



**IN SERVICE TO THE COMMUNITIES**  
**2021 ANNUAL REPORT**

## ABOUT THE COVER

UCPB Savings Bank is now on its 59th year of providing personal and proactive services to the communities. Aiming to be the Bank of choice in the localities and a catalyst for financial inclusion, the employees nurture a culture of integrity, professional discipline, excellence, leadership, and foster social responsibility.

We are committed to promoting practical and convenient access to financial products and services suitable to the needs and welfare of the community while being held against high standards of ethical business practices.

The earnest journey of UCPB Savings Bank is to innovate and exceed clients' expectations and extend its reach to fulfill the mandate of strengthening our services to the unbanked and underbanked and fulfilling our mission to our Customers, Employees, and Shareholders.

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# OUR CORE VALUES

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



## INTEGRITY

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

## LEADERSHIP

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

## LOYALTY

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

## ESPRIT DE CORPS

Demonstrating good team spirit; taking on more leadership responsibilities to encourage others to work together effectively to attain productivity.

## ALTRUISM

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

## PROFESSIONAL DISCIPLINE

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

## PASSION FOR EXCELLENCE

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

## CORPORATE PROFILE

UCPB Savings Bank, Inc. (UCPBS) is a domestic savings bank incorporated on October 18, 1962 to provide services such as deposit-taking, loans and domestic fund transfers. The Bank is a 97.49%-owned subsidiary of United Coconut Planters Bank (UCPB). It is the surviving entity from the merger with UCPB Rural Bank, Inc (URB), another UCPB subsidiary, on December 29, 2005. URB, incorporated in the Philippines on August 2, 1990, extended credit to small farmers and tenants as well as rural industries or enterprises. It also accepted deposits and transacted business legally done by rural banks. The merger was approved by the Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC) on November 5, 2005 and January 5, 2006, respectively.

UCPB Savings Bank's operation is regulated and supervised by the BSP. It adopts and uses safe and sound banking practices, among other rules and regulations required by the BSP.

As of December 2021, the Bank operates 48 branches, 8 Branch Lites and 6 lending offices across the Philippines.

## OUR VISION

To be the Bank of choice in the communities we serve and be a catalyst for financial inclusion.

## OUR MISSION

### CUSTOMERS

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

### EMPLOYEES

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

### SHAREHOLDERS

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



UCPBS is committed to being a catalyst for financial inclusion, rising above and beyond the challenges, and defying adversities to effectively serve communities.

The year 2021 marked a new era for the Bank as we adopted and implemented changes brought about by the important lessons we learned during the global crisis. We focused on the opportunity to be at the financial frontline for the unbanked and underbanked.

We have aligned our operation to the Government's mandate to promote sustainable finance in the country. The Bank's framework and Technical Working Group were already put in place to ensure compliance and imbed sustainability principles in the Bank's operation. In our efforts to strengthen sustainability and resiliency, our financial services shall also essentially consider both environmental and social risks.

## MESSAGE FROM THE CHAIRMAN OF THE BOARD

To provide a strong sales approach, policies and regulations were strengthened with emphasis on non-interest income and build-up of profitable assets. We also revised Credit Scoring by simplifying its process and automating bookings and documentation. The credit parameters were also enhanced, all of which are intended to assist in the process and approval of loans. We stepped up to provide financial succor through payment arrangements, loan restructuring, and late payment considerations.

Financial education to Bank customers has also been a significant element of our policy response while making sure that all communication channels are available to address concerns.

Pre-provision profit of the Bank rose by as much as 65.07% to Php205.55Mn in FY2021 from Php124.52Mn in FY2020. Although pandemic restrictions were gradually lifted, the economy of the country is still slowly recovering from its effects. As such, provisions for probable losses booked in FY2021 amounted to P200.97Mn higher by 88.21% than the prior year's P106.78Mn. The Bank registered a net income of P4.59M for FY2021 lower than P17.74M the previous year.

Our 59 years of service to the communities may have been instrumental in establishing long-term positive changes for individuals, families, and businesses, but the customers are truly our intangible assets. To exceed their expectations, we are dedicated to innovating products that are suitable to their needs and providing effective and efficient personalized services. And as part of our community partnership, our corporate social responsibility supported the outreach programs of some local government units and non-government organizations in addressing the needs related to the pandemic.

I cannot discount the contributions of the Board of Directors, UCPBS associates, and all stakeholders, notwithstanding the challenges that they were also faced with. I am grateful for your support and dedication.

We shall remain solid, standing firm to our commitment- "Kasama Mo" in the communities we serve.



LIDUVINO S. GERON  
Chairman of the Board

LIDUVINO S. GERON  
Chairman of the Board





LIZETTE MARGARET MARY J. RACELA  
President & CEO

## MESSAGE FROM THE PRESIDENT & CEO

2021 was another year of continued ordeals, but as in the past, UCPBS remained steadfast in its promise to be ***the Bank of choice in the communities we serve.***

Even with the different levels of community quarantines, unpredictable conditions nationwide brought by the pandemic, our branches continued to provide clients with uninterrupted services in its usual 'Kasama Mo' fashion. The year started with the receipt of the welcome letter from GCG, formally recognizing UCPBS as a GOCC.

It was indeed a welcome milestone for the Bank; in step with the Bank's vision of being 'a catalyst for financial inclusion'. The transitioning, which is still an on-going concern, was met with enthusiasm; each new requirement was a new learning, and provided motivation in the knowledge that the institution now has a higher calling, being an integral part in the nation's development and progress.

The Bank's financial performance showed modest results this year, due to strategy adjustments instituted to strengthen the Bank's pledge of being an instrument for growth while maintaining its obligations to its employees and shareholders as well. There were tactical changes that had to be done in the business model to ensure that portfolio quality improvement can be sustained. With the limitations experienced in growing assets, interest expense was purposely managed by focusing deposit-taking activities on growing CASA.

The Bank continues to institute improvements in the use of its available resources and the conduct of its business. 59 years of service to the communities, and counting, for UCPB Savings Bank will never waver on its commitment. It will continue to strive to not just be a worthy member but a valuable partner in its community.

A handwritten signature in black ink, appearing to read "Lizette Margaret Mary J. Racela".

LIZETTE MARGARET MARY J. RACELA  
President & CEO

# FINANCIAL HIGHLIGHTS



## FINANCIAL HIGHLIGHTS

Still bearing the effects of the COVID-19 pandemic, recorded net income of the bank for FY2021 declined to P4.59M from P17.74M the previous year. The major reasons for the decline are the following:

- Total interest income of the Bank decreased by P168.4M, or 13.37% lower than the previous year in view of loans and receivables declining by P110.7M. Due from BSP decreasing by 21.7M, Trading and investment securities going down by P4M and Securities purchased under resale agreement dropping by P33M;
- Total interest expense substantially improved by P204.1M mainly due to lower CTD levels. CASA interest expense declined by as much as P194.5M. Lease related interest expense, on the other hand, decreased by P1.9M.
- Net effect, Net Interest Income in 2021 was down by P58.5M;
- On Other Operating Income, the Bank posted P306.4M in 2021, or 21.86% higher than the previous year;

The following are major causes of the increase:

- o Income from Service fees increased by P35M;
- o Net gains on Trading and Securities amounted to P52.7 in view of high yielding securities sold in June.

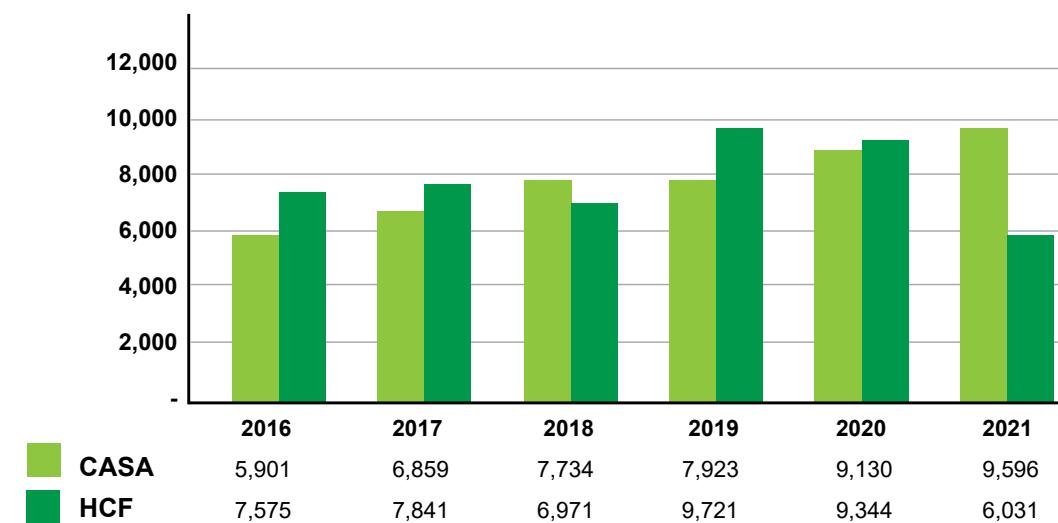
- o Miscellaneous income went down by 10.545% to P14M. This included Recovery on written-off account of P3.6M, Bancassurance Income of P2.25M, Rental income of P1.39M, Gain on sale of bank premises and equipment of P1.28M, Gain on sale of AFS-FVOCI of P1.12M and Others contributing P4.22M;
- o Recorded Loss on sale and foreclosure of assets amounted to P424K during the year.

- Operating Expenses turned out flat at P1.0B for FY2021. Major movements in the expense items are the following:

- o Increase in Salaries and employees benefits by P14M, Depreciation and amortization by P886K, Miscellaneous expenses by 27.5M , insurance premiums by P1M, occupancy costs by P2M, litigation by P6M, management and professional fees by P2M and entertainment and recreation by P429K.

