviewed By:	Date
Internal Audit Division	November 12, 2024	Ma. Flor B. Manaois Chief Audit Executive	November 12, 2024
Approved By:	**Date**	**Noted By:**	**Date**
Board of Directors	November 20, 2024	Audit Committee	November 13, 2024

AUDIT COMMITTEE CHARTER

1. PURPOSE[1]

1.1. The Audit Committee (AC) of the Philippine Veterans Bank (the Bank) was created by the Board of Directors (BOD) to assist in fulfilling its oversight responsibilities with regard to the following:

1.1.1. Integrity of the Bank's financial statements and financial reporting process
1.1.2. Adequacy and effectiveness of the Internal Control system
1.1.3. Performance of the Internal and External Audit functions
1.1.4. Implementation of corrective actions
1.1.5. Investigation of significant issues/concerns raised
1.1.6. Independent review or assessment of the recovery plan
1.1.7. Establishing whistleblowing mechanism

2. AUTHORITY

2.1. The AC charter sets out the authority of the AC to carry out the responsibilities established for it by the board and the regulators. The Audit Committee is empowered to have:

2.1.1. Full access to properties, records and information;
2.1.2. Full access to and cooperation by management;
2.1.3. Full discretion to invite any director, executive officer, employees or external parties/counsel to attend its meeting and seek any information it requires; and
2.1.4. Access to independent experts to assist them in carrying out its responsibilities.
2.1.5. Investigation of significant issues within its terms of reference.

3. TERMS / ABBREVIATIONS / DEFINITIONS

Acronym	Description
AC	Audit Committee
BOD	Board of Directors
OBS	Office of the Board Secretary

4. POLICY STATEMENT

4.1 BASIC FUNCTION

The AC is the BOD's oversight body that oversees the financial reporting

[1] Approved by the BOD on October 05, 2015 (Maiden Issue)

process, practices and controls in the Bank. It ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

4.2 COMPOSITION

4.2.1 The AC shall be composed of at least three (3) members of the BOD, who shall all be non-executive directors, majority of whom shall be independent directors, including the Chairperson.

4.2.2 The Chairperson of the AC shall not be the Chairperson of the BOD or of any other board-level committees.

4.2.3 The AC members shall have accounting, auditing, or related financial management expertise or experience.

4.3 MEETINGS

4.3.1 The Committee shall meet at least once a month, either onsite or virtual, prior to the BOD meeting.

4.3.2 Special meetings may be convened as considered necessary by the Committee.

4.3.3 The Committee may hold joint meetings with other oversight committees, if necessary.

4.4 ATTENDANCE

4.4.1 All Committee members are expected to attend each meeting, in person, via telephone or video conference.

4.4.2 A majority of the members shall constitute a quorum.

4.4.3 The Committee may invite members of the management team or any Bank officer or employee, internal and external auditors to attend the meetings and to provide pertinent information as it deems necessary.

4.4.4 The Committee shall hold private meetings and executive sessions with the auditors.

4.5 DUTIES AND RESPONSIBILITIES

4.5.1 Financial Reporting Framework[2].

a. Oversee the financial reporting process, practices and controls.
b. Ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

[2] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (1)

4.5.2 Monitor and evaluate the adequacy and effectiveness of the internal control system[3].

a. Oversee the implementation of internal control policies and activities.
b. Ensure that periodic assessment of the internal control system is conducted to identify the weaknesses.
c. Evaluate the internal control robustness considering the risk profile and strategic direction.

4.5.3 Oversee the centralized internal audit function including the IT audit function of the PVB group[4].

a. Appointment/selection, remuneration, and dismissal of the internal auditor.
b. Ensure that the appointment of the Head of Internal Audit is confirmed by the SES Committee of the BSP[5].
c. Review and approve the annual audit plan, scope and budget of the Internal Audit Division.
d. Ensure that the audit plan covers the review of the effectiveness of the internal controls, including financial, operational and compliance controls, and risk management system.
e. Ensure the independent review or assessment of the recovery plan of the bank[6].
f. Functionally meet with the Head of Internal Audit and such meetings shall be duly minuted and adequately documented.
g. Review and approve the performance and compensation of the head of internal audit.
h. Ensure that the Internal Audit Division maintains an open communication with Senior Management, the Audit Committee, External Auditors, and the Supervisory Authority[7].
i. Review discoveries of fraud and violations of laws and regulations as raised by the Internal Audit Division[8].
j. Select and oversee the performance of the internal audit service provider in accordance with the requirements of the regulator[9].
k. Reviews the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics and the Global Internal Audit Standards (GIAS)[10].

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[3] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (2)

[4] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (3)

[5] 2021 MORB: Section 137 CONFIRMATION OF THE ELECTION/APPOINTMENT OF DIRECTORS/OFFICERS; Page 110; a.b.

[6] BSP Circular 1158: Appendix 150; Letter A Governance Arrangements; 2.a.3; Page 6

[7] 2021 MORB: Section 162 INTERNAL CONTROL FRAMEWORK; Page 214; b. (4)

[8] 2021 MORB: Section 162 INTERNAL CONTROL FRAMEWORK; Page 214; b. (5)

[9] 2021 MORB: Section 162 INTERNAL CONTROL FRAMEWORK; Page 214; b. (9)

[10] 2021 MORB: Section 162 INTERNAL CONTROL FRAMEWORK; Page 214; b. (1)

l. In case of disagreement, the Audit Committee shall be the ultimate arbiter between the Internal Audit and Management (President).

4.5.4 Oversee the External Audit function[11].

a. Review and approve the appointment, fees and replacement of external auditor.
b. Review and approve the engagement contract and ensure that the scope of audit covers areas specifically prescribed by the Bangko Sentral and other regulators.

4.5.5 Oversee implementation of corrective actions[12].

a. Receive and review key audit reports.
b. Ensure that senior management is taking necessary corrective actions in a timely manner to address the weaknesses, non-compliance with policies, laws, and regulations and other issues identified by auditors and other control functions.

4.5.6 Investigate significant issues/concerns raised[13].

a. Investigate any matter within its terms of reference.

4.5.7 Establish whistleblowing mechanism[14].

a. Establish and maintain 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.
b. Take corrective actions on reported improprieties or malpractices.
c. Ensure that arrangements are in place for the independent investigation, appropriate follow-up action, and subsequent resolution of complaints.

4.6 **REPORTING**

4.6.1 The Committee shall submit monthly, or whenever necessary, to the Board of Directors reports such as but not limited to the following:

a. Committee's activities, issues and related recommendations[15].

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[11] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (4)
[12] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (5)
[13] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (6)
[14] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; B. (7)
[15] Model Audit Committee Charter: Page 3; Reporting Responsibilities; 1st Bullet

AUDIT COMMITTEE CHARTER

b. Review of other reports the Bank issues that relate to Committee responsibilities[16].

4.7 OTHER RESPONSIBILITIES[17]

4.7.1 Perform other activities related to this charter as requested by the BOD.
4.7.2 Recommend special investigation that may arise from normal audit activities as needed.
4.7.3 Review and assess the adequacy of the committee charter annually, requesting BOD approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
4.7.4 Confirm annually that all responsibilities outlined in this charter have been carried out.
4.7.5 Evaluate the committee's and individual member's performances on a regular basis.

4.8 SECRETARIAT SERVICES

4.8.1 To prepare the agenda for each meeting in accordance with the instructions/requests of the AC, requests/regular reports from Management, and send out the notice several days before the meeting date.
4.8.2 To prepare and distribute the minutes to all Committee members and properly safekeep the same.
4.8.3 To take charge of forwarding or presenting to the Board of Directors all matters agreed upon by the Committee to be taken up in the meeting of the Board; provided that they are duly accompanied by a Memorandum from the applicable proponent/s.
4.8.4 To take charge of disseminating the memo/circulars, programs and policies approved by the Committee and the Board to the concerned units; and
4.8.5 To follow-up the actions taken by the concerned officers/units relative to the Committee's directives.

4.9 CHARTER REVIEW

4.9.1 This Charter shall be reviewed annually and/or as part of the Risk-Based Internal Audit Manual (RBIAM) review, to ensure that it is adequate, effective and consistent with best practices in corporate governance. Any amendments to the Charter shall be reviewed by

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[16] Model Audit Committee Charter: Page 3; Reporting Responsibilities; 4th Bullet

[17] Model Audit Committee Charter: Page 3; Other Responsibilities; 1st to 5th Bullet

the Committee and endorsed to the Corporate Governance and Compliance Oversight Committee/BOD for approval.

4.9.2 The AC shall review its performance on an annual basis by way of self-assessment. The BOD shall likewise review the effectiveness and composition of the AC on an annual basis[18].

DOCUMENT CONTROL DETAILS

Date Approved	Description	Author	Approver	Version
BOD approval on October 12, 2004	• Maiden issue of the Audit Committee Charter	Internal Audit Division	Board of Directors	1
BOD approval on November 9, 2011	• Aligned with the International Standards for the Professional Practice of Internal Auditing (ISPPIA) • Aligned with BSP Circular 283, 434, 296 and 499 • Aligned with SEC Circular Memorandum 6	Internal Audit Division	Board of Directors	2
BOD approval on August 5, 2015	• Aligned with BSP Circular 749, 871 and MORB X406.2. • Streamlined the Statement of Purpose • Clear authority on outsourcing and resolving disputes between management and internal/external auditors • Articulated the BSP's required membership and exclusions of the Audit Committee per BSP Circular 749 and MORB X406.2. • One vote basis and majority vote shall constitute official action. Mode of	Internal Audit Division	Board of Directors	3

[18] 2021 MORB: Section 133 BOARD-LEVEL COMMITTEES; Page 102; a. & b.

	adherence in person or tele/video conferencing • Comprehensive description of oversight duties and responsibilities over internal control, financial reporting, internal and external audit and compliance with laws and regulations • Regular reporting to the board on activities, issues, recommendations, financial report and internal audit activities • Confirmed responsibilities are done in accordance with the Charter and evaluated the committee and member performance			
BOD approval on June 14, 2016	• Revised by Corporate Governance Officer to include the Audit Committee calendar of activities and charter review	Internal Audit Division	Board of Directors	**4**
BOD approval on November 16, 2017	• Aligned with BSP Circular 969: Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions	Internal Audit Division	Board of Directors	**5**
BOD approval on November 12, 2019	• Articulated the centralized nature of the Internal Audit function	Internal Audit Division	Board of Directors	**6**
BOD Approval on Oct. 23, 2020	• Annual review (no changes) as part of the RBIAM	Internal Audit Division	Board of Directors	**7**
BOD Approval on Nov. 24, 2021	• Annual review (no changes) as part of the RBIAM	Internal Audit Division	Board of Directors	**8**
AC Approval on July 14, 2022	• Annual review (no changes) as part of the RBIAM	Internal Audit Division	Board of Directors	**9**

AUDIT COMMITTEE CHARTER

AC Approval on February 8, 2023	• Minor changes on numbering and additional provision/s on: Meetings, Duties & Responsibilities and Charter Review. With 2020 MORB references and Model AC Charter	Internal Audit Division	Board of Directors	**10**
BOD Approval April 19, 2023	• As part of the RBIAM review (no changes)	Internal Audit Division	Board of Directors	**11**
BOD Approval November 15, 2023	• Inclusion of AC as ultimate arbiter between IAD and Management (President)	Internal Audit Division	Board of Directors	**12**
BOD Approval February 21, 2024	• As part of the RBIAM review (no changes)	Internal Audit Division	Board of Directors	**13**
BOD Approval November 20, 2024	• Aligned with BSP Circular 1158: Oversee the independent review or assessment of the recovery plan. • Minor changes on numbering, pages, and additional provision/s on: Purpose, Authority, Composition of AC, Duties & Responsibilities and Secretariat services. With 2021 MORB references.	Internal Audit Division	Board of Directors	**14**

ANNEX F
ANNEX G
ANNEX D

REPUBLIC OF THE PHILIPPINES)
) S.S.