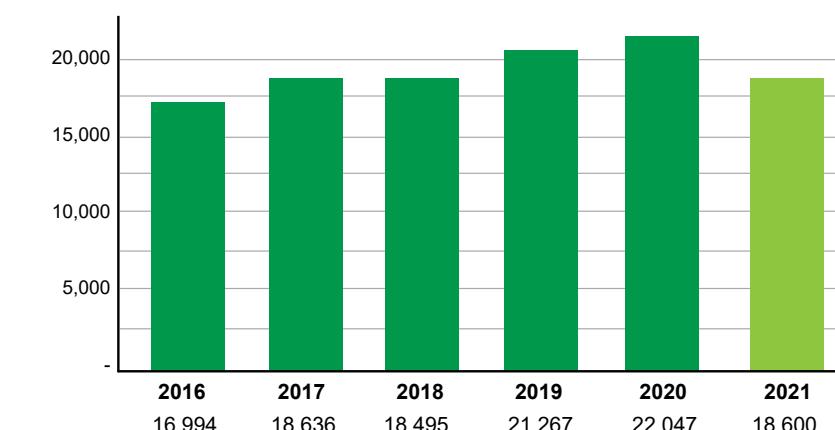
- o Offset by savings on the expense accounts on taxes and licenses lower by P28M, security messengerial, and janitorial expenses by P5M and transportation and travel costs by P595K.

## DEPOSITS



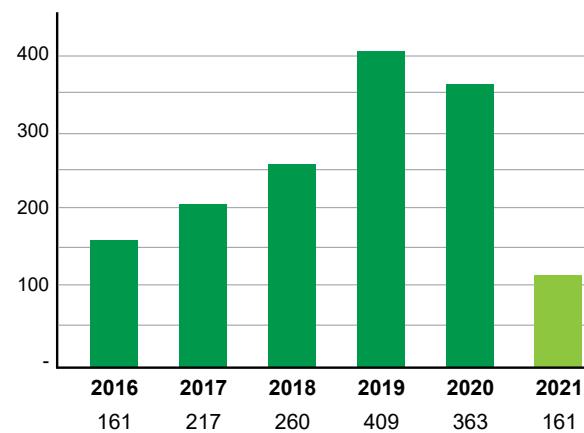
Total deposit liabilities were reduced by P2.85Bn as part of the bank's strategy to reduce cost and level of funds. Deposit mix improved from 49% : 51% to 61% : 39%, now in favor of CASA. The main source of funds for 2021 shifted to CASA which rose by as much as P466M. CTD, on the other hand, was brought down significantly by P3.3Bn.

## ASSETS



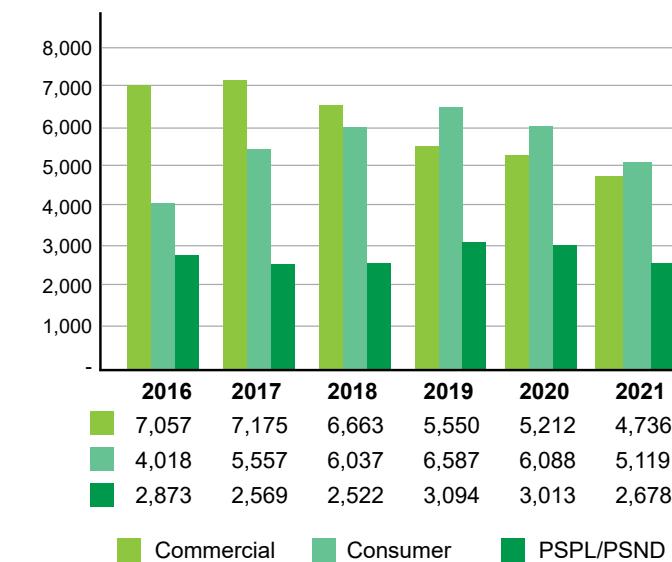
Total Assets registered at P18.6B, which is 12.11% lower than the previous year. Securities purchased under the Resale agreement declined by P707.2M. Following suit is Due from BSP or ODF/TDF investment levels posted which also decreased by P408M which was partially a net increase in financial assets by P190M.

## INTEREST EXPENSE



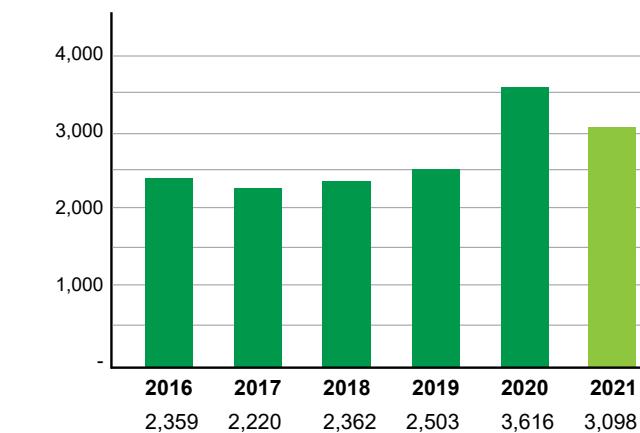
As a result of the bank's strategy to lower its cost of funds, interest expense was reduced to Php161Mn from Php363Mn the previous year.

## LOANS PORTFOLIO



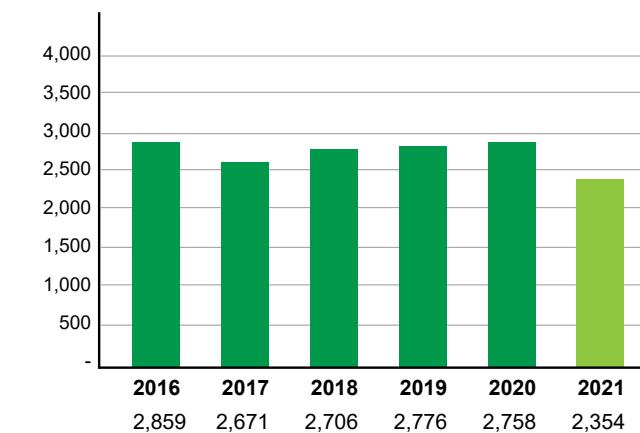
As the bank has continued its selective lending in light of the adverse effects of the pandemic in our economy, total loan portfolio declined by P1.74Bn. This was mostly brought about by Consumer Loans dropping by P968M, followed by Commercial Loans decreasing by P476M and Branch Loans (PSPL/PSND) declining by P335M.

## INVESTMENT



Total Investments posted at Php3.1Bn as against Php3.6Bn the prior year, which was mainly caused by RRP dropping by over Php707Mn compensating for lower deposit liabilities.

## CAPITAL



The Bank is compliant with BSP's required Capital Adequacy Ratio of at least 10%. CAR recorded at 10.74% as of end of 2021 versus 12.37% the previous year.

## FINANCIAL SUMMARY

PROFITABILITY	2021 CURRENT YEAR	2020 PREVIOUS YEAR
Total Net Interest Income	922,579,225	886,906,261
Total Non-Interest Income	306,441,808	251,462,744
Total Non-Interest Expenses	1,022,479,563	1,001,599,986
Provision for Income Tax	988,032	12,246,663
Impairment Losses	200,967,977	106,778,188
Net Income	4,585,461	17,744,168

SELECTED BALANCE SHEET DATA	2021 CURRENT YEAR	2020 PREVIOUS YEAR
Liquid Assets	5,528,865,505	6,420,069,630
Gross Loans	12,634,182,517	14,375,521,355
Total Assets	18,600,481,829	22,047,101,272
Deposits	15,626,966,435	18,473,963,331
Total Equity	2,354,229,050	2,758,151,901

SELECTED RATIOS	2021 CURRENT YEAR	2020 PREVIOUS YEAR
Return on Average Equity	0.36%	1.20%
Return on Average Assets	0.04%	0.15%
Capital Adequacy Ratio	10.74%	12.37%

HEAD COUNT		
Officers	267	272
Staff	474	475
Seconded Officers	1	1



## OPERATIONAL HIGHLIGHTS



#### BRANCH BANKING DIVISION

Branch Banking Division continued to give the clients uninterrupted services with Branches open until 1:00 pm during ECQ, extending its banking operations until 3:00 pm at GCQ, giving the clients more opportunities to complete the banking requirements. ATMs were operational 24/7 to provide unhampered access to cash.

The 1st ever virtual Awards Ceremony to recognize the contribution of the Branches was conducted. Bank understands the importance of recognizing employees' efforts and effective end-result through commendations and grants of incentives. The awards were based on the previously set parameters, and Branches that met the parameters were given cash awards. A total of P531K cash awards were given to the awardees. A CASA increase of P466M was appreciated, from P9.129B in 2020 to P9.595B in 2021. As against 2021 CASA targets, there was a 103% accomplishment or a positive variance of P264M.

#### INFORMATION TECHNOLOGY DIVISION

To remain strongly positioned, UCPBS continued to upgrade and expand its IT Infrastructure and Projects. The implementation of the Loan Release System, Bancassurance, eCampus (Online Portal for Employees), Sales Management Process, Large Fund Report, Collection Notice to clients, and Loans Origination System are geared towards improving the efficiency and

productivity of the employees. More importantly, the Bank is currently in the process of improving its present Core Banking System by migrating to a new System via the cloud to deliver an innovative and state-of-the-art digital banking experience to its clientele. All projects are centered and aligned with Customer Satisfaction under new-normal initiatives of the Bank.

Recently, the Bank has completed its annual Vulnerability Assessment and Penetration Testing which aimed to identify its weaknesses and loopholes to ensure that all items were patched and remediated immediately.

The Bank also conducted a Full-Scale Enterprise-Wide Disaster Recovery Exercise to ensure operational continuity in case of unforeseen, manmade, or natural disaster events.

#### OPERATIONS DIVISION

Loans Operations Department (LOD) was able to manage loan bookings and loan payments. Despite the WFH (team A&B) setup, the Department continued its efforts to address clients/branch inquiries pertaining to loan accounts and payment moratorium. LOD was also able to handle timely submission of reports, billing, Statement of Accounts, and closing of books. It was able to clean up and reconcile long outstanding Accounts Payables and extended assistance to the Risk Management Division on the computation of ECL.

The remittance Unit was able to manage/overcome the increasing volume of transactions both local and remittance from abroad. The billing Unit also managed to maintain accurate billing statements. Despite the volume, the associates were able to attend to the concerns of the different Branches promptly.

Central Clearing Department was given a 100% rating by the Compliance Division for the compliance testing done in July 2021. With its limited manpower, the Department maintained fast and efficient clearing transactions despite pandemic restrictions.

Treasury Operations Department participated in BSP's RTGS system transition from PhilPASS to PHILPASSPLUS in close coordination with ITD. During the system's live operation in July 2021, the Bank has smoothly transitioned to the new system noting 100% successful processed RTGS transactions. Despite pandemic challenges, all reports were timely submitted, the closing of books was implemented with no delay, and no failed trades were noted for the year.