SECRETARY'S CERTIFICATE

I, **PATRICIA AGATHA MAY B. DOROJA**, Filipino, of legal age, with office address at Philippine Veterans Bank, PVB Building, 101 V. A. Rufino corner Dela Rosa Street, Legaspi Village, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly elected Assistant Corporate Secretary of the **PHILIPPINE VETERANS BANK** (the **Bank**), a corporation duly organized and existing under the laws of the Philippines, with head office at the PVB Building, 101 V.A. Rufino corner Dela Rosa Street, Legaspi Village, Makati City.

2. At the duly constituted organizational meeting of the Board of Directors of the Bank held on 30 June 2025, at which meeting a quorum was present and acting throughout, the Board passed and approved the following resolution:

"RESOLVED, that the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) approves the appointment of the following composition of the Bank's Executive Committees and other Board Committees for 2025-2026:

A. EXECUTIVE COMMITTEES

Executive Committee (ExCom)

Anthony M. Te	**:**	**Chairman**
Carlos Alfonso T. Ocampo	:	Member
Marie Josephine Diana K. Calatrava	:	Member
Jose A. Nuñez, Jr.	:	Member (Non-Voting)
Cesar A. Rubio	:	Member (Non-Voting)

CREDIT COMMITTEE (CreCom)

Carlos Alfonso T. Ocampo	**:**	**Chairman**
Emmanuel G. Herbosa	:	Member
Anthony M. Te	:	Member
Gerardo Manuel Luis B. Anonas	:	Member
Jose A. Nuñez, Jr.	:	Member (Non-Voting)
Cesar A. Rubio	:	Member (Non-Voting)

ASSETS DISPOSAL COMMITTEE (ADC)

Gerardo Manuel Luis B. Anonas	**:**	**Chairman**
Anthony M. Te	:	Member
Reynato S. Puno	:	Member
Renato A. Claravall	:	Member
Alberto B. Carlos	:	Member

HUMAN RESOURCES COMMITTEE (HRCom)

Marie Josephine Diana K. Calatrava	:	**Chairperson**
Reynato S. Puno	:	Member
Renato A. Claravall	:	Member
Jose A. Nuñez, Jr.	:	Member (Non-Voting)
Reynaldo V. Velasco	:	Member (Non-Voting)

IT STEERING COMMITTEE (ITSC)

Carlos Alfonso T. Ocampo	:	**Chairman**
Eulogio V. Catabran III	:	Member
Gerardo Manuel Luis B. Anonas	:	Member
Alberto B. Carlos	:	Member
Alfredo S. Panlilio	:	Member (Non-Voting)
Camille Maricelle M. Canullas (IT Head)	:	Member
Peter Paul V. Laud (Digital Transformation Head)	:	Member

Trust Committee (Trust Com)

Gerardo Manuel Luis B. Anonas	:	**Chairman**
Eulogio V. Catabran III	:	Member
Renato A. Claravall	:	Member
Cesar A. Rubio	:	Member
Arturo I. Lipio, Jr. (Trust Officer and Head of Trust and Assets Management Group)	:	Member

B. NON-EXECUTIVE COMMITTEES

Audit Committee (AC)

Jose A. Nuñez, Jr.	:	**Chairman**
Cesar A. Rubio	:	Member
Alfredo S. Panlilio	:	Member
Marie Josephine Diana K. Calatrava	:	Member
Alberto B. Carlos	:	Member

Corporate Governance & Compliance Oversight Committee (CGCOC)

Cesar A. Rubio	:	**Chairman**
Alfredo S. Panlilio	:	Member
Reynaldo V. Velasco	:	Member
Marie Josephine Diana K. Calatrava	:	Member
Reynato S. Puno	:	Member

Related Party Transactions Committee (RPT)

Reynaldo V. Velasco	:	**Chairman**
Alfredo S. Panlilio	:	Member
Jose A. Nuñez, Jr.	:	Member
Alberto B. Carlos	:	Member
Renato A. Claravall	:	Member

Risk Management Oversight Committee (RMOC)

Alfredo S. Panlilio	:	**Chairman**
Reynaldo V. Velasco	:	Member
Jose A. Nuñez, Jr.	:	Member
Carlos Alfonso T. Ocampo	:	Member
Gerardo Manuel Luis B. Anonas	:	Member

Remuneration Committee (RemCom)

Cesar A. Rubio	:	**Chairman**
Alfredo S. Panlilio	:	Member
Reynaldo V. Velasco	:	Member
Reynato S. Puno	:	Member
Marie Josephine Diana K. Calatrava	:	Member."

3. The foregoing resolution has not been altered, modified, or revoked, and the same is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Bank on this ***30th*** day of ***June 2026*** at ***Makati City***.

[redacted]

Atty. PATRICIA AGATHA MAY B. DOROJA
Assistant Corporate Secretary

ANNEX G
ANNEX K
ANNEX N

Corporate Governance

Board of Directors - The Board and its various Board Committees hold regular monthly meetings, with special meetings called as needed.

In June 2025, a meeting was held to approve the changes in the composition of the Board Committees.

For the period of January 2025 to December 2025, the Board had 14 meetings, including the organizational meeting. The incumbent directors who attended/participated in more than 50% of all the meetings, are as follows:

Name of Director	Position	No. of Meetings Attended (14 meetings held)	Percentage of Attendance	Remarks
1. Emmanuel G. Herbosa	Chairman	7/14	100%	Elected on 20 June 2025
2. Roberto F. De Ocampo	Chairman/Chairman Emeritus	6/14	86%	Term ended on 20 June 2025
3. Carlos Alfonso T. Ocampo	Vice-Chairman	13/14	93%	Incumbent
4.Eulogio V. Catabran III	OIC-President/ Director/ President	7/14	100%	Elected on 20 June 2025
5. Jose A. Nunez, Jr.	Vice-Chairman/ Independent Director	14/14	100%	Incumbent
6.Alfredo S. Panlilio	Independent Director	13/14	93%	Incumbent
7. Winston Conrad B. Padojinog	Independent Director	4/14	80%	Elected on 20 August 2025
8. Cesar A. Rubio	Independent Director	14/14	100%	Incumbent
9. Ma. Cecilia G. Soriano	Independent Director	6/14	86%	Term ended on 20 June 2025
10.Reynaldo V. Velasco	Independent Director	14/14	100%	Incumbent
11 Gerardo Manuel Luis B. Anonas	Director	14/14	100%	Incumbent
12. Marie Josephine Diana K. Calatrava	Director	13/14	86%	Incumbent
13. Alberto B. Carlos	Director	10/14	100%	Elected on 23 April 2025
14. Renato A. Claravall	Director	13/14	93%	Incumbent
15. Reynato S. Puno	Director	7/14	100%	Elected on 20 June 2025
16. Percianita G. Racho	Director	7/14	100%	Term ended on 20 June 2025
17. Anthony M. Te	Director	12/14	86%	Elected on 19 March 2024

The Executive Committee

The Executive Committee (ExeCom), which decides and implements courses of actions relevant to the Board of Directors. It has the power to direct the business of the Bank within powers and authority lawfully delegated to it by the Board of Directors, including the power to review and approve proposals and transactions related to credit in amounts within the limits of its delegated authority.

Name of Director	Position	No. of Meetings Attended (11 meetings held)	Percentage of Attendance	Remarks
1. Roberto F. De Ocampo	Chairman	1/11	100%	Member until 22 February 2025
2. Anthony M. Te	Member	10/11	91%	Incumbent
	Chairman			Effective on 22 February 2025
3. Carlos Alfonso T. Ocampo	Vice-Chairman	11/11	100%	Incumbent
4. Marie Josephine Diana K. Calatrava	Member	9/11	90%	Effective on 22 February 2025
5. Gerardo Manuel Luis B. Anonas	Member	1/11	100%	Member until 22 February 2025
6. Renato A. Claravall	Member	1/11	100%	Member until 22 February 2025
7. Jose A. Nunez, Jr.	Member	11/11	100%	Incumbent
8. Cesar A. Rubio	Member	11/11	100%	Incumbent

Corporate Governance & Compliance Oversight Committee

The Corporate Governance and Compliance Oversight Committee (CGCOC) serves as the primary resource for the Board to study, evaluate and make recommendations about the structure, charter, policies and practices of the Board and its committees and to address issues of corporate governance, including the relationship with its shareholders and other stakeholders.

Name of Director	Position	No. of Meetings Attended (12 meetings held)	Percentage of Attendance	Remarks
1. Cesar A. Rubio	Member	12/12	100%	Incumbent
	Chairman			Effective on 30 June 2025
2. Jose A. Nunez, Jr.	Chairman	6/12	100%	Member until 30 June 2025
3. Alfredo S. Panlilio	Member	7/12	58%	Incumbent
4. Reynaldo V. Velasco	Member	12/12	100%	Incumbent
5. Percianita G. Racho	Member	6/12	100%	Term ended on 20 June 2025
6. Marie Josephine Diana K. Calatrava	Member	5/12	83%	Effective on 30 June 2025
7. Reynato S. Puno	Member	6/12	100%	Effective on 30 June 2025

Corporate Governance

Credit Committee

The Credit Committee (CreCom) reviews and approves loan and credit applications within its assigned limits of authority granted by the Board of Directors. It evaluates and endorses to the Board, for approval, all policies and new products, services, and activities that involve credit.