ATM Center managed to maintain the Bank's ATMs, which are always operational to serve the Bank's clients. There were two (2) additional ATMs installed and were online in different branches: one(1) in Alfonso Branch in July 2021 and another in Aloran Branch in October 2021. ATM Center was able to resolve ATM concerns and complaints within 2-3 days. ATMs have a 99% uptime.

Systems and Methods Department was able to release a total of 76 Circulars, comprising of Policies, Guidelines, and Forms. Respective Manuals were updated and uploaded to the Library Information System.

The pandemic was never a hindrance for Operations Division to pursue its goals in 2021.

#### COMMERCIAL & CONSUMER LENDING

**Commercial Lending Division** ended the year with a portfolio amounting to P4.74 B and generated P271.23 M in interest income. It continued to update and streamline its processes to provide faster approval and better customer service, improve account maintenance and enhance the collection and remedial efforts.

Several loan programs were launched during the year with a simplified onboarding and credit scoring process, including the reboot of the Small Business Loan (SBL) Program and the new Commercial Motor Vehicle Financing Facility. Program Managers were hired to ensure continuous development and productivity of the developed loan programs.



During the 3rd quarter of 2021, the management implemented a New Business Model where focus was on targeted selling from the highly commoditized. The Retail Distribution Department was created under Commercial Lending Division to strengthen the branch referral channel. It revamped the business acquisition model from the traditional mass-market, product push approach to one where the focus is on stronger customer engagement: product offer is on what branch customer values. A strong direct sales approach was set up with an emphasis on non-interest income and the build-up of profitable assets. The Bank, recognizing the need to modernize and upskill its sales team, conducted a developmental training program designed to instill a culture of salesmanship & excellent customer service to its relationship managers.

**Consumer Lending Division** on the other hand focused on reviving the direct marketing channel from accredited sales agents/brokers as well as second hand financing for auto loans while maintaining a partnership with select accredited developers for housing loans.

These initiatives continue to strengthen the Bank's core business in countryside lending, boost small loans portfolio and empower the branch network.

#### Sustainable Finance Framework Highlights

UCPB Savings Bank is committed to anchor its operation to a Sustainable Finance Framework (SFF) as mandated by Bangko Sentral circular no. 1085. The framework recognizes the critical role of the financial services industry in pursuing sustainable and resilient growth by enabling environmentally and socially responsible business decisions consistent with the Government's aspirations for the Filipino people.

The Bank created the SFF Technical Working Group (SFF TWG) in November 2020 to ensure compliance of the mandate to imbue sustainability principles in the Bank's operation. Though the TWG encountered challenges in terms of training, technical expertise and delays in program implementation due to Covid-19 restrictions, the TWG was able to introduce several initiatives and activities, and identified Sustainable Development Goals (SDG). The following were done in support thereof:

Commercial Lending Division (CLD) chose Zero Hunger SDG in support of the government's goal to alleviate poverty in the country through the enhancement of its SBL Agri Loan program. The program aims to provide financial aid to farmers and entities engaged in Agri-business through specialized lending. However, it was temporarily parked to improve the program.

Consumer Lending Division plans to support the following SDGs: Climate Action, Affordable and Clean Energy, Sustainable Cities and Communities through special financing programs for hybrid and electric powered vehicles as well as sustainable real estate developers and projects. Program development is scheduled for year 2022.

Branch Banking Division supported the SDG of Quality Education through the continuous implementation of Salary Loan Program for Government Universities, Colleges, and Schools through the extension loans to school teachers. However, the student outreach activities of Brigada Eskwela program, a previous annual

(regular) program, temporarily ceased as face-to-face classes were suspended due to Covid-19 pandemic.

HRGSD contributed to SDG of Responsible Consumption & Production via implementation of energy saving activities like the use of energy-efficient lights such as LED and inverter aircon units in the branches. HRGSD also imposed scheduled aircon switch-off every 4 pm onwards and transfer to use of electric fans. The activity resulted to 22% savings to the bank.

Good Health and Well Being of employees is a priority and several campaigns to promote health and wellness is being practiced in the bank. Among these are: 1) Zumba class led by Marketing Department, 2) advisories and micro-learnings periodically sent to emphasize the importance of employee's physical, emotional, mental, spiritual and financial health, 3) organizing of blood donation in partnership with Red Cross and wellness activities with sponsors engaged in health and wellness businesses, and 4) Health benefits for all employees were also covered and enumerated in the Fringe Benefits section of HR manual.

HRGSD is likewise promoting Gender Equality by crafting strict and effective policies against harassment and workplace offense.

Moreover, the bank is determined to contribute in the improvement of the environment via SDG Climate Action. Activities such as shredding of used papers for recycling is being practiced. The bank targets to increase the number of shredders in the future and schedule the rotational use among the divisions within the bank.

The bank is continuously working on the development and integration of its programs to environmental, social and financial sustainability. Risk Management Division is in the process of embedding the Environmental and Social Risk Management System in the bank's manual, setting out the duties and responsibilities of each personnel in management of Environment and Social Risks. The bank is also working with government agencies for possible access to hazard assessment maps to have visibility on the environmental risks the bank and its clients may encounter.

The Bank is resolved to be fully compliant to Sustainable Financial Framework by year 2023.

#### CREDIT MANAGEMENT

##### Loan Release System

Loan Documentation Department in collaboration with the Loans Accounting Department of Operation Division launched the Loan Release System (LRS) last June 2021 as automation of loan booking for auto loan accounts. The LRS system is an in-house innovation of our ITD Developers for business processes.

The LRS allowed the transmission of soft copies of loan documents from one unit to another and automated computation of various charges such as withholding taxes and incentives. Simplification of the loan booking process and recording of loan account information reducing handoffs from manual recording to a system-based as well as electronic approval of the transaction to release proceeds. This reduced the turnaround time to meet



customers' expectations and also addressed the nonphysical transfer of documents and face-to-face transactions to comply with the Covid crisis health protocol.

The system also served as a link in the creation of a Data Management System.

##### Data Management System

Data Management System (DMS) had a soft launch in June 2021. This enabled to record and monitor document deficiencies, track submission of security documents such as Certificate of Registration of motor vehicles and Titles and other documents of real estate properties subject to mortgage. It likewise sat down the registration of encumbrances and mortgages and other related documents subject to updating such as payment of real property taxes, association dues, and insurances due to the borrowers. Indexing and tracking of the location of collateral documents are also built up in DMS.

Lined up for process improvement under Credit Management are LOS for Small Business Loans and Salary Loan, Loan Release System for all retail loans, Credit Investigation Monitoring System, Appraisal and Valuation Platform, and Branch Referral Tracking System.

#### Tightened Parameters

To mitigate credit risks and possible losses, a credit tightening was implemented in June 2021 amidst the Pandemic to address the Bank's portfolio management. Enhancement on credit parameters covering selective industry, nature of work, country of origin for OFWs, and credit scoring were adjusted. The changes addressed the possible growth of non-performing loans.

#### TREASURY DIVISION

The Treasury Division managed its main objective to maintain a positive liquidity reserve position and contributed to revenue generation as well as minimizing its cost of deposits.

Treasury Division as one of the Bank's revenue-generating units took advantage of the favorable market condition and booked a remarkable trading gain in the mid of 2021. Driven with the initiatives to generate substantial income for the Bank, Treasury Division invested the Bank's excess funds on high-yielding bonds and BSP's readily marketable investment facility.

To manage risk, Treasury Division worked together to ensure that the Bank had enough liquidity to cover its short-term and long-term financial obligations to the clients and the Bank's support units.

**ASSET RECOVERY & MANAGEMENT DIVISION**

The pandemic has taken a heavy toll on livelihoods. Loss of income and job opportunities were the predominant challenges the Asset Recovery and Management Division (ARMD) had to face this year. In sync with the government's Bayanihan to Recover as One (BARO) and Bayanihan to Heal As One (BAHO) programs, borrowers who defaulted on their financial commitment, were offered with flexible payment plans to update their accounts. Staggered settlement of arrears, loan restructuring and term extension were made available to clients as a form of financial relief. Similarly, consideration for late payment and moratorium were extended to qualified borrowers.

With the pandemic, the Bank has become more customer-centric and debt collection has truly evolved into debt resolution.

**INTERNAL AUDIT DIVISION****Sustaining Internal Audit Resilience**

With the backdrop of the wider economic and social challenges presented by an unprecedented pandemic, the expectations of Internal Audit functions continue to grow. In particular, for the Internal Audit function to adapt to a changing risk landscape, it needs to be agile in all aspects of the audit approach. Audit plans need to be flexed; and, methodology and audit approach adapted to a remote working environment. UCPBS Internal Audit Division (IAD) has leveraged what was learned over the past years regarding remote working. It has continued to rationalize the audit plans, programs, and processes, implemented remote/offsite audits and new work arrangements, and other key initiatives to minimize the adverse impact of the pandemic to ensure that consequential threats and risks are adequately mitigated.

Agile focuses on faster audit cycles, quicker reporting, fewer documentation requirements, and less waste. It pushes auditors and stakeholders to determine upfront the value that needs to be delivered through a particular audit project. It also helps prioritize audits based on their importance and urgency—which is critical in the fast-evolving environment.

Despite the challenges, IAD remained steadfast in its commitment to elevate the level of audit services and continue to add value to the Bank and its stakeholders. IAD completed 122% of the planned engagements which further contributed to the effectiveness and efficiency of governance, risk management, and control processes. IAD also continues to provide consulting activities to its audit clients.

**LEGAL SERVICES DIVISION**

The synergy of the whole Legal Services Division resulted in favorable decisions of various cases. Notable of which was a foreclosure case where the Bank collected P85 Million from the auction sale. LSD was able to consolidate ROPA accounts with a total accumulated appraised value of over P92 Million and secured favorable decisions for the labor cases filed against the bank.

Despite the challenges, LSD continuously thrives to provide top-quality assistance to internal clients by providing legal opinions, document drafting and review, legal chopping, withdrawal for deceased depositor accounts, and all other legal assistance being requested to the team.

**HUMAN RESOURCES & GENERAL SERVICES DIVISION****INVESTING IN HUMAN CAPITAL**

The second year of the coronavirus pandemic in the Philippines was, in a number of ways, similar to the first. Lockdowns remained for the most part of the year as two waves of COVID-19 ravaged the country, while several millions of Filipinos were able to get vaccinated throughout the year.

In this time of the pandemic, human resources are the Bank's top priority. To ensure that the employees are safe, the usual business hours were shortened. Hybrid work arrangements were implemented. Proper health protocols were strictly monitored and even strengthened by reminders through HR advisories.

We went to even greater lengths to be there for our clients, customers, employees, and communities. This unwavering commitment has been a hallmark of UCPBS since its founding. During this time of the pandemic, it remained important to understand and reaffirm the magnitude of our contributions.

The Multi-Purpose Financial Program was offered to all eligible employees to augment the unexpected financial obligation brought about by the increased and/or ballooned costs of utility expenses, such as water, electricity, house rental fee, tuition, etc., as a relief being extended by the Bangko Sentral ng Pilipinas (BSP) under the BSP Memorandum No. M-2020-008.

To help alleviate the condition of its employees during the onslaught of COVID-19, UCPBS released its 13th-month pay in May 2021.

The Hazard Pay was likewise given in July and October 2021 to all associates who reported on-site during the ECQ and MECQ period pursuant to Administrative Order No. 43 issued by the President of the Philippines.

The Productivity Enhancement and Loyalty Recognition Incentives were also released. A total of P15,000.00 (Productivity Enhancement P5,000.00; Loyalty Recognition P10,000.00) was given to all employees who were in active service (who rendered at least a total or an aggregate of four months) and with at least Satisfactory Performance as of November 30, 2021. The table below shows the percentage of distribution according to the length of service.

LENGTH OF SERVICE	PERCENTAGE OF Php5,000	CORRESPONDING AMOUNT
At least 4 months and above	100%	5,000
At least 3 months but less than 4 months	50%	2,500
At least 2 months but less than 3 months	40%	2,000
At least 1 month but less than 2 months	30%	1,500
Less than one month	20%	1,000

Promoting well-deserved employees was not halted even in the face of the pandemic. The Bank continued to award and recognize high-performing individuals by approving their career advancement.

Service Recognition Incentive (SRI) was likewise released in December 2021 to all qualified associates still in active service as of 30 November 2021, as shown in the table below.

LENGTH OF SERVICE	PERCENTAGE OF Php5,000	CORRESPONDING AMOUNT
At least 4 months and above	100%	10,000
At least 3 months but less than 4 months	40%	4,000
At least 2 months but less than 3 months	30%	3,000
At least 1 month but less than 2 months	20%	2,000
Less than one month	10%	1,000

Not to mention the delivery of training programs has also transformed into a webinar, Leadership Survey, New Task Monitoring (to be filled out by employees who are working from home), and Health Checklist, which the employees started using since the announcement of the new work arrangement, were all incorporated in the system -- all in partnership with the Information Technology Division (ITD).





# GOING BEYOND

# THE CHALLENGES



#### TRAINING AND LEARNING CONTINUITY AMID AND BEYOND THE PANDEMIC

This pandemic redefined the area of learning and development at UCPBS. Motivated by our resilience in the face of unprecedented challenges, we began writing the next chapter of UCPBS for 2021.

##### Core Competencies

UCPB Savings Bank continues to conduct New Employees Orientation Program (NEOP), now online. Intended not only to welcome new employees to the UCPBS family but also to help new hires slowly and smoothly integrate themselves through understanding the industry, knowing basic information about the Bank, its products and services, its Vision-Mission, and Core Values.

Redesigning programs to further attract employees to attend more courses has always been imperative, that is why NEOP Online and other online training programs were adjusted based on the circumstances, coupled with principles of learning and development.

We did further our effort to deliver more training programs through webinars, internally and externally, such as Business Writing and Basic Grammar, Customer Service, Data Privacy, Risk Awareness, AMLA, Financial Consumer Protection, among others.

##### Functional

Job-specific training programs were also conducted in 2021. Retooling Program for Retail and Commercial Unit AOs and MAs, BOO Learning Series, Signature Verification and Forgery Detection, Know Your Money and Counterfeit Detection (Peso

and Dollar Bank Notes), Mock-up Branch Online Training, Test Your Memory Online Exam, Docuvu Training, Universal Account Officers Training Program – these and more technical courses were offered to UCPBS' employees to solidify job security, satisfaction, and productivity. It is essential that they know every corner of their job so they feel motivated to accomplish what is expected of them. The Bank has always believed that when one employee is equipped with the right information and prudence, sound decision makings are in action.

##### Leadership

To keep pace with the fast-changing world, UCPBS' leaders continuously attended programs like Sustainable Finance Webinar Series, The 2021 Philippine Economic Outlook, AML/CFT/CPF (BSP Cir. No. 1022) for Directors and Senior Management, Corporate Governance Orientation Program for GOCCs, 2021 CTB Convention with the Theme "Thrift Banks: Moving Forward to the Next Normal", Know the Essentials of Sustainability Reporting and Practices in the Banking Industry, National Privacy Commission DPO ACE Program for Banking Sector, and many more. General memberships of Baiphil and CTB were also some of the external gatherings they attended to keep themselves abreast of the industry trends and best practices in the new normal.

##### Other Initiatives

As UCPB Savings Bank transitioned to a full-fledged government bank, it was therefore imperative that we realign our structure pursuant to the requirement of the government for all government agencies and institutions. One of the Government-mandated programs was the Gender And Development (GAD) Program

wherein we conducted the Women's Day and Father's Day celebrations in March and June 2021, respectively, followed by the GAD Orientation Session in September 2021. It aimed at increasing general sensitivity, understanding, and knowledge about gender equality. Code of Conduct on Sexual Harassment, a sub-module of NEOP, was likewise integrated into the Program.

Center For Learning also took the initiative of coming up with a reviewer cum mock examination to give all UCPBS associates a "feel" of the actual CSC Exams in the areas of English, Mathematics, General Information, and Abstract Reasoning from July to September 2021 (1st run) and December 2021 (2nd run).

Learning is a continuous process; hence, it was made sure that the workforce is getting the right mix of lessons even in the smallest of chunks right in the comfort of their workstations and own homes. MicroLearning incessantly augmented the learning interventions and helped us penetrate even the most passive employee. They got bits of learning through e-mail. The contents were made with fun learning in mind, that was, graphics and layouts were well-thought of. Microlearning also helped the Bank in straightening up bad practices in the office by suggesting how to transform obsolete, non-effective ways into smart, prudent work techniques.

In this new reality, an agile approach to employee development can work much better. That's why Animated Microlearning was also introduced via webinar. It broke materials down into short, easily digestible components (typically around an hour in length) that tackled a single learning objective. In particular, animated microlearning has powerful applications in today's workforce, where employees are expected to constantly acquire new information to stay current.

Furthermore, the Retail Distribution Department under the Commercial Lending Division was created in 2021, where most of the associates were trained to be equipped in their job.

#### RETIREMENT AND SUCCESSION POLICY

##### Retirement

In recognition of an associate's invaluable contribution and service, a retirement benefit program has long been adopted for an associate who is eligible to retire.

- Prior to retirement, the associate is entitled to a certain percentage of the accrued retirement benefit in accordance with the following schedule:

No. of Years in Service	% of Accrued Retirement Benefit Payable
5 but <6	50
6 but <7	60
7 but <8	70
8 but <9	80
9 but <10	90
10 & above	100



## 2. Procedure:

- a. Associate shall submit a letter of intent expressing availment of retirement to the immediate Head for approval;
- b. This will be signed and endorsed to HRD;
- c. Compensation and Benefits Unit will determine the number of years in service and match with the table above;
- d. Retirement plan computation of pre-merger and post-merger shall be referred to the Board-approved memorandum dated October 25, 2006, on a separate document handled by the Compensation and Benefits Unit;
- e. Any two (2) signatories from the Retirement Fund Committee shall approve the documents. Retirement Fund signatories are as follows:
  - President and CEO;
  - Controllership Division Head;
  - Treasury Head; and
  - HRGSD Head;
- f. HRD shall forward the processed documents to the UCPB-Trust to withdraw the retirement plan; and
- g. Cheque shall be released to the associate.

## 3. For separation due to Retirement

- a. After the submission of a letter to the immediate Head and endorsement to HRD, the Compensation and Benefits Unit will determine the remaining claims of the associate such as, but not limited to the accrue leaves, allowances, and others;
- b. Deductions for remaining loans or leave without pay shall be computed;
- c. All the remaining benefits and loans shall be computed and there shall be an entry of data to the Payroll System for the processing.

## 4. For separation due to Resignation.

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

- a. Resignation is signified by the associate through a letter approved by the immediate Head;
- b. Signed letter is forwarded to HRD for monitoring and tracking of the effective date of resignation and list of exit requirements to be complied as:
  - Receipt, Release and Quit Claim; and
  - Exit Questionnaire

- c. Letter is forwarded to the Compensation and Benefits Unit for filing and tagging (if the associate is not included in the payroll).
- d. Clearance form shall be routed by HRD to the various signatories for signature. Liabilities shall be determined for corresponding deductions.
- e. Once the clearance is completed, deductions shall be computed by the payroll system as:
  - Existing statutory and company loans;
  - Leave without pay after the payroll period;
  - Attendance deficits;
  - Contributions to SSS, Philhealth, Pag-IBIG;
  - Withholding tax, if any;
  - Pro-rated fringe benefits; and
  - Pro-rated other earnings
- f. Documents and deductions shall be forwarded to the Compensation and Benefits Unit Head for verification and checking;
- g. The HRGSD Head shall approve the documents; and
- h. These will be submitted to FATMD for the issuance of cheques corresponding to the payment of remaining entitlements.

## 5. Other Conditions.

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



## Succession

In 2021, the Bank continued to focus on promoting people from within to fill up critical vacancies, aid in career advancement, and ensure the implementation of the succession plan.

### Objectives

Succession Planning aims to help the Bank create a "bench strength" while engaging promising talent. The bench strength will provide development programs/opportunities which will prepare them for greater responsibilities and opportunities within the organization.

This succession planning framework shall be used to address changes in the Senior Management and other Leadership Roles.

### 1. Succession Planning Process

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

#### Step 1: Strategic and Workforce Planning Decisions

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

The stage where the succession planning team is identified. Ideally, the team should be a representative of all divisions. The team will be responsible for putting together a plan that addresses all of the steps in developing the succession planning program. The team shall also be involved in the implementation, monitoring and evaluating the program's success.

### Step 2: Analysis of Leadership Gaps

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

### Step 3: Identification of Talent Pools

This involves identifying talents with critical competencies from various levels, and assessment of competencies and skill levels of the current workforce. Through this step, the Bank will be able to set decisions and processes to understand, evaluate, and prepare for future talent needs. It is typically an outcome of business workforce planning.