Name of Director	Position	No. of Meetings Attended (16 meetings held)	Percentage of Attendance	Remarks
1. Gerardo Manuel Luis B. Anonas	Chairman	16/16	100%	Chairman until 30 June 2025
	Member			Effective on 30 June 2025
2. Carlos Alfonso T. Ocampo	Member	14/16	87%	Incumbent
	Chairman			Effective on 30 June 2025
3. Anthony M. Te	Member	14/16	87%	Incumbent
4. Renato A. Claravall	Member	8/16	100%	Member until 30 June 2025
5. Jose A. Nunez, Jr.	Member	16/16	100%	Incumbent
6. Cesar A. Rubio	Member	7/16	88%	Effective on 30 June 2025

Human Resources Committee

The Human Resources Committee (HRCom) assists the Board and Management in the development of human resources strategies and policies. This includes other areas of human resources like talent planning and recruitment, training, organizational development, employee relations, and compensation & benefits.

Name of Director	Position	No. of Meetings Attended (12 meetings held)	Percentage of Attendance	Remarks
1. Marie Josephine Diana K. Calatrava	Chairman	6/12	100%	Effective on 30 June 2025
2. Percianita G. Racho	Chairman	6/12	100%	Term ended on 20 June 2025
3. Gerardo Manuel Luis B. Anonas	Member	5/12	83%	Member until 30 June 2025
4. Carlos Alfonso T. Ocampo	Member	4/12	67%	Member until 30 June 2025
5. Alredo S. Panlilio	Member	2/12	33%	Member until 30 June 2025
6. Jose A. Nunez, Jr.	Member	11/12	92%	Incumbent
7. Ma. Cecilia G. Soriano	Member	5/12	83%	Term ended on 20 June 2025
8. Renato A. Claravall	Member	10/12	83%	Effective on 30 June 2025
9. Reynato S. Puno	Member	6/12	100%	Effective on 30 June 2025
10. Reynaldo V. Velasco	Member	6/12	100%	Effective on 30 June 2025

IT Steering Committee

The IT Steering Committee (ITSC) provides guidance and oversight in the management of the Bank's IT resources. Its principal function is to ensure that IT strategies are consistent with the Bank's overall business objectives. As an extension of the Board, it supervises the IT Risk Management Program of the Bank and the development of policies, controls and specific accountabilities consistent with the Bank's IT Risk Management Framework. It regularly provides adequate information to the Board regarding overall IT performance, status of major projects and other significant issues related to IT risks.

Name of Director	Position	No. of Meetings Attended (12 meetings held)	Percentage of Attendance	Remarks
1. Alfredo S. Panlilio	Chairman	10/12	83%	Chairman until 30 June 2025 /
	Member			Appointed as Member on 30 June 2026
2. Carlos Alfonso T. Ocampo	Member	10/12	83%	Incumbent
	Chairman			Appointed as Chairman on 30 June 2026
3. Percianita G. Racho	Member	6/12	100%	Term ended on 20 June 2025
4. Cesar A. Rubio	Member	6/12	100%	Member until 30 June 2025
5. Eulogio V. Catabran III	Member	4/12	67%	Effective on 30 June 2025
6. Alberto B. Carlos	Member	6/12	100%	Effective on 30 June 2025
7. Gerardo Manuel Luis B. Anonas	Member	6/12	100%	Effective on 30 June 2025

Corporate Governance

Related Party Transaction Committee

The Related Party Transactions Committee (RPTCom) assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, in compliance with applicable laws and regulations. This ensures that the interest of depositors, creditors and other stakeholders are conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged.

Name of Director	Position	No. of Meetings Attended (12 meetings held)	Percentage of Attendance	Remarks
1. Reynaldo V. Velasco	Chairman	12/12	100%	Incumbent
2. Alfredo S. Panlilio	Member	4/12	67%	Incumbent
3. Jose A. Nunez, Jr.	Member	9/12	100%	Member until 17 September 2025
4. Winston Conrad B. Padojinog	Member	3/12	100%	Effective on 17 September 2025
5. Cesar A. Rubio	Member	6/12	100%	Member until 30 June 2025
6. Marie Josephine Diana K. Calatrava	Member	5/12	83%	Member until 30 June 2025
7. Percianita G. Racho	Member	6/12	100%	Term ended on 20 June 2025
8. Alberto B. Carlos	Member	6/12	100%	Effective on 30 June 2025
9. Renato A. Claravall	Member	5/12	83%	Effective on 30 June 2025

Remuneration Committee

The Remuneration Committee assists the Board of Directors in setting up a program of compensation and benefits for the Board and Senior Management that would attract the best talents in the industry. By periodically benchmarking with practices/offers in the industry, the Remuneration Committee ensures the adequacy, effectiveness and consistency of the Bank's compensation program vis-à-vis corporate philosophy and strategy.

Name of Director	Position	No. of Meetings Attended (2 meetings held)	Percentage of Attendance	Remarks
1. Jose A. Nunez, Jr.	Chairman	1/2	100%	Member until 30 June 2025
2. Cesar A. Rubio	Member	2/2	100%	Incumbent
	Chairman			Effective on 30 June 2025
3. Alfredo S. Panlilio	Member	1/2	100%	Effective on 30 June 2025
4. Reynaldo V. Velasco	Member	2/2	100%	Incumbent
5. Marie Josephine Diana K. Calatrava	Member	2/2	100%	Incumbent
6. Anthony M. Te	Member	0/2	0%	Member until 30 June 2025
7. Reynato S. Puno	Member	1/2	100%	Effective on 30 June 2025

Risk Management Oversight Committee

The Risk Management Oversight Committee (RMOC) assists the Board in fulfilling its responsibilities in managing the Bank's risk-taking activities. It monitors the state of the Bank's risk profile and advises the Board by providing insights and proposing the formulation and enhancement of programs, policies, directions, and courses of action needed to address and manage the Bank's risk exposures.

Name of Director	Position	No. of Meetings Attended (12 meetings held)	Percentage of Attendance	Remarks
1. Alfredo S. Panlilio	Member	12/12	100%	Incumbent
	Chairman			Effective on 30 June 2025
2. Ma. Cecilia G. Soriano	Chairman	6/12	100%	Term ended on 20 June 2025
3. Reynaldo V. Velasco	Member	3/12	100%	Effective on 30 June 2025
				Member until 17 September 2025
4. Winston Conrad B. Padojinog	Member	3/12	100%	Effective on 17 September 2025
5. Cesar A. Rubio	Member	6/12	100%	Member until 30 June 2025
6. Jose A. Nunez, Jr.	Member	11/12	92%	Incumbent
7. Carlos Alfonso T. Ocampo	Member	8/12	67%	Incumbent
8. Gerardo Manuel Luis B. Anonas	Member	11/12	92%	Incumbent

Corporate Governance

Trust Committee

The Trust Committee (TrustCom) assists the Board in fulfilling its responsibilities to oversee the proper management and administration of trust and other fiduciary business of the Bank.

Name of Director	Position	No. of Meetings Attended (5 meetings held)	Percentage of Attendance	Remarks
1. Reina Goco-Morales	Chairman	2/5	100%	Term ended on 30 June 2025
2. Karen Liza M. Roa	Member	1/5	50%	Term ended on 30 June 2025
3. Gerardo Manuel Luis B. Anonas	Chairman	3/5	100%	Effective on 30 June 2025
4. Eulogio V. Catabran III	Member	3/5	100%	Effective on 30 June 2025
5. Renato A. Claravall	Member	5/5	100%	Incumbent
6. Winston Conrad B. Padojinog	Member	1/5	100%	Effective on 17 September 2025
7. Cesar A. Rubio	Member	2/5	67%	Member until 17 September 2025
8. Reynaldo V. Velasco	Member	2/5	100%	Member until 30 June 2025
9. Roberto S. Vergara	Member	2/5	100%	Member until 17 May 2025
10. Arturo I. Lipio, Jr.	Member	3/5	100%	Effective on 30 June 2025

Assets Disposal Committee

All matters relating to the disposal and lease of all acquired assets of the Bank are handled by the Assets Disposal Committee (ADC).

Name of Director	Position	No. of Meetings Attended (11 meetings held)	Percentage of Attendance	Remarks
1. Gerardo Manuel Luis B. Anonas	Chairman	11/11	100%	Incumbent
2. Anthony M. Te	Member	4/11	60%	Incumbent
3. Marie Josephine Diana K. Calatrava	Member	5/11	83%%	Member until 30 June 2025
4. Reynaldo V. Velasco	Member	6/11	100%	Member until 30 June 2025
5. Reynato S. Puno	Member	5/11	100%	Effective on 30 June 2025
6. Renato A. Claravall	Member	4/11	80%	Effective on 30 June 2025
7. Alberto B. Carlos	Member	5/11	100%	Effective on 30 June 2025

Audit Committee

The Audit Committee (AuditCom) is the Board's oversight body that oversees the financial reporting process, practices, and controls in the Bank. It ensures that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports.

Name of Director	Position	No. of Meetings Attended (13 meetings held)	Percentage of Attendance	Remarks
1. Jose A. Nunez, Jr.	Member	12/13	92%	Incumbent
	Chairman			Effective on 30 June 2025
2. Cesar A. Rubio	Chairman	13/13	100%	Incumbent
	Member			Effective on 30 June 2025
3. Alfredo S. Panlilio	Member	7/13	54%	Incumbent
4. Percianita G. Racho	Member	7/13	100%	Term ended on 20 June 2025
5. Ma. Cecilia G. Soriano	Member	6/13	86%	Term ended on 20 June 2025
4. Marie Josephine Diana K. Calatrava	Member	6/13	100%	Effective on 30 June 2025
5. Alberto B. Carlos	Member	6/13	100%	Effective on 30 June 2025

ANNEX L (PRINCIPLE 4)

PHILIPPINE VETERANS BANK

Minutes of the Regular Meeting of the Board of Directors
Held on 17 September 2025 at 9:00 A.M
6/F Boardroom, PVB Building
101 V.A. Rufino cor. Dela Rosa Street, Makati City and via Zoom

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PRESENT:

EMMANUEL G. HERBOSA (EGH)	Chairman
CARLOS ALFONSO T. OCAMPO (CTO)	Vice-Chairman
ANTHONY M. TE (AMT)	Director
EULOGIO V. CATABRAN III (EVC)	President and Director
GERARDO MANUEL LUIS B. ANONAS (GBA)	Non-Executive Director
MARIE JOSEPHINE DIANA K. CALATRAVA (MJKC)	Non-Executive Director
RENATO A. CLARAVALL (RAC)	Non-Executive Director
ALBERTO B. CARLOS (ABC)	Non-Executive Director
REYNATO S. PUNO (RSP)	Non-Executive Director
JOSE A. NUÑEZ JR. (JAN)	Lead Independent Director
CESAR A. RUBIO (CAR)	Independent Director
ALFREDO S. PANLILIO (ASP)	Independent Director
REYNALDO V. VELASCO (RVV)	Independent Director
WINSTON CONRAD B. PADOJINOG (WBP)	Independent Director

ALSO IN ATTENDANCE:

CYNTHIA A. ALMIREZ (CAA)	EVP-CFO/Controller
CERWINA ELENORE A. SANTOS (CAS)	EVP-Chief Lending Officer
JOEL I. DILIG (JID)	Head, Corporate Planning
EDWIN T. AMAHAN (ETA)	Head, Branch Banking Sector
JONATHAN M. ACOSTA (JMA)	Head, Legal Services Group
ARMAND D. EUGENIO (ADE)	Head, Assets Recovery & Remedial Management Group
LEAH MABEL M. FAUSTINO (LMF)	Head, Human Resources Group
MA. THERESA L. ESCOBAR (MTLE)	Chief Compliance Officer / Acting Corporate Governance Officer / Head, Compliance Division
ANDRES B. SARACHO (ABS)	Head, Veterans Affairs Office
TEPHANIE M. GANDIA (TMG)	Corporate Secretary
PAUL B. BINAG (PBB)	Serrano Law

I. CALL TO ORDER

1. Chairman EGH called the meeting to order and presided over the proceedings. The Corporate Secretary, TMG, recorded the minutes of the meeting. Before proceeding, the directors welcomed WBP as newest member of the Board.

II. CERTIFICATION OF NOTICE AND QUORUM

2. The Secretary certified that notice of meeting was sent to all directors. Directors confirmed that they received the meeting materials. She also informed the Board that there is a proposal to hold regular meetings of the Board on Thursdays instead of Wednesdays, to give ample time for updating and circulation of meeting materials after the ExCom and other committee meetings. The Board interposed no objection. Schedules will be finalized closer to the meeting.

RESOLUTION NO. 2025-276 (B)

"RESOLVED, that as favorably endorsed by the Audit Committee (ACom), the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) approves the proposed Special Audit of Home Credit Account as presented."

The Board noted the reports of the AuditCom.

VII. OTHER MATTERS

3. EVC presented the following operational items for approval of the Board:

    a. ITB 3 Year Lease Office Commercial Space Ground Floor Makati Bldg.
    b. Bank's Capital Build-Up Program Designation of PhilPass Smart Card Owner/Authorizer
    c. Authorized Signatories for BSP Treasury/Financial Market Transactions

4. WBP asked for the incremental benefits of leasing the SSS Makati Building.

5. CAA answered that the Bank will have presence along Ayala Avenue. Prior to this, Bank's current head office is at a hidden location.

On motion duly made and seconded, the Board of Directors unanimously approved the requests and issued the following resolutions:

RESOLUTION NO. 2025-277 (B)

"RESOLVED, that the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) approves Management's recommendation in relation to the Social Security System's Invitation to Bid (ITB) for the three (3)-year Lease of Office / Commercial Space at the Ground Floor of SSS Makati Building, Makati City through Public Bidding mode, as presented."

RESOLUTION NO. 2025-278 (B)

"RESOLVED, that the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) authorizes **Melissa Gervacio** and **Diana Francisco** as the Bank's authorized representatives (the **Authorized Representatives**) to apply for the PhilPaSS Smart Card in order to process RTGS transactions of the Bank in PhilPaSS;

RESOLVED, FURTHER, that the Authorized Representatives are designated as the PhilPaSS Smart Card Owner/Authorizer and are authorized to do the following acts:

1. Claim/Pick-up the smart card kit/s (smart card, smart card reader, and smart card account envelope);
2. Appoint a subordinate employee to claim/pick up the said smart card kit/s;
3. Execute and sign the *Release, Waiver and Quitclaim* (substantially in the form prescribed by *Bangko Sentral ng Pilipinas* (**BSP**) upon receipt of the said smart card kit/s; and

ANNEX P

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S.S.

SECRETARY'S CERTIFICATE

I, **TEPHANIE M. GANDIA**, Filipino, of legal age, with office address at Philippine Veterans Bank, PVB Building, 101 V. A. Rufino corner Dela Rosa Street, Legaspi Village, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly elected Corporate Secretary of the **PHILIPPINE VETERANS BANK** (the **Bank**), a corporation duly organized and existing under the laws of the Philippines, with head office at the PVB Building, 101 V.A. Rufino corner Dela Rosa Street, Legaspi Village, Makati City.

2. At the duly constituted meeting of the Board of Directors of the Bank held on 30 June 2025, at which meeting a quorum was present and acting throughout, the Board passed and approved the following resolution through Board Resolution No. 163, Series of 2025:

   "**RESOLVED,** that the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) approves the appointment of the following officers of the Bank for 2025-2026:

   - Chairman Emeritus - Roberto F. De Ocampo
   - Chairman of the Board - Emmanuel G. Herbosa
   - Vice-Chairman - Carlos Alfonso T. Ocampo
   - Lead Independent Director - Jose A. Nuñez, Jr.
   - President - Eulogio V. Catabran III
   - Chief Financial Officer - Cynthia A. Almirez
   - Corporate Secretary - Tephanie M. Gandia
   - Asst. Corporate Secretary - Gaudencio A. Barboza, Jr.

   RESOLVED, FURTHER, that the foregoing officers of the Bank shall serve as such until their successors have been duly qualified and appointed."

IN WITNESS WHEREOF, I have hereunto set my hand this JUL 17 2025 at TAGUIG CITY.

[redacted]

ATTY. TEPHANIE M. GANDIA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 17 2025 in TAGUIG CITY, affiant exhibiting to me her Tax Identification No. [redacted]

Doc. No. 207
Page No. 99
Book No. II
Series of 2025.

[illegible]
Appointment No. [illegible] (2024-2025)
Notary Public for Taguig City
Until December 31, 2025
[illegible]
[illegible] Taguig City
[illegible]

ANNEX Q

PHILIPPINE VETERANS BANK

Minutes of the Regular Meeting of the Board of Directors
Held on 17 September 2025 at 9:00 A.M
6/F Boardroom, PVB Building
101 V.A. Rufino cor. Dela Rosa Street, Makati City and via Zoom

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PRESENT:

EMMANUEL G. HERBOSA (EGH)	Chairman
CARLOS ALFONSO T. OCAMPO (CTO)	Vice-Chairman
ANTHONY M. TE (AMT)	Director
EULOGIO V. CATABRAN III (EVC)	President and Director
GERARDO MANUEL LUIS B. ANONAS (GBA)	Non-Executive Director
MARIE JOSEPHINE DIANA K. CALATRAVA (MJKC)	Non-Executive Director
RENATO A. CLARAVALL (RAC)	Non-Executive Director
ALBERTO B. CARLOS (ABC)	Non-Executive Director
REYNATO S. PUNO (RSP)	Non-Executive Director
JOSE A. NUÑEZ JR. (JAN)	Lead Independent Director
CESAR A. RUBIO (CAR)	Independent Director
ALFREDO S. PANLILIO (ASP)	Independent Director
REYNALDO V. VELASCO (RVV)	Independent Director
WINSTON CONRAD B. PADOJINOG (WBP)	Independent Director

ALSO IN ATTENDANCE:

CYNTHIA A. ALMIREZ (CAA)	EVP-CFO/Controller
CERWINA ELENORE A. SANTOS (CAS)	EVP-Chief Lending Officer
JOEL I. DILIG (JID)	Head, Corporate Planning
EDWIN T. AMAHAN (ETA)	Head, Branch Banking Sector
JONATHAN M. ACOSTA (JMA)	Head, Legal Services Group
ARMAND D. EUGENIO (ADE)	Head, Assets Recovery & Remedial Management Group
LEAH MABEL M. FAUSTINO (LMF)	Head, Human Resources Group
MA. THERESA L. ESCOBAR (MTLE)	Chief Compliance Officer / Acting Corporate Governance Officer / Head, Compliance Division
ANDRES B. SARACHO (ABS)	Head, Veterans Affairs Office
TEPHANIE M. GANDIA (TMG)	Corporate Secretary
PAUL B. BINAG (PBB)	Serrano Law

I. CALL TO ORDER

1. Chairman EGH called the meeting to order and presided over the proceedings. The Corporate Secretary, TMG, recorded the minutes of the meeting. Before proceeding, the directors welcomed WBP as newest member of the Board.

II. CERTIFICATION OF NOTICE AND QUORUM

2. The Secretary certified that notice of meeting was sent to all directors. Directors confirmed that they received the meeting materials. She also informed the Board that there is a proposal to hold regular meetings of the Board on Thursdays instead of Wednesdays, to give ample time for updating and circulation of meeting materials after the ExCom and other committee meetings. The Board interposed no objection. Schedules will be finalized closer to the meeting.

RESOLUTION NO. 2025-276 (B)

"RESOLVED, that as favorably endorsed by the Audit Committee (ACom), the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) approves the proposed Special Audit of Home Credit Account as presented."

The Board noted the reports of the AuditCom.

VII. OTHER MATTERS

3. EVC presented the following operational items for approval of the Board:

    a. ITB 3 Year Lease Office Commercial Space Ground Floor Makati Bldg.
    b. Bank's Capital Build-Up Program Designation of PhilPass Smart Card Owner/Authorizer
    c. Authorized Signatories for BSP Treasury/Financial Market Transactions

4. WBP asked for the incremental benefits of leasing the SSS Makati Building.

5. CAA answered that the Bank will have presence along Ayala Avenue. Prior to this, Bank's current head office is at a hidden location.

On motion duly made and seconded, the Board of Directors unanimously approved the requests and issued the following resolutions:

RESOLUTION NO. 2025-277 (B)

"RESOLVED, that the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) approves Management's recommendation in relation to the Social Security System's Invitation to Bid (ITB) for the three (3)-year Lease of Office / Commercial Space at the Ground Floor of SSS Makati Building, Makati City through Public Bidding mode, as presented."