The identification of groups of high-performing, high-potential employees who are being developed to assume greater responsibilities within the organization is very important in succession planning. HRD shall look for those who are not only engaged and performed at an exemplary level but also embrace the corporate culture. Demonstration of competencies of the company values the ability to obtain the organizational knowledge and the interest to advance in the company is performed.

#### Step 4: Development of Succession Strategies

This step involves the identification of various strategies:

- Recruitment Strategies.** The Recruitment Department's hiring strategies are aligned to support the Bank's Talent Pipeline Management programs which include Succession Management, High Potentials Management, Job Rotation, and External Candidates pooling.
- Retention Strategies.** Retention can be done through recognition, continuous assessment, feedback, and coaching to further develop the potential and create a committed relationship. This includes regularly revisiting the compensation and long-term incentives of the Bank.
- Training and Development Strategies.** Training strategies will be identified to align the performance dimensions and career ladders to attain the achievement required for employee success.

Development strategies involve workshops and other formal events. Most often, however, development occurs on the job through coaching and various developmental assignments, such as participation on action learning teams or job rotation. Those identified as having the greatest potential are more likely to be recommended for off-site workshops and other similar activities.

#### Step 5: Implementation of Succession Strategies

This step involves implementing the succession strategies that are identified through recruitment, retention, and training and development. It encompasses communication planning and determining measures of success. HRD will create a succession plan that links talent development to the strategic goals of the Bank.

#### Step 6: Monitoring and Evaluation

This step involves tracking the development of talent pools, documenting feedback from immediate heads on successful internal talent and internal hires, and assessing response to the changing requirements and needs of the Bank.

It is important to determine progress, make mid-course corrections, and assign accountability for achieving the desired outcome. An evaluation provides a regular flow of information about how well the strategies are working. Information should be provided on a regular basis so that decisions can be made about personnel. Information about recruitment, retention, training, and development should also be analyzed.

In order to keep track of the progress, documentation of the strategies in an action plan must be done. The succession plan strategies will provide the mechanism for clearly defining timelines and roles and responsibilities.

#### Remuneration Policy

All pay and benefits are according to the Philippine Labor Code.

#### Customer Health and Safety

UCPB Savings Bank has a duty to provide for the health, safety and well-being of all its employees and customers. We aim to promote a positive health and safety culture where everybody is expected to play a part. Serving our customers is our topmost priority by ensuring that our very own employees are in good health condition and always ready to serve.

Thus, customers were advised to observe standard health protocols such as wearing of face masks and shields, frequent hand sanitizing and social distancing when transacting with the bank. Reminders on health protocols were placed in conspicuous areas in the branches and head office; alcohols and hand sanitizers, as well as checking of body temperature before entering the bank were made available. A relentless focus on health and safety improvement continued throughout the year.

We persisted to provide uninterrupted service to our customers. Despite the challenges brought by the pandemic, we were able to continuously satisfy our customers with our tagline "Kasama Mo".

Disclosure statement on the health, safety, and welfare policy for its employees.

UCPB Savings Bank has continued to thrive despite the challenges of the pandemic by implementing various health programs to ensure that the bank employees are safe and healthy. The welfare of the employees is the primary concern of the management in order to serve the clients, customers, employees and communities. In this regard, the bank provides a health benefit program to assist in hospitalization, medical and consultation. UCPBS has partnered with AVEGA that offers health services, hence employees are privileged to avail of the facilities.

Furthermore, the Human Resources Department has played a vital role in the implementation of IATF protocols and programs in ensuring the safety of our employees as the bank provided service vehicles for those employees who were reporting on site; hybrid work arrangement and shortened business hours were also implemented, among others. The bank also offered the Moderna Covid-19 vaccine for its employees and/or dependents via UCPB-UGMC. Employees were also encouraged to have their COVID-19 vaccine booster shots.

Apart from that, employees who reported on site during the ECQ and MECQ period received the hazard pay in July and October 2021.

#### Pandemic Response

In response to the pandemic, several employee welfare initiatives were undertaken. Thus, the protection of the physical and mental integrity and well-being of employees has been, and will always be, a core responsibility of UCPB Savings Bank. We want to provide a safe workplace for our people. We actively monitor occupational safety and process safety – the safety of our people and operations.

The year was dominated by COVID-19 and really tested the effectiveness of our health and safety management system. It was encouraging to see that much of our system and supporting processes were used to help manage our response to the pandemic. Various communication materials were created and released to help the associates adapt to the requirements of the new normal. Occupational Health and Safety advice continues to grow more accessible to those who need it, when they need it through our HR Advisory and Healthy U: Health and Wellness sent through email.

The creation of the Pandemic Response Team, implementation of health checklist for associates, and full sanitation of the branch/work area for those associates who tested positive of Covid-19 virus were some of the initiatives of the bank. Health protocols have applied to all associates regardless of vaccination status.

#### Training and Development

We aim to be a strategic business partner of management in creating value around people. That's why people development through training were being conducted via webinar as an alternative platform in lieu of classroom or face-to-face trainings; likewise, as a precautionary measure against the Covid-19 transmission.

Orientation of new employees as well as other programs like Business Writing and Basic Grammar, Customer Service, Data Privacy, Risk Awareness, AMLA, Financial Consumer Protection, among others were all conducted via MS Teams.

It is also necessary to provide job-specific training, including skills training like Retooling Program for Retail and Commercial Unit AOs and MAs, BOO Learning Series, Signature Verification and Forgery Detection, Know Your Money and Counterfeit Detection (Peso and Dollar Bank Notes), Mock-up Branch Online Training, Test Your Memory Online Exam, Universal Account Officers Training Program, Occupational First Aid and Basic Life Support with AED Training, to name a few. These tools will enable all staff to understand and carry out their responsibilities.

Last year, our leaders continuously attended programs like Sustainable Finance Webinar Series, the 2021 Philippine Economic Outlook, AML/CFT/CPF (BSP Cir. No. 1022) for Directors and Senior Management, Corporate Governance Orientation Program for GOCCs, 2021 CTB Convention with the Theme "Thrift Banks: Moving Forward to the Next Normal", Know the Essentials of Sustainability Reporting and Practices in the Banking Industry, National Privacy Commission DPO ACE Program for Banking Sector, and many more, to keep themselves abreast of the industry trends and best practices.

There was a significant increase in associates virtually attending external programs as these became more accessible even to those working from home.

A total of 2,372 employees were provided with training programs, most of whom had two or more trainings attended. Training programs conducted every month as mentioned above were all reported to management in their Management Committee Meeting and Corporate Governance Committee on a monthly basis

#### DISCLOSURE STATEMENTS

##### Complaints by employees concerning illegal and unethical behavior.

UCPB Savings Bank as a financial service provider is committed to promote the highest standards of integrity and trust. To protect the stakeholders of the bank and maintain the credible reputation in the financial industry, the Whistleblowing Policy is articulated. The policy encourages and enables UCPBS associates to report, in good faith and in an environment free from retaliation, actual or suspected wrongdoing against UCPBS. This allows the Board and Senior Management to manage risks and cultural issues within UCPBS. Likewise, the policy defines procedures for attending to reports. The whistleblowing policy was amended last April 2021.

##### Procedures to protect an employee/ person who reveals illegal/ unethical behavior from retaliation.

The bank associates who report cases of suspected wrongdoing are protected from harassment, retaliation or adverse employment consequences. The UCPB Savings Bank amended the existing policy to further elaborate the conditions in granting protection of the whistleblowers and witnesses. Moreover, the policy expounded the context on the protection and security against retaliation.

Limitations and other conditions were distinctly stated in the policy. With regard to malicious and false reporting, UCPBS assure that allegations made in good faith and reasonably believed to be true by the whistleblower or witness, but is not confirmed by the investigation, shall not be considered malicious. However, any willful act of reporting a false, frivolous, malicious and misleading allegation of an illegal activity, an appropriate action that could include disciplinary action, may be taken in accordance with UCPB Group of Conduct, without prejudice to criminal and civil liabilities that may arise therefrom.

##### Whistle-blowing policy

The amended UCPB Savings Whistleblowing Policy can be accessed in the company website. The amended policy is concise and exemplify the items specifically in the protection and security of whistleblower and witnesses and the reporting process. The electronic access of the Whistleblower Policy will be the primary reference of all UCPBS associates in reporting all actual or suspected wrongdoing against UCPB Savings. Also, associates will be well informed of the prerequisite in the protection of whistleblower and witnesses.

## PERFORMANCE APPRAISAL AND PROMOTION PERFORMANCE APPRAISAL POLICY

### Policy Statement

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

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

### 1. Purposes

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

### 2. Associates Subject for Appraisal

- All Associates who have completed 6 months as of December 31 of the previous year;
- Associates whose resignation dates take effect on or before February 28, of the present year shall be excluded in the annual performance appraisal; and
- For associates who have been transferred from one unit to another, performance shall be evaluated by the supervisor in each unit, provided length of assignment is no less than two (2) months in each unit. Consolidation of ratings will be done by the current supervisor.



### 3. Performance Appraisal Rating

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

- 3.1. The Performance Appraisal tool is comprised of 2 performance factors, namely:

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

- Ensure objective, quality and quantifiable rating with full justification;
- A rating of three (3) mean that standards are met or equivalent to 100% task done and would mean extra ordinary performance. This should be fully manifested or evident with justifications; and
- Include or indicate numbers to validate ratings.

b. Living and Leading the Brand (25%) – To be based on behaviors demonstrated by the associate. Immediate Head must:

- Read and understand guidelines and sample for better understanding and appreciation on how to rate;
- Rate objectively and indicate incidents to validate ratings;
- Scores and template for "Managing performance for success", should be the previous year's Leadership Survey rating. A rating of:

OVERALL AVERAGE	SCORE	DESCRIPTION
3.51 – 4.00	5	<b>VERY GOOD LEADERSHIP</b> <i>Exceeds standards</i>
3.00 – 3.50	4	<b>ABOVE AVERAGE LEADERSHIP</b> <i>Meets standards</i>
2.51 – 2.99	3	<b>AVERAGE LEADERSHIP</b> <i>Can do better</i>
2.01 – 2.50	2	<b>BELOW AVERAGE</b> <i>Needs improvement</i>
0.00 – 2.00	1	<b>POOR LEADERSHIP</b> <i>Failed – needs immediate / urgent attention</i>

- The previous year's Leadership Survey will be conducted on every March of the current year with target release date of rating result by before the end of the first quarter;
- Performance Appraisals should be signed off by the Division / Department or Region / Branch Head, where applicable;
- Associates have the option of retaining a copy of their performance appraisals;
- Fully accomplished forms should be consolidated per Division/ Branch, using the Performance Appraisal Summary Form; and
- HRGSD shall ensure that performance appraisal is implemented properly.