RESOLUTION NO. 2025-278 (B)

"RESOLVED, that the Board of Directors of **PHILIPPINE VETERANS BANK** (the **Bank**) authorizes **Melissa Gervacio** and **Diana Francisco** as the Bank's authorized representatives (the **Authorized Representatives**) to apply for the PhilPaSS Smart Card in order to process RTGS transactions of the Bank in PhilPaSS;

RESOLVED, FURTHER, that the Authorized Representatives are designated as the PhilPaSS Smart Card Owner/Authorizer and are authorized to do the following acts:

1. Claim/Pick-up the smart card kit/s (smart card, smart card reader, and smart card account envelope);
2. Appoint a subordinate employee to claim/pick up the said smart card kit/s;
3. Execute and sign the *Release, Waiver and Quitclaim* (substantially in the form prescribed by *Bangko Sentral ng Pilipinas* (**BSP**) upon receipt of the said smart card kit/s; and

BOARD ASSESSMENT

S/N	Enablers	SCORES														AVERAGE
		EGH	ABC	AMT	JAN	EVC	RVV	RAC	MKC	ASP	CAR	RSP	CTO	GBA	WSP	
		D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	D-13	D-14	
1	A. BOARD INFORMATION	4.77	5.00	4.85	4.92	4.92	5.00	4.08	4.77	5.00	4.15	4.46	4.77	0.00	4.92	4.40
2	B. BOARD COMPOSITION	4.5	5.00	5.00	5	3.75	5.00	4.25	5.00	5.00	4.25	5.00	5	0	4.75	4.39
3	C. BOARD ACCOUNTABILITY	4.17	4.96	4.75	4.88	4.50	5.00	3.71	4.88	4.88	3.57	4.71	4.96	0.00	4.92	4.28
	TOTAL AVERAGE SCORE PER DIRECTOR	**4.48**	**4.99**	**4.87**	**4.93**	**4.39**	**5.00**	**4.01**	**4.88**	**4.96**	**3.99**	**4.72**	**4.91**	**0.00**	**4.86**	**4.36**

What issues should occupy the Board's time and attention during the coming year?

- capital build up
- credit risk
- improved SAFe rating
- meeting credit targets
- good governance and accountability
- compliance
- more time for strategic planning
- more awareness of current political events as impacts on the organization
- branch expansion to accommodate potential client
- continued strenghtening of governance, risk management, and internal control systems
- continue focusing on strategic growth, digital transformation, cybersecurity, risk management, regulatory compliance, and talent succession planning
- sustainable growth
- digital transformation
- asset quality
-regulatory compliance
- concentrate on capital build up
- capital build up
- Capital Build up plan, VWWII governance, Conflict of interest transactions with Benlife

The successful completion of the Bank's Capital Build Up Program (CBUP) should remain the Board's highest strategic priority. Beyond achieving compliance with the minimum capitalization requirements, the Board must ensure the timely resolution of matters identified under the BSP's Annual Regular Examination Findings (AREF) and sustain efforts toward the Bank's complete exit from the Prompt Corrective Action (PCA) framework.

Equally important is the continued strengthening of governance, risk management, and internal control systems. The Board must remain focused on addressing legacy issues that have affected the Bank's financial condition and regulatory standing, while ensuring that corrective measures are institutionalized to prevent recurrence. The coming year presents a critical opportunity not only to restore regulatory normalcy but also to reinforce stakeholder confidence and establish a stronger foundation for sustainable growth.

How can the board organization or performance be improved?

- change mindset in dialog with errors, incompetent and underachieving personnel
- Strengthen management team
- occassional visits by the Chairman, President and the Directors in all branches to improve access to more clients for maximum profitability
- continued stengthening of Board effectiveness
- culture of accountbaility
- periodic Board skills assessments and succession planning
- continued director education
- deeper discussions on emerging industry trends
- AI involvement in the strategy
- strategic discussions
- Committee meetings should not be rushed to adjourn

The continued strengthening of Board effectiveness requires an unwavering commitment to the principles of accountability, transparency, and collective responsibility. While significant progress has been made in enhancing governance standards, there remains a need for more rigorous evaluation of Board decisions, particularly those that have resulted in material financial, operational, or reputational consequences for the Bank. Directors should be encouraged to openly acknowledge and take responsibility for decisions within their sphere of influence, regardless of when such decisions were made. Where appropriate, the Board should ensure that lessons learned from past decisions are formally documented and reflected in governance reviews, committee assessments, and succession planning initiatives. A culture of accountability not only strengthens Board credibility but also sets the tone for the entire organization. In addition, periodic Board skills assessments and succession planning exercises should be undertaken to ensure the the Board's composition continues to align with the Bank's evolving strategic, regulatory, digital and risk management requirements.

What do you consider the Board's greatest strength?

- The Board possesses a strong entrepreneurial disposition, sharp analytical skills and high capacity for independent thinking
- openness and strong commitment to advance the interests of common shareholders
- collective interest to strengthen the bank
- diversity in the qualifications and experience of the board members provide healthy environment for discussions of issues

- enhancement in its collective experience, credibility and diversity of expertise
- willingness of distinguished professionals to serve on the Board
- strong governance culture, diverse expertise, active participation
-commitment to ethical leadership and shareholder value.
- diverse expertise of Directors

One of the Board's greatest strengths is the significant enhancement in its collective experience, credibility, and diversity of expertise brought about by the appointment of highly respected and accomplished directors over the past two years. The Board today benefits from deeper competencies across banking, finance, governance,public service,military affairs,legal practice, and strategic leadership. This broader range of perspectives has strengthened the quality of discussions, improved strategic oversight, and contributed to more robust decision-making. The willingness of distinguished professionals to serve on the Board is also a strong vote of confidence in the Bank's transformation agenda and long-term prospects.
-Its diversity, integrity, objectivity and focus.

conversely, in your view what is the board's greatest weakness?
- inability to fast track revival of the bank
- need to strengthen oversight of certain committee and related-party transaction matters.
- limited time for discussions on long term strategic initiatives
- none at this time
- keep the peace and order making personnel accountable and responsible for their actions.
- residual influx of previous years ' Board restricts the current Board from pursuing certain courses of actual
- Digital, cybersecurity and AI capabilities

While the Board has significantly strengthened its overall composition, there remain opportunities to further enhance its effectiveness through continued Board renewal and succession planning. As the Bank transitions into a new phase of growth and regulatory normalization, it is important that the Board's composition continues to evolve in line with the institution's strategic needs. This includes ensuring that all directors possess the requisite competencies,engagement,independence of thought, and commitment necessary to support the Bank's transformation agenda. Periodic evaluation of director performance, attendance, contribution to discussions, and alignment with governance expectations should continue to guide Board refreshment initiatives. The objective is not merely continuity,but the development of a Board that is fully equipped to lead the Bank through its next stage of growth and value creation.

		EGH	ABC	AMT	JAN	EVC	RVV	MKC	WBP	ASP	CAR	RSP	CTO	
S/N	**Enablers**	**SCORES**												AVERAGE
		D-1	D-2	D-3	D-4	D-5	D-6	D-7	D-8	D-9	D-10	D-11	D-12	
1	A. DUTY OF OBEDIENCE	4.71	4.57	5.00	5	5	5.00	5	4.71	4.86	4.86	4.71	5	4.87
2	B. DUTY OF DILIGENCE	5	5.00	5.00	5	5	5.00	5	5.00	5.00	5.00	5.00	5	5.00
3	C. DUTY OF LOYALTY	5	5	5.00	5	5	5	5	5.00	5.00	4.80	5.00	5.00	4.98
	TOTAL AVERAGE SCORE PER DIRECTOR	**4.90**	**4.85714**	**5.00**	**5**	**5**	**5**	**5.00**	**4.90**	**4.95**	**4.89**	**4.90**	**5.00**	**4.95**

A. I believe the Board should focus on the following priorities for the upcoming year:

- expansion of bank operation
- fill up position with more qualified personnel
- improved SAFr rating
- meeting credit targets
- regain trust of shareholders which has suffered in the past due to non profitability and absence of dividends
- working on network of contacts in government and industry to bring business
- visibility in public events to project the Bank's image
- more presence through meetings with Management and clients
- sustainable growth
- asset quality and risk management
- digital transformation/ cybersecurity
- capital build up program
- credit risk management

Successful completion of the Bank's Capital Build Up Program (CBUP), inlcuding the attainment of minimum capialization requirements, restoration of capital adequacy, and eventual exit from the BSP's Prompt Corrective Action (PCA) framework.
Strengthening corporate governance, accountability, and risk management practices by addressing legacy governance issues, reinforcing oversight mechanisms, and institutionalizing a culture of transparency and responsibility across the organization.
Supporting the Bank's strategic growth initiatives, including capital raising activities, potential acquisitions,digital transformation projects, rebranding efforts, and the continued expansion of the Bank's military, government, and private-sector franchise.

B. Are there changes that would improve the Board's effectiveness that you would suggest?

-stronger support from management team
- better measurement of Board's effectiveness
- more effective messaging

- involve the Chairman in regular meetings
- more time for strategic discussions
- more education on emerging risks and technologies
- identify top priorities and design a method to measure the Board's effectiveness
- automated risk management dashboard

Continue Board renewal and succession planning to ensure the the Board's composition remains aligned with the Bank's evolving strategic, regulatory, digital, and risk management requirements.

Strengthen Board accountability through periodic performance evaluations, enhanced tracking of Board directives, and more rigorous post-review of significant decisions and their outcomes.

Encourage greater focus on strategic and forward looking discussions by dedicating more Board time to emerging risks, capital planning, technology, cyber resilience, market opportunities, and long term value creation.

C. What topics of trainings or seminars that you would like to suggest to improved self-competency and/or Board competency?

- AI and cybersecurity
- AI and digital banking developments
- risk management
- sustainable finance
- how to fairly enforce accountability
- special governance topics with the ICD
- emerging technology risks
- it security risk topics
- digital banking
- cyber security
- advantages of using AI in banking
- best practices by other commercial banks
- more risk management training
- AI Application in banking
- cyber security

Advanced Corporate Governance and Board Accountability, including lessons from governance failures, director responsibilities, BSP governance expectations, and best practices in Board oversight.
Strategic Risk Management, Capital Planning, and Recovery & Resolution Frameworks including Basel standards, ICAAP, stress testing, recovery planning, and emerging risk management practices.
Digital Banking, Artificial Intelligence, Cybersecurity, and Financial Technology Trends, focusing on the impact of digital transformation, cyber threats, data governance, and innovation on banking strategy and risk oversight.

Comments:
Restoring the trust of common shareholders and of the DND/ AFP community should be one of our top priorities.
We have to work harder to reinvigorate our image which suffered for years of non profitability and near closure in the past
The Board has made significant progress in strengthening its composition, governance culture, and strategic oversight over the past year. The addition of highly respected and experienced directors has enhanced the quality of deliberations and decision-making.
Going forward, the Board should continue to build on these gains by fostering a culture of accountability, transparency, and continuous improvement. Particular attention should be given to ensure that lessons from past governance, credit, and risk management shortcomings are fully institutionalized through stronger policies, clearer accountability, and more proactive oversight.

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ANNEX R

NEW EMPLOYEE ORIENTATION

TIME	DURATION	TOPICS
8:20-8:30	10 mins	Registration / Distribution of Handouts
8:30-8:35	5 mins	House Rules
8:35-8:40	5 mins	National Anthem
8:40-8:45	5 mins	Opening Prayer
8:45-8:50	5 mins	Opening Remarks
8:50-8:55	5 mins	Welcome Remarks
8:55-9:10	15 mins	Getting-to-know You Activity : Spin the Wheel
9:10-9:25	15 mins	Our History (Website)
9:25-9:40	15 mins	AM Break
9:40-10:20	40 mins	VMV
10:20-10:50	30 mins	Our Structure and Key Officers (including Employee Referral Program)
10:50-11:20	30 mins	Compensation and Benefits
11:20-11:40	20 mins	Environment, Safety and Health
11:40-12:10	30 mins	Career Development : PMS, SMP and Training Programs
12:10-1:10	1 hr	LUNCH
1:10-1:25	15 mins	Ice Breaker : Pop Quiz
1:25-2:05	40 mins	Our Code of Ethics, Code of Conduct and Employee Activities
2:05-2:25	20 mins	Overview of Bank Products and Services: External Customers
2:25-3:05	40 mins	Overview of Bank Products and Services: Internal Customers
3:05-3:20	15 minutes	PM Break
3:20-3:50	30 mins	PVB Customer Service Standards (including Corporate Image)
3:50-4:20	30 mins	Veteranism (including Museum Virtual Tour; recorded webinar)
4:20-5:20	1 hr	Valor the Movie
5:20-5:30	10 mins	Closing, Evaluation, Class Picture, Awarding of PVB Welcome Kit

Financial Sustainability

SUSTAINABILITY DISCLOSURES

Strategic Objectives and Risk Appetite

The Bank remains committed to embedding sustainability principles into its overall strategy, aligning financial performance with Environmental, Social, and Governance (ESG) considerations. These include aiming to reduce the pressure on the environment as well as mitigating risks from climate change and environmental hazards on the Bank's personnel and assets.

Strategic Objectives include promoting sustainable economic growth by financing environmentally and socially responsible financing, supporting the transition to low-carbon economy through targeted lending and investment initiatives, enhancing stakeholder value by embedding ESG factors into the decision-making process, and strengthening resilience against sustainability-related risks.

Environmental and Social (E&S) risk is recognized by the Bank as a material risk and is incorporated in its Internal Capital Adequacy Assessment Process (ICAAP). The Bank defines its risk appetite and tolerance for E&S risk-related losses through established thresholds, which reflect the level of potential capital reduction arising from E&S risks that may trigger the Capital Adequacy Ratio (CAR) early warning indicator.

Overview of Environmental and Social (E&S) Risk Management System

The Bank manages E&S risks through a risk-based and proportionate framework integrated into its credit, investment, and operational decision-making processes. Oversight is exercised by the Sustainable Finance Committee (SFCom), with escalation to Senior Management, Credit Committee, and the Board depending on the materiality of residual E&S risks. This framework is aligned with BSP's Sustainable Finance Framework and embedded within the Bank's overall risk governance.

All credit and investment transactions within scope undergo initial E&S screening as part of the loan evaluation process. Lending Officers identify potential E&S risks using the Bank's E&S Risk Scorecard, covering:

- Environmental impacts (pollution, waste, water use),
- Social and community impacts (resettlement, livelihood disruption),
- Labor and human rights issues (child or forced labor), and
- Compliance with applicable environmental and social laws and regulations.

Projects falling under the Out-of-Scope / Exclusion List are automatically treated as high E&S risk.

Based on screening results, transactions are categorized as:

- Category A (High E&S Risk): Projects with significant actual or potential environmental and/or social impacts, legal or regulatory non-compliance, or inclusion in exclusionary activities.
- Category B (Low to Moderate E&S Risk): Projects with limited, manageable, or indirect E&S impacts.

This categorization ensures proportionality and consistency with BSP supervisory expectations.

The exercise of due diligence is commensurate with risk level.

- Category A: Requires a full Environmental and Social Due Diligence Report (ESDDR), which may involve desk reviews, site visits, and/or expert assessments.
- Category B: Subject to documented screening and periodic monitoring.

Due diligence assesses compliance with environmental permits, labor standards, social safeguards, and other applicable regulatory requirements.

Identified E&S risks are mitigated through appropriate measures, including transaction structuring and conditional approvals, financing covenants addressing E&S compliance, and corrective action plans (CAPs) with clear actions, timelines, and accountabilities where compliance gaps exist.

Transactions proceed only where residual E&S risks are within the Bank's risk appetite.

Physical climate and disaster risks are assessed using HazardHunterPH, covering exposure to seismic, volcanic, and hydrometeorological hazards affecting clients, collateral, and Bank properties. Results are incorporated into credit risk assessment and the Bank's Business Continuity Planning (BCP).

For Category A exposures, E&S assessments and mitigation measures form part of the credit approval package and are reviewed by SFCom.

Post-approval:

- Category A: Annual E&S performance monitoring, including CAP implementation.
- Category B: Periodic monitoring, with re-categorization at least every three (3) years.

Material issues, policy deviations, or elevated residual risks are escalated in accordance with the Bank's Risk Assessment and approval thresholds.

E&S risk exposures and performance are reported to Senior Management and the Board, supporting ICAAP disclosures and BSP supervisory reviews. The ESRMS and related policies are periodically reviewed and enhanced to reflect regulatory updates, evolving sustainability standards, and emerging E&S risks.

Sustainable Products and Services

The Bank continued to advance its sustainable finance agenda by supporting projects and initiatives that contribute to environmental protection, social development, and inclusive economic growth. As of 2025, its sustainable finance portfolio amounted to ₱ 733.67 million, equivalent to 2.16% of the Bank's total loan portfolio.

While the Bank has not issued sustainable or green bonds as of 2025, it continues to explore opportunities to expand its sustainable products and services in line with its strategic objectives and evolving regulatory expectations.

E&S Risk Exposures

E&S risk is considered as emerging risks for the Bank as it serves as driver or amplifier of Pillar 1 and Pillar 2 risks. E&S risk may come from deposit taking, lending, investment, treasury, and trust activities; client relationships and counterparties; and own operations and governance practices. E&S risks are forward-looking, long-term in nature, and often materialize indirectly through borrowers, projects, infrastructures, or economic sectors.

The Bank assesses E&S risk as covered under the credit risk assessment, investment evaluation, and operational risk assessments. There is no separate assessment for E&S risks to avoid duplication.

Financial Sustainability

Veterans Bank Sustainability Practices

In line with the United Nations Sustainable Development Goals (SDGs) and in compliance with Bangko Sentral ng Pilipinas (BSP) requirements, Philippine Veterans Bank (Veterans Bank) has developed a roadmap to align its financial sustainability efforts with the UN SDGs and the Philippine Sustainable Finance Guiding Principles.

UN SDG #1: No Poverty

Through its Branch Banking Sector, Veterans Bank served the pension and loan needs of 93,504 veteran pensioners. This initiative supports the goal of ensuring that all individuals, particularly the poor and vulnerable, have equal rights to economic resources, access to basic services, and financial tools—including microfinance—that enable improved living standards.

93,504
Veterans Pensioners Served

UN SDG #3: Good Health and Well-being

Veterans Bank implemented proactive measures to manage and mitigate the effects of outbreaks and pandemics in the Philippines. These efforts support the global goal of enhancing the capacity of countries, especially developing ones, in early warning, risk reduction, and the management of national and global health risks.

The Bank also continued to promote good health and well-being through frequent wellness sessions covering various topics related to health.

UN SDG #5: Gender Equality

Women represent 43% (21 out of 49) of Veterans Bank's Senior Management Team and 64% (620 out of 975) of the entire workforce. These figures demonstrate the Bank's commitment to fostering full and effective participation of women and ensuring equal opportunities for leadership at all levels of decision-making.

43%
Senior Management

64%
Total Workforce

UN SDG #6: Clean Water and Sanitation

In 2025, the Bank extended an additional loan of ₱8.90 Million to support the waste water treatment efforts of Bantayan Park in Bago City. Additionally, the Veterans Bank HR-ESH Division continued implementing water-use efficiency measures at the Veterans Bank Headquarters. Based on Central Hub Data, water consumption fell to 6,269 m^3 in 2025—a decrease of 2% from 6,373 m^3 in 2024.

₱8.90M
Loan Extended

2%
Water Use Decrease

Financial Sustainability

UN SDG #8: Decent Work and Economic Growth

This principle promotes policies that support productive activities, decent job creation, entrepreneurship, innovation, and the growth of micro, small, and medium-sized enterprises (MSMEs) through improved access to financial services.

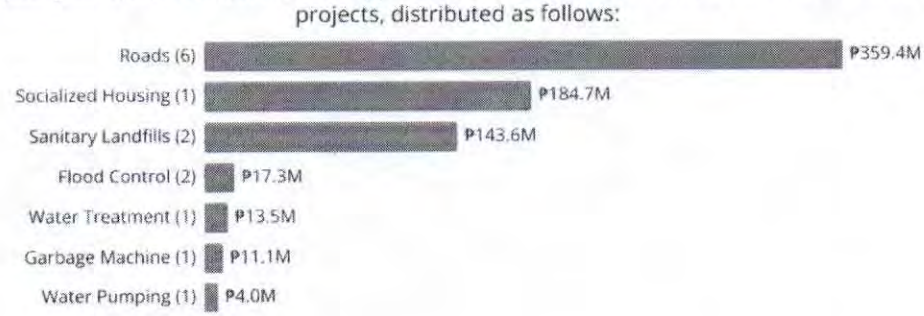
In support of inclusive economic growth and enterprise development, the Institutional Banking Group allocated ₱342 million, representing 1.87% of the Group's ₱18.25 billion lending portfolio, to micro, small, and medium enterprises (MSMEs) in 2025. The Bank continues to recognize the vital role of MSMEs in job creation, entrepreneurship, and local economic activity, and intends to further expand its support for this sector over time.