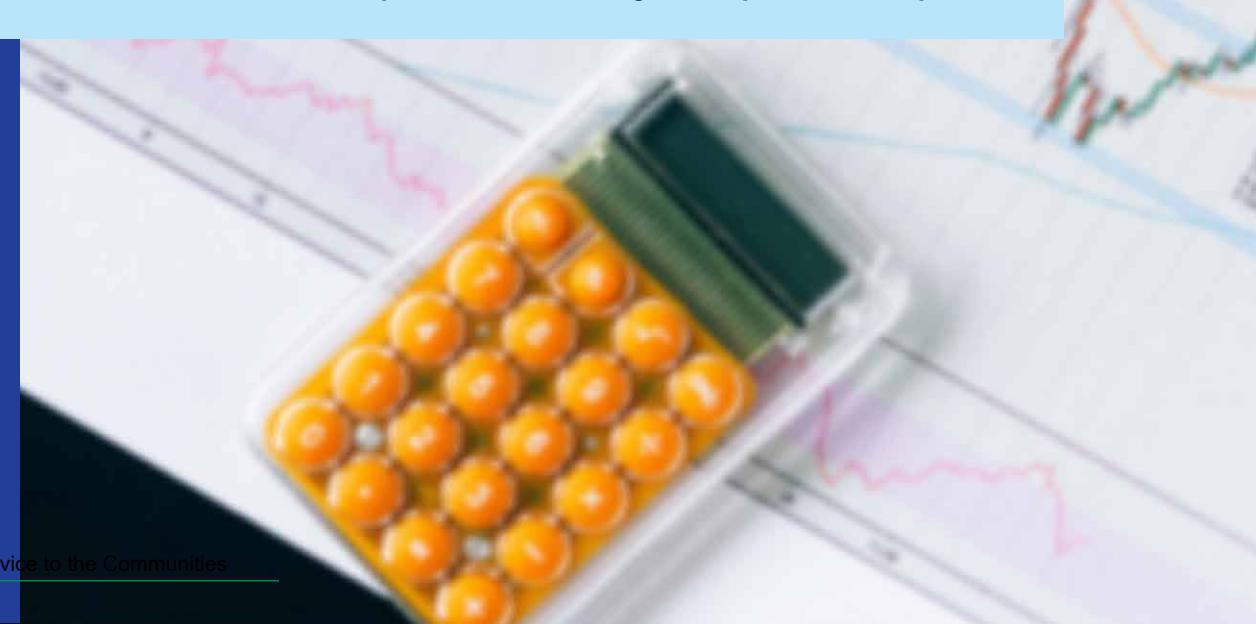
- c. Percentage/ Weight distribution

Living the Brand	Function	Supervisory Function
Adherence to 5S Standards	5	5
Adherence to Corporate Policies	10	5
Living the Brand Values	10	2.5
Leading the Brand		
Managing Performance for Success (Leadership Survey Result)		10
Demonstrating Brand Leadership Behaviors		2.5
<b>Total</b>	<b>25</b>	<b>25</b>

# RISK MANAGEMENT



As an inherent part of good governance, the Bank is committed to fulfill its obligation to all its stakeholders to effectively manage the business and ensure that the correspondent risk management process is in place.



## I. RISK MANAGEMENT CULTURE AND PHILOSOPHY

As an inherent part of good governance, the Bank is committed to fulfill its obligation to all its stakeholders to effectively manage the business and ensure that the correspondent risk management process is in place. As a financial institution, UCPBS recognizes that it is in the business of taking risks and is vulnerable to various forms of risks. Thus, it seeks to develop a risk-return consciousness in the Bank in order to preserve capital and ensure adequate return on capital.

Specifically, it upholds the following risk philosophy:

- Risks are inevitable but can be managed to avoid losses and it is better managed and controlled if measured consistently and accurately;
- An effective risk management system is a critical component of bank management and a foundation of a safe and sound operation of the Bank;
- Risk management is a top-down process and should operate at all levels within the Bank;
- “Control culture” should be developed and risk awareness should be promoted and not risk aversion;
- All activities should conform to applicable legal and regulatory provisions of the Republic of the Philippines, as well as to the Bank’s internal policies and procedural guidelines; and
- Policies and practices that generate incentives or temptations for inappropriate actions should be avoided. These include but are not limited to an over-emphasis on short-term performance results that ignore long-term risks, ineffective segregation of duties that allow misuse of resources, or concealment of poor results and insignificant penalties for improper activity.

### Risk Appetite and Strategy

The Board of Directors (BOD) sets the risk appetite of the Bank. This is articulated through policies and limits that the BOD approves. BOD likewise oversees adherence of the Bank to approved policies and limits. Annually, it approves the Bank’s business plans and strategies and monitors the Bank’s attainment of its goals. In setting the risk appetite and strategies, the BOD takes into account the business environment, regulatory landscape, and the Bank’s long-term interests and ability to manage risk.

The Senior Management is responsible for the overall implementation of the Bank’s strategy as approved by the BOD through the following:

1. Development of policies that define the Bank’s risk tolerance ensuring that they are compatible with strategic goals;
2. Ensuring that strategic direction and risk tolerances are effectively communicated and adhered throughout the organization; and
3. Oversight of the development and maintenance of management information systems to ensure that information is timely, accurate, and pertinent.

### Risk Governance Structure

The BOD is supported by the various board and management-level committees in its risk oversight functions. These committees are responsible for developing, managing, and monitoring specific risks at various levels of organization, as well as recognizing early warning signals and devising appropriate risk responses to mitigate risks. These are the Executive Committee (EXCOM), Audit Committee (AUDITCOM), Corporate Governance Committee (CORPGOV), Risk Oversight Committee (ROC), Credit and Collection Committee (CRECOLCOM), Bank’s AntiMoney Laundering Committee (BAMLC), Asset Liability

Committee (ALCO), Technology Committee (TECHCOM), Bids and Awards Committee (BAC). Except for the ROC, the corresponding functions, roles, and responsibilities of these committees are highlighted under Corporate Governance in this annual report.

The ROC, composed of three (3) members, two (2) independent directors, and one (1) executive director. The committee convenes monthly and updates the BOD on the Bank's overall current and emerging risk exposures through the Risk Management Division (RMD). Its responsibility covers the oversight of the Bank's risk management framework, adherence to the risk appetite, and effectiveness of the risk management function.

The RMD, through the Chief Risk Officer (CRO) communicates formally and informally to the ROC any information relative to its identification, assessment, and monitoring of key risk exposures whether these are consistent with board-approved policies on risk tolerance or on the effectiveness of the corresponding risk mitigation measures. Also, the CRO serves as the secretariat of the ROC. Moreover, the CRO, on behalf of the ROC, reports monthly to the BOD.

Overall, the Bank promotes that risk management is the responsibility of everybody.

#### Risk Management Process

In general, the Bank manages its risks following the three lines of defense:

The first line of defense consists of the following business units:

- a. Asset Recovery & Management Division
- b. Branch Banking Division and Branches (including Lending Offices)
- c. Commercial Lending Division (including Lending Centers)
- d. Consumer Lending Division
- e. Controllership Division
- f. Corporate Planning, MIS, and Marketing Departments
- g. Credit Management Division
- h. Human Resources Division
- i. Information Technology Division
- j. Legal Services Division
- k. Operations Division
- l. Treasury Division

As risk owners, they own and manage risks inherent in the Bank's products, processes, services, activities, and systems to which they are accountable. They identify, measure, monitor, and control risks; guide the development and implementation of internal policies and procedures; and ensure that activities are consistent with the goals and objectives of the Bank.

The second line of defense which is tasked with the oversight of risk involves the risk management and compliance functions. The Risk Management Division (RMD) provides independent oversight over specific board directives and is responsible for reporting to the ROC; while the Bank Compliance Division (BCD) develops and implements governance standards and reports directly to the Corporate Governance Committee.

The third line of defense is the internal audit function responsible for verifying if the risk management framework has been sufficiently well designed and implemented by both the first and second lines of defense. The Internal Audit Division (IAD) reports directly to the Audit Committee.

From a "check and balance" perspective, the following are the three (3) primary functions involved in the Bank's risk management process:

1. Risk-Taking Personnel Function (front office) – initiates and takes the risks duly authorized by the BOD. They are responsible to fully know, understand and commit themselves to all of the Bank's risk policies and procedures; know the specific risks inherent in their respective products and services and; conduct their risk-taking activities within limits at all times;
2. Risk Control & Compliance Function (back office) – performs the day-to-day compliance check with the approved risk policies. These are the operations personnel providing support to the front-line activities through the establishment and maintenance of a system of effective internal control for the safe and sound operation of the Bank. This includes the separation of duties and functions, maintenance of reliable information systems and documentation; and
3. Risk Management Function (middle office) – assists the Risk-Taking Personnel and the back office personnel in identifying, measuring, controlling, and monitoring risks. In addition, it performs independent limits monitoring. The Bank's risk functional organization is composed of the RMD, BCD, and IAD. The function of IAD and BCD are discussed in another section of this annual report.

Under the Bank's Enterprise Risk Management Framework (ERM), the various categories of risks enumerated below are not only monitored in silos but across all interrelated business risks. RMD does quarterly stress testing across various types of risks to evaluate the potential impact on portfolio values of unlikely but plausible events or movements in a set of financial variables. The stress testing seeks to check the Bank's stability and resilience should the potential vulnerabilities occur.

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

#### A. Credit Risk

Credit Risk arises from counterparties' failure to meet the terms of any contract with the Bank and is not limited to the loan portfolio. It arises any time that the Bank funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements.