The Bank also contributed to decent work and broader financial inclusion through its workforce, service network, and digital banking initiatives. In 2025, it employed 1,377 personnel, including 402 outsourced workers. The Bank maintained its branch network at 61, of which 23 branches, or 38%, are located in rural areas. In addition, 200 of its 281 ATMs, or 71.17%, are deployed in rural communities, reinforcing the Bank's commitment to improving access to financial services beyond urban centers. Complementing its physical network, the Bank launched its digital banking app to provide clients with more convenient and accessible banking channels, further promoting financial inclusion. In 2025, total transactions processed through the Bank's digital app reached 310,426 with transaction value of ₱2.41 billion, reflecting growing customer adoption of digital financial services. The Bank's Digital Banking users grew to 31,245.

₱342M	₱18.25B	1,377	61	310,426	31,245
MSME Lending	Total Portfolio	Employees	Branches	Digital Txns	Digital Users

UN SDG #9: Industry, Innovation, and Infrastructure

This goal supports the development of resilient and inclusive infrastructure, sustainable industrialization, and innovation—all essential for driving economic growth and improving quality of life. As of 2025, PVB has approved ₱733.67 million in loans for 14 infrastructure projects, distributed as follows:



UN SDG #10: Reduced Inequalities

Supporting the goal of increasing income growth among the bottom 40% of the population, Veterans Bank continues to prioritize financial inclusion. As of 2025, 73% of the Bank's Pension and Salary Loan borrowers (21,367 out of 29,125) are based in rural communities—underscoring PVB's role in promoting inclusive economic participation.

73%
Rural Borrowers

UN SDG #11: Sustainable Cities and Communities

Veterans Bank's HR-ESH Division took the lead in instituting reduction of waste and recycling within the organization. During the year, 9.846 metric tons of waste were collected.

9.846 MT
Waste Collected

UN SDG #13: Climate Action

This goal calls for urgent action to combat climate change and its impact through mitigation, adaptation, and global cooperation.

RECOMMENDATION 12.1

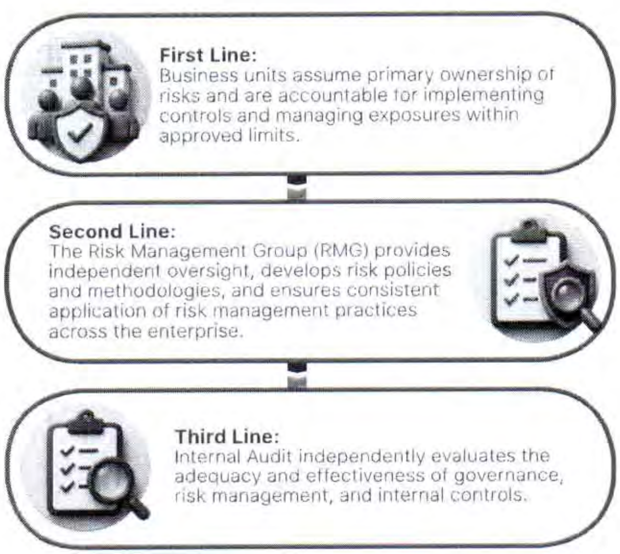
Risk and Capital Management

Risk Management Framework

The Bank maintains a **comprehensive and forward-looking Enterprise Risk Management (ERM) Framework** that enables the consistent identification, assessment, monitoring, and control of all material risks across the organization. The framework is aligned with regulatory requirements, industry best practices, and the Bank's strategic objectives, and is continuously enhanced to respond to evolving market conditions, emerging risks, and supervisory expectations.

Risk management is embedded into the **core operating model and decision-making processes** of the Bank. It supports sustainable value creation by ensuring that risk considerations are integral to strategy formulation, capital allocation, product development, and operational execution.

The framework operates through the **Three Lines of Defense model**, which ensures clear accountability and independence:



At the governance level, the **Risk Management Oversight Committee (RMOC)**, supported by senior management committees, provides robust review, challenge, and oversight of the Bank's risk profile.

Risk Culture and Philosophy

The Bank fosters a **strong and proactive risk culture** anchored on integrity, accountability, and prudent risk-taking. Risk management is viewed not merely as a control function, but as a **strategic enabler of sustainable growth and resilience**.

Key elements of the Bank's risk culture include:

- Clear articulation of risk ownership across all levels;
- Active tone from the top, with strong Board and Senior Management engagement;
- Integration of risk management into performance management and incentives;
- Continuous capability building through training and awareness programs; and
- Transparent communication and escalation of risk issues.

This culture promotes **sound judgment, early risk identification, and timely corrective action**, thereby enhancing the Bank's ability to respond to internal and external challenges.

Risk Appetite and Strategy

The Bank operates within a **formally defined Risk Appetite Framework**, approved by the Board, which articulates the **types and levels of risk the Bank is willing to assume** in pursuit of its strategic objectives.

Risk and Capital Management

The framework is designed to ensure alignment between:

STRATEGIC GOALS

BUSINESS PLANS

CAPITAL AND LIQUIDITY CAPACITY

Risk appetite is expressed through a combination of:

- **Qualitative statements**, reflecting the Bank's strategic direction and governance expectations; and
- **Quantitative measures and limits**, which guide risk-taking activities and define acceptable boundaries.

The Bank adopts a **balanced and disciplined approach to risk-taking**, ensuring that:

- Risks undertaken are commensurate with expected returns;
- Capital is efficiently allocated to risk-adjusted opportunities; and
- Adequate buffers are maintained to withstand adverse conditions.

Risk appetite is **regularly reviewed and refined**, taking into account stress testing results, changes in the operating environment, and regulatory developments.

Risk Governance Structure and Processes

The Bank's risk governance structure provides **clear lines of authority, accountability, and oversight**, ensuring effective management of risks across the organization.

The Board of Directors retains ultimate responsibility for:

- Approving the Risk Appetite Framework;
- Ensuring the adequacy of risk management systems; and
- Overseeing the Bank's overall risk profile.

Board-level committees, particularly the RMOC, provide focused oversight on risk matters, while Senior Management committees ensure that risk considerations are embedded in day-to-day operations.

The Bank adopts a **structured and dynamic risk management process**, comprising:

1. RISK IDENTIFICATION

Comprehensive and forward-looking identification of existing and emerging risks across all business activities;

2. RISK ASSESSMENT AND MEASUREMENT

Use of robust methodologies, including models, scorecards, and expert judgment, to quantify and evaluate risks;

3.RISK MONITORING AND REPORTING

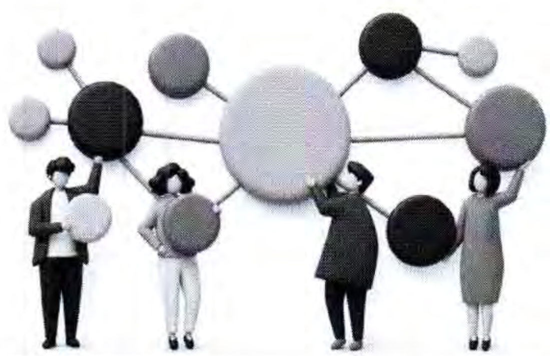
Regular monitoring through dashboards, key risk indicators, and management information systems; and

4. RISK CONTROL AND MITIGATION

Comprehensive and forward-looking identification of existing and emerging risks across all business activities;

Risk Management Group Organization

The Bank's Risk Management Group, headed by the Chief Risk Officer (CRO), is organized as follows:



- Operational Risk Division
- Market, Liquidity, and Interest Rate Risk Division
- Credit Risk Division
- Enterprise Security, Fraud and Technology Risk Division
- Enterprise Risk Management Division
- Trust and Subsidiaries Risk Division

Risk Measurement, Reporting, and Monitoring Systems

The Bank utilizes a **suite of advanced risk management tools and systems** to support effective risk measurement and monitoring, including:

- Internal credit risk rating systems;
- Key Risk Indicators (KRIs) with defined thresholds and escalation protocols;
- Risk and Control Self-Assessments (RCSA) to evaluate control effectiveness;
- Internal loss data collection and incident management systems; and
- Scenario analysis and enterprise-wide stress testing.

Risk information is consolidated to provide an **integrated and enterprise-wide view of the Bank's risk profile**, enabling timely and informed decision-making by Senior Management and the Board.

Reporting frameworks ensure that:

- Significant risk exposures and limit breaches are promptly escalated;
- Trends and emerging risks are clearly identified; and
- Action plans are monitored to completion.

Risk Mitigation and Control Strategies

The Bank employs **layered and complementary risk mitigation strategies** to manage its exposures effectively. These include:

- Establishment of Board-approved risk limits and controls;
- Diversification across counterparties, sectors, and geographies;
- Collateralization and credit risk mitigation techniques;
- Strong internal controls and segregation of duties;
- Continuous monitoring and validation of controls; and
- Periodic review of risk management frameworks and policies.

Where applicable, **hedging strategies** are utilized to mitigate market-related risks, subject to strict governance and monitoring to ensure effectiveness.

Capital Management

The Bank maintains a **disciplined capital management framework** designed to ensure resilience under both normal and stressed conditions.

Capital management is guided by the following principles:

- Maintenance of adequate capital buffers relative to the Bank's risk profile;
- Integration of capital planning into strategic and financial planning processes;
- Alignment of capital allocation with risk-adjusted returns; and
- Compliance with regulatory capital requirements.

Risk and Capital Management

The **Internal Capital Adequacy Assessment Process (ICAAP)** serves as the cornerstone of the Bank's capital planning, incorporating:

- Forward-looking projections;
- Stress testing and scenario analysis; and
- Assessment of material risks, including those not captured under minimum capital requirements.

Capital planning is closely linked to the Bank's **risk appetite, business strategy, and recovery planning**, ensuring a coherent and forward-looking approach.

In line with BSP Circular 1024, Bank's countercyclical capital buffer has been set at 0% subject to an upward adjustment to a rate determined by the Monetary Board when systemic conditions warrant. Information regarding instruments that are included in the Bank's equity can also be found in the Bank's Disclosure menu of the website.

Stress Testing and Scenario Analysis

The Bank conducts **comprehensive stress testing programs** to evaluate the potential impact of adverse scenarios on its financial condition.

These stress tests:

- Cover all material risk types;
- Include both **idiosyncratic and systemic scenarios**; and
- Assess impacts on earnings, capital, and liquidity.

In addition to risk-specific stress tests, the Bank performs **integrated enterprise-wide stress testing** to capture interdependencies and aggregate impacts.

Stress testing results are actively used to:

- Validate risk appetite and limits;
- Inform strategic and capital planning decisions; and
- Strengthen contingency and recovery plans.

Risk Exposures and Management by Risk Type

Credit Risk

The Bank adopts a **comprehensive and disciplined approach to credit risk management**, supported by:

- Robust underwriting standards and independent credit evaluation;
- A well-defined credit approval authority structure;
- An internal credit risk rating system that facilitates granular risk assessment;
- Ongoing portfolio monitoring, including early warning systems; and
- Regular stress testing of credit exposures.

The Bank continuously enhances its credit processes to ensure **sound asset quality, prudent growth, and proactive management of emerging risks**.

Market Risk

Market risk is managed through a **structured framework of limits, monitoring, and independent oversight**, including:

- Board-approved limits such as position limits, stop-loss limits, and risk metrics;
- Daily monitoring of exposures using tools such as Value-at-Risk and sensitivity analysis;
- Independent validation and back-testing of models; and
- Regular stress testing to assess vulnerability to market movements.

Operational Risk

Operational risk management is guided by a **robust and enterprise-wide framework** that emphasizes:

- Strong governance and clearly defined accountability;
- Comprehensive risk identification and assessment processes;
- Continuous monitoring through KRIs and incident reporting;
- Business continuity and disaster recovery planning; and
- Advanced information security and cybersecurity controls.

The Bank continues to invest in **automation, data governance, and system enhancements** to strengthen operational resilience and risk visibility.

Interest Rate Risk in the Banking Book (IRRBB)

The Bank utilizes **internal measurement systems** to assess IRRBB exposure, focusing on the potential impact of changes in interest rates on both **earnings (Earnings-at-Risk)** and **economic value**.

Measurement Approach

IRRBB is measured through:

- Sensitivity analysis of interest rate shocks;
- Earnings-based measures assessing potential variability in net interest income; and
- Economic value-based measures evaluating the impact on the present value of banking book positions.

Key Behavioral Assumptions

The measurement of IRRBB incorporates critical assumptions relating to customer behavior, including:

- **Loan prepayment behavior**, reflecting the likelihood of early settlement of loans under varying interest rate environments;
- **Repricing characteristics of loans**, based on contractual and expected repricing periods;
- **Stability and repricing behavior of non-maturity deposits**, recognizing that such deposits may not immediately reprice in line with market movements; and
- **Deposit withdrawal patterns**, both during BAU and under stressed conditions.

These assumptions are subject to periodic validation and review to ensure they remain **relevant and reflective of actual behavior and market conditions**.

Risk and Capital Management

Impact Assessment

The Bank regularly evaluates the **impact of upward and downward interest rate shocks** on:

- **Earnings**, through changes in net interest income over a defined horizon; and
- **Economic value**, through changes in the present value of assets, liabilities, and off-balance sheet positions.

The results of these measurements provide insights into the Bank's **sensitivity to interest rate movements** and are used to support:

- Risk appetite and limit calibration;
- Balance sheet management; and
- Strategic decision-making.

IRRBB exposures and sensitivity results are reported periodically to Senior Management / ALCO and the Board, ensuring **appropriate oversight and timely management action where necessary**. The Bank did not hedge IRRBB through derivatives but may do so when needed, together with managing interest rate risk exposures through balance sheet management and Board approved limits.

Environmental and Social Risk Management

The Bank recognizes that **environmental and social (E&S) risks are increasingly significant drivers of financial risk** and are integral to long-term sustainability.

To address this, the Bank has established a **comprehensive Environmental and Social Risk Management System (ESRMS)** that is fully integrated into its overall risk management framework and aligned with regulatory expectations on sustainable finance.

Key features of the ESRMS include:

Systematic screening and classification of transactions based on environmental and social risk factors;

Use of **risk scorecards and structured assessment tools** to ensure consistency and objectivity;

Risk-based due diligence, with enhanced assessment for higher-risk exposures;

Implementation of **mitigation measures**, including contractual covenants and corrective action plans; and

Integration of E&S considerations into credit evaluation, investment decisions, and operational activities;

Ongoing **monitoring and reporting of E&S exposures** to Senior Management and the Board.

The Bank also incorporates **climate-related and disaster risk considerations** into its risk assessment processes, enhancing its resilience to physical and transition risks.

Governance of E&S risks is supported by a dedicated oversight structure, with escalation mechanisms based on materiality and risk level. The Bank continues to **enhance its ESRMS framework** in line with evolving regulatory guidance and global sustainability standards

Information Security, Fraud Management and Technology Risk Perspective

Veterans Bank's risk culture promotes accountability, integrity, and prudent risk-taking across all levels in Veterans Bank. Within this framework, information security, fraud management, and technology risk management are recognized as critical enablers of customer trust, operational resilience, and sustainable business growth. Risk awareness is embedded in business processes, technology initiatives, and customer-facing operations through continuous education, risk monitoring, and escalation mechanisms that encourage the timely identification and management of emerging threats and vulnerabilities.

Consistent with the Bank's risk appetite framework, Veterans Bank maintains a conservative risk posture toward cybersecurity incidents, fraud losses, unauthorized access to information assets, and disruptions affecting critical technology services. Veterans Bank seeks to balance digital innovation and business growth with the need to maintain effective controls that protect customer information, financial assets, and critical operations. Risk appetite thresholds and key risk indicators are regularly monitored to ensure that risk exposures remain within Board-approved limits.

The governance of information security, fraud management, and technology risk is supported by Veterans Bank's enterprise-wide risk governance framework and the Three Lines of Defense model. The Board of Directors, through the Risk Management Oversight Committee (RMOC), provides oversight of material technology, cyber, and fraud risks. Senior Management is responsible for implementing risk management strategies and ensuring that appropriate controls are established and maintained. Business units serve as the first line of defense, while independent risk oversight functions provide challenge, monitoring, and reporting of risk exposures. Internal Audit independently assesses the effectiveness of governance, risk management, and control processes.

Risk management activities include the continuous identification, assessment, monitoring, reporting, and mitigation of information security, fraud, and technology risks. These activities are supported by risk assessments, control testing, key risk indicators, incident reporting, scenario analysis, and operational resilience initiatives. Veterans Bank continuously enhances its capabilities to address evolving cyber threats, emerging fraud schemes, technology-related disruptions, and third-party risks in support of its strategic objectives and commitment to protecting customers and stakeholders.

Other Material Risks (Pillar II Risks)

The Bank actively manages a range of **other material risks**, including:

- Strategic risk;
- Liquidity risk;
- Compliance risk;
- Reputational risk; and
- Concentration and emerging risks.

These risks are subject to **robust governance, monitoring, and mitigation processes**, and are incorporated into the Bank's ICAAP and stress testing frameworks, where material.

Conclusion

The Bank's risk and capital management framework are aligned with the Bangko Sentral ng Pilipinas (BSP) regulations, including the Risk Governance Framework and disclosure requirements under Appendix 59 of the MORB. This reflects a **high level of maturity, integration, and continuous improvement**. Through strong governance, a disciplined risk culture, and enhanced focus on sustainability and emerging risks, the Bank is well-positioned to **navigate a dynamic risk environment while supporting long-term growth and stakeholder value**.

Recommendation 13.2

veteransbank

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

Please be informed that the **PHILIPPINE VETERANS BANK** (the Bank) will hold its Annual Stockholders' Meeting (**ASM**) on **20 June 2025 (Friday), 2:00 p.m.***, at SMX Convention Center, Seashell Lane, Mall of Asia Complex, Pasay City.

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 11 June 2024
4. 2024 Annual Report
5. Ratification of the Acts of the Board of Directors, Board Committees and Management from the date of the last Annual Stockholders' meeting up to the date of this meeting
6. Election of Directors for 2025-2026
7. Appointment of External Auditor
8. Election of the Members of the Board of Trustees of the Veterans of World War II (BTVWWII) for 2025-2026
9. Adjournment

Each agenda item for approval is explained in the Information Statement, copies of which will be made available at the Bank's website, all branches nationwide, and at the offices of District Presidents of the Veterans Federation of the Philippines.

The Bank has fixed **21 May 2025** as the record date for the determination of stockholders entitled to notice of, to participate, and to vote *in absentia*, at such meeting and any adjournment thereof. Stockholders are reminded to update their account and contact information to help ensure the receipt of all correspondences, notices, reports, and other communication related to this meeting and the Bank.

Stockholders who cannot attend the meeting may execute a proxy (which need not be notarized) and send the original to the Office of the Corporate Secretary at 6th Floor PVB Building 101 V.A. Rufino cor. Dela Rosa Sts., Legaspi Village, Makati City, or by emailing an advance copy to stockcertificate@veteransbank.com.ph not later than **10 June 2025** in accordance with the By-laws of the Bank, subject to presentation of the original on the day of the meeting. A sample format of the proxy form for individuals is attached for reference.

During registration, please bring this Notice and a valid government-issued ID with photograph for verification purposes.

Thank you.

[redacted]

Atty. TEPHANIE M. GANDIA
Corporate Secretary

*Gates will open at 5:30am for the morning program.

STOCKHOLDER'S PROXY

KNOW ALL MEN BY THESE PRESENTS:

I, a stockholder of the PHILIPPINE VETERANS BANK, do hereby appoint ______________________________ as my attorney and proxy to represent me and vote all shares in my name in the books of said corporation at any and all regular and special meetings of the stockholders of said corporation and any adjournment thereof, as fully to all intents and purposes as I might or could do if present and acting in person, hereby ratifying and confirming any and all matters which may properly come before any meeting or any adjournment thereof.

In case of non-attendance or disqualification of my said attorney and proxy above named at any particular meeting or any other cause resulting in the inability of the above named attorney or proxy to act as such at any particular meeting, I authorize and empower the Chairman and/or Secretary of the meeting to fully exercise all rights as my attorney and proxy at such meeting. This proxy shall continue until such time as the same is withdrawn by me through notice in writing delivered to the Secretary but in no case shall its validity exceed five (5) years from date hereof. If I shall be present at such meeting, this proxy shall stand suspended during said meeting but shall again be effective and in full force after the adjournment of said meeting.

______________________________ Usual Signature

______________________________ Address

______________________________ Printed Name Here

______________________________ Date