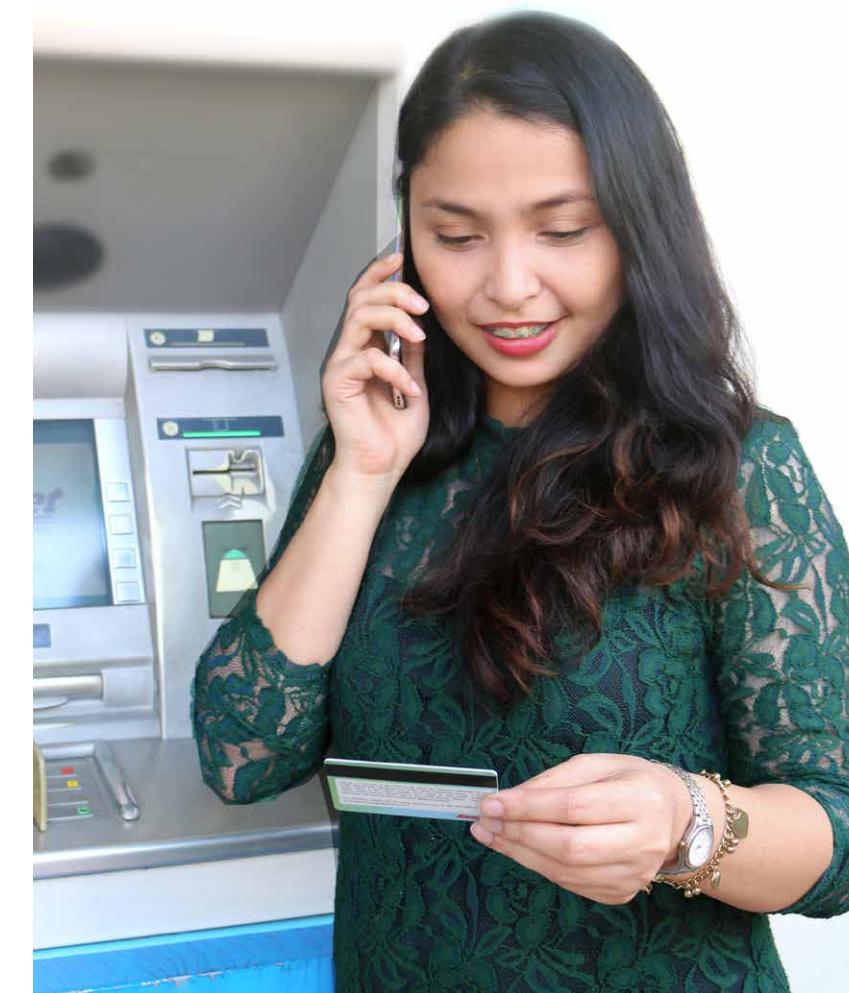
The Bank's credit risk management processes are performed coherently and collaboratively at three levels, namely:

- i. Strategic level – when the BOD sets the annual revenue goals, approves target market, risk acceptance criteria, and strategic plans;
- ii. Transactional level – when the Risk-Taking Personnel determines opportunities and takes risks. The risk-taking activities at this level are congruent with the goals, target market, risk asset acceptance criteria, strategies, and risk philosophy set by the policy-making body. Analysis of credit risk on the transactional level is focused on its potential adverse effect on the Bank's entire portfolio; and
- iii. Portfolio level – when the portfolio and position risks are captured and evaluated by an independent third party, other than the Risk-Taking Personnel (i.e., Risk Management Division, Internal Audit Division, and Bank Compliance Division).

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

The following are risk management tools specifically for the management of Credit Risk and are discussed during the ROC meeting on a monthly basis:

- Loan Portfolio Analysis – showing portfolio trends, under-performing loan, non-performing loan and how the Bank fares vis-à-vis the industry;



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

#### 1. Management of Credit Risk

The granting of loans goes through a process of evaluation and approvals. To ensure objective evaluation and monitoring of the extent of the Bank's risk exposure, the Bank has its Internal Credit Risk Rating System for Commercial Accounts. The Account Officer (AO) of Commercial Lending Division risk rates all potential and existing commercial accounts prior to the approval of new accommodation, renewal, and restructuring of existing facilities. The AO's credit risk rating, together with all the documents necessary for credit risk rating review are forwarded to the Credit Risk Management Unit of RMD for validation.

The Credit Risk Management Unit (CRMU) of RMD is the Bank's independent unit that performs the credit risk control function responsible for the design, implementation, and performance of the credit risk rating system. The credit risk control function is independent of the business functions responsible for originating credit exposures.

A rating exception occurs when the proposed rating is not compliant with the standards established in the Bank's credit risk rating criteria. Any rating exception to the established credit risk rating criteria or any disagreement in rating (between the Account Officer and RMD's Credit Risk Officer / Analyst) as a result of different interpretations of the credit rating criteria is elevated to the Chief Risk Officer. If no agreement is reached, the same is elevated to the President and CEO.

The Bank continues to internally review and validate its Internal Credit Risk Rating System (ICRRS) model, covering the minimum requirements stipulated under BSP Circular 855.

The Bank has a Credit and Collection Committee (CreColCom), a management committee handling collegial review and approval/endorsement of higher amounts of credit, and a Remedial Unit dedicated to the resolution of past due accounts.

## 2. Market Risk

Market Risk arises from the Bank's market-making, dealing, and position-taking in interest rate.

The Bank uses the standardized measurement in quantifying the capital requirements for Market Risk. In December 2019, the market risk weight of P118 MM accounted for only 0.62% of the Bank's overall RWA.

The Bank uses Value-at-Risk (VaR), a statistical estimate of the maximum possible loss on the Bank's trading portfolio using Bloomberg's parametric VaR model under a 99% confidence level and a defeasance period of two (2) weeks. Also, the Bank monitors mark-to-market losses on securities under its trading portfolio on a daily basis. Results are reported weekly to ALCO (if with a breach in the limit), and monthly to ROC.

As VaR is designed to measure Market Risk in a normal market environment only, daily backtesting is done to verify if actual losses are within the projected VaR approximations. The Bank uses the regulatory 3-zone (green, yellow, and red) boundaries in evaluating the backtesting results.

To further complement the VaR approximations, the Bank conducts stress testing on a quarterly basis to capture potential losses under extreme scenarios. Results are being reported to ROC and BOD.

## 3. Interest Rate Risk

Interest Rate Risk arises from differences between the timing of rate changes and the timing of cash flows (repricing risk).

The Bank monitors Interest Rate Risk monthly using Earnings-at-Risk (EaR) or repricing gap analysis. It evaluates risk against planned earnings; a forward-looking discipline that seeks to avoid earnings surprises. It is calculated as the change in income over the next 12 months, given current exposures that will result from management's adopted standard deviation (SD) of 2.326, change in interest rate using a sample size of 260 days, and a defeasance period of three (3) months.

Only rate-sensitive assets and liabilities are included in the assessment. Loan accounts are assessed based on the next repricing date while time deposits are based on the next maturity date. Savings accounts are excluded from the assessment as well as loans where interest repricing is unlikely given its repayment status. To evaluate earnings exposure, interest rate-sensitive liabilities in each time bucket are subtracted from the corresponding interest rate assets to produce a repricing gap for such time bucket. A negative gap occurs when the amount of rate-sensitive liabilities exceeds the amount of interest-rate-sensitive assets while a positive gap occurs when the amount of rate-sensitive assets exceeds the amount of interest-rate sensitive liabilities.

During a period of rising interest rates, a positive gap is favorable as assets will be refinanced at the higher interest rate but unfavorable at a period of declining interest rate as it may result in a decline in the net interest income.

The Bank conducts stress testing on a quarterly basis using BSP's Uniform stress testing framework to check the Bank's stability and resilience to sudden changes in interest rates. Results are being reported to the ROC and BOD.

## 4. Liquidity Risk

Liquidity Risk arises from the Bank's inability to meet its obligation when they become due on account of failure to manage unplanned decreases or changes in fund sources or failure to recognize or address changes in market conditions.

The Bank monitors liquidity risk through various liquidity ratios and through the Maximum Cumulative Outflow (MCO). MCO provides a snapshot of liquidity risk. It is the amount of prospective funding that the Bank will require at pre-specified future dates under normal operating environments. This monetary amount is a measure of the liquidity gap between the maturing liabilities and assets.

The Bank has set its tolerance level based on its funding capability as articulated on the Contingency Funding Plan and conducts stress testing on a quarterly basis using scenarios such as drop-in deposits portfolio and loan default to capture potential losses under extreme scenarios. Results are being reported to ROC and BOD.

## 5. Operational Risk

Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It arises from fraud, error, inability to deliver products and services, and mismanage information. It is evident in each product and service offered by the Bank i.e. from product development and delivery, operational processing, systems development, computing systems, the complexity of products and services, and the internal control environment.

Cognizant that operational risk is inherent in all activities, products, and services, and is closely tied in with other types of risks (i.e. credit, liquidity, and market risk), RMD's Risk Awareness Training for new employees is focused on operational risk to make everybody aware that operational risk management is vital for the safe and sound operations of the Bank and to drive the principle that risk management is the responsibility of everybody.

The Bank uses the Basic Indicator Approach in quantifying the risk-weighted assets for Operational Risk.

The Bank identifies, measures, monitors, and controls operational risks through the following:

- Results of internal/external audit & supervisory issues raised by BSP.

- Internal Loss Data Collection and Analysis of reports sourced from the following:
  - Loss Event Reporting
  - Information Security Incident Reporting
  - Compliance reports
  - Legal reports

- Risk Control Self-Assessment (RCSA)
- Operational Risk Self-Assessment (ORSA)
- Regular Key Risk Indicators
- Business Continuity Plan

## 6. Legal Risk

Legal Risk arises from legal sanctions against the Bank. This impacts not only the Bank's financial performance but also affects the Bank's reputation if such legal sanctions are made public. Legal Risk is managed by the Legal Services Division. The Chief Legal Officer reports to ROC every other month.

## 7. Strategic Risk

The Bank recognizes Strategic Risk as the failure to achieve business plans due to improper implementation of strategies that may have significant repercussions on the Bank's target direction, financial position, reputation, competitiveness, or business prospects.

BOD is responsible for the Strategic Risk oversight through MANCOM and the Corporate Planning Department

## 8. Compliance Risk

Compliance Risk arises from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. Compliance Risk also arises in situations where the laws or rules governing certain bank products or activities may be ambiguous or untested. This risk exposes the Bank to fines, payment of damages, and the voiding of contracts. Compliance Risk can lead to diminished reputation, reduced franchise value, limited business opportunities, reduced expansion potential, and lack of contract enforceability. This is handled by the Bank Compliance Division.

## 9. Reputational Risk

Reputational Risk arises from the negative perception of the Bank by its customers, counterparties, shareholders, investors, employees, debt holders, market analysts, and other stakeholders such as regulators, the government, and the media that can adversely affect its ability to maintain existing or establish new business relationships and to continuously access varied sources of funding. This risk may expose the Bank to litigation, financial loss, or a decline in its customer base and in extreme cases, may result in bank run.



Management of Reputational Risk is the responsibility of the Bank Compliance Division. Client complaints are reported monthly to the Corporate Governance Committee and the minutes of the meeting is submitted to BOD.

## 10. Information Technology (IT), Information Security (IS), and Cyber Risk

IT Risk refers to any potential adverse outcome, damage, loss, violation, failure, or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications, and networks.

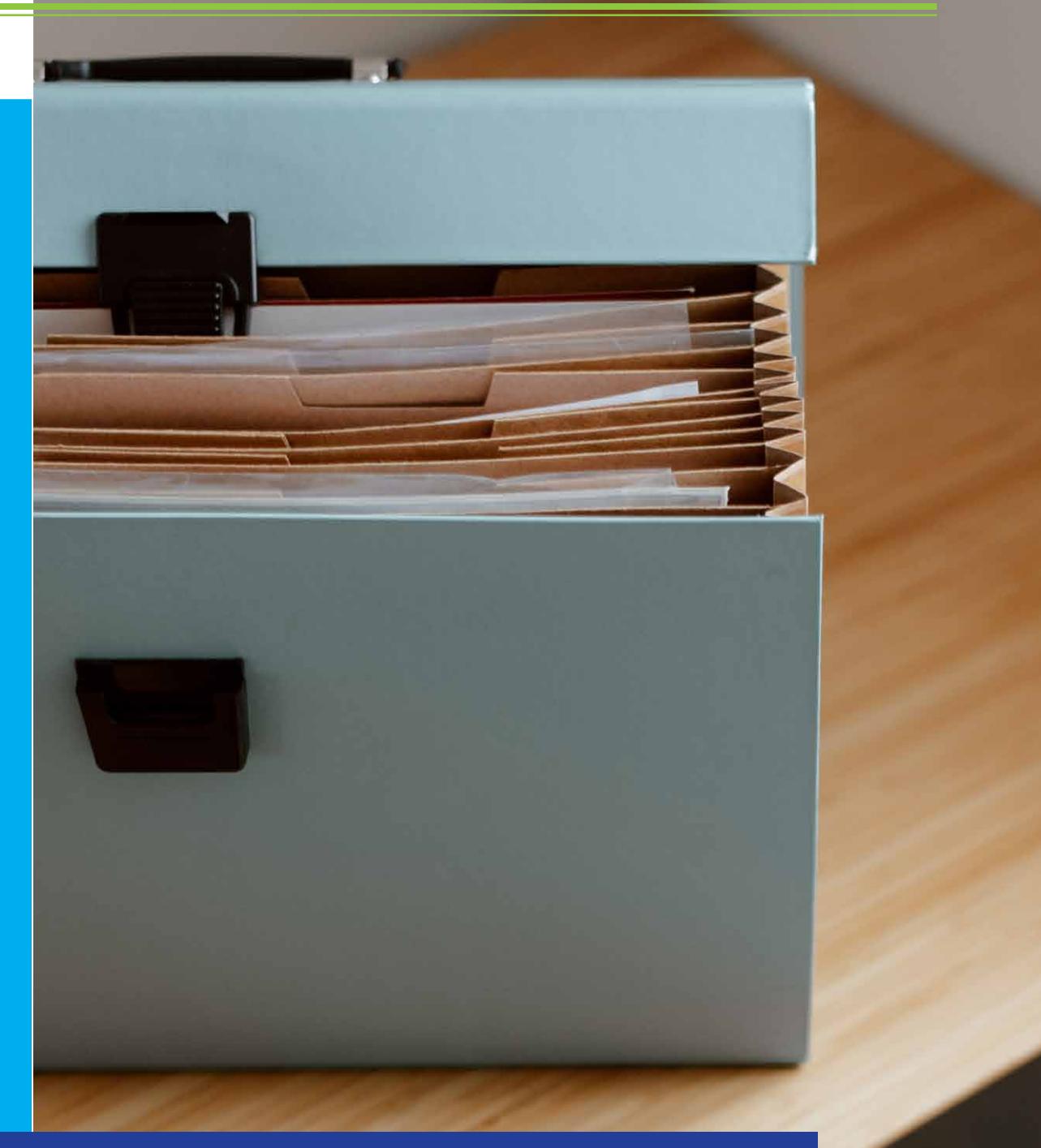
IS Risk is the risk to organizational operations due to the potential for unauthorized access, use, disclosure, disruption, modification, or destruction of information or information assets that will compromise its confidentiality, integrity, and availability.

Cyber Risk is the exposure to harm or loss resulting from breaches of or attacks on information systems.

These risks can give rise to operational, strategic, reputational and compliance risks in many ways. As such, the Bank continuously promotes Information Security awareness both to new and existing employees.

In compliance to the GOCC, the details of the following were posted on the UCPB Savings website under Disclosures :

1. The Risk Mgt Committee members;
2. Disclosure of the report of ROC;
3. Disclosure statement that at least one member of the ROC have a background in finance and investments;
4. Disclosure statement on the internal control procedures/risk management systems it has in place;
5. Disclosure on Annual Report that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems; and
6. How key risks are managed.



The Internal Audit is independent of all the other organizational units of the Bank as well as from the personnel and work that is to be audited.

## UCPB SAVINGS SELF-ASSESSMENT

### Self-Assessment Function

The Internal Audit Activity assists the Bank in fulfilling its vision, mission, strategic initiatives, and objectives while adhering to its core values, by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control, and governance processes.

It adds value to the Bank by introducing proposals to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.

The Internal Audit Division also helps ensure the following:

- a. Risks are appropriately identified and managed;
- b. Significant financial, managerial, and operating information is accurate, reliable, and timely;
- c. Employees' actions are in compliance with Bank's policies, standards, procedures and applicable laws and regulations;
- d. Bank's resources are acquired economically, used efficiently, and adequately safeguarded;

- e. Bank's operations are transacted in accordance with sufficient internal controls, good business judgment, and high ethical standards;
- f. Quality and continuous improvement are fostered in the Bank's internal control processes; and
- g. Significant legislative or regulatory issues impacting the Bank are recognized and addressed appropriately.

The Internal Audit Activity, as authorized by the Audit Committee, has unrestricted access to all functions, records, property, and personnel of the Bank subject to existing mandate and applicable laws. The Internal Audit is independent of all the other organizational units of the Bank as well as from the personnel and work that is to be audited. It operates under the direct control of the Audit Committee and is free to report its findings and appraisals internally at its own initiative to the Audit Committee.

Likewise, the Chief Audit Executive whose appointment was approved by the Board of Directors, reports directly to the Audit Committee. Under the UCPBS Audit Committee Charter, recommending for approval of the Board of Directors the appointment, reappointment, replacement/dismissal, and performance appraisal of the Chief Audit Executive is one of the responsibilities of the committee. Any action taken by the Audit Committee in the exercise of this function shall be done in coordination with Human Resources Department.



**Board-Level Committees****Audit Committee**

The primary purpose of the Audit Committee is to oversee the auditing, accounting, financial management principles and practices that are in line with international and Philippine best practices and conform to all legislative and regulatory requirements.

Its principal objectives are:

- a. To assess the completeness and fairness of the presentation of the financial statements and financial reports of UCPB to shareholders and regulators;
- b. To monitor the implementation of the internal audit program including the assessment of the business, operational, compliance, reputational, control, and fraud risks and related policies;
- c. To monitor and advise the Board of Directors with respect to the annual operating and capital expenditures budget of the Internal Audit Division;
- d. To endorse the external auditor recommended by management taking into consideration the independence of the external auditor, and;
- e. To oversee Senior Management in establishing and maintaining an adequate, effective, and efficient internal control framework.

The Committee shall be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors, including the Chairperson, preferably with accounting, auditing, or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank.

The Committee Chair and members of the Audit Committee were elected by the Board of Directors and serve until their successors are duly elected and qualified. The election of all members of the Audit Committee shall require the unanimous approval of all independent directors of the Board present during their election. The Committee Chair of the Audit Committee shall not be the Chairperson of the Board of Directors or of any other board-level committees.

The following are the accomplishments of the Audit Committee (AC) regarding functional supervision:

- Approved/noted IA reports with results of its assurance services, consulting services, special/ fraud audits, and other services to ensure that Senior Management is taking necessary corrective actions in a timely manner to address any weakness, non-compliance with policies, laws, and regulations, and other issues identified by auditors;
- Approved special projects or improvements of audit methodologies such as (1) Amendments in the Audit Rating System (ARS) and (2) Updating of the IAD Manual among others;
- Noted other AC reports such as (1) IAD Budget for 2021, (2) IAD Accomplishment Reports, and (3) Summary of Branch Banking Units Common Audit Exceptions with Estimated Financial Risk Exposures, etc.;
- Noted the updates on the validation activities of IAD relative to the Letter of Commitment of the Bank (LOC) with BSP on a monthly basis;
- Noted the EQAR status updating of Internal Audit Activities;
- Noted the presentation of the updated Corrected Action Tracking Report and approved open items for archiving. This was being presented on a monthly basis;
- Noted the updates on BSP Advance Report of Examination Findings (AREF) and BSP Final Report of Examinations;
- Post-confirmation of the Audit Committee on the Endorsement for Board Approval of 2020 Audited Financial Statements routed by way of referendum;
- Noted the updates from Business Units on ROPA-related concerns;
- Noted the Minutes of the Meetings and updates on CAATS reports;
- Approved the recalibrated short-term audit plan (including updates on the spillover projects) and the 2022 Audit Plan including Risk Assessment Methodology (anchored on the approved original 3-Year Plan);
- Approved the Updated Job Descriptions of Auditors (as part of IAD's regular quality assurance review as well as GCC's CPCS/ PES Requirement);

The Audit Committee held twelve (12) regular and two (2) special meetings in 2021.

Name of Director	Period Covered	Audit Committee Meetings		
		Held since assumption	Attended	Percentage
John B. Llamas	Jan 1- Dec 31, 2021	14	14	100%
Danilo V. Pulido ***	Jan 1 - July 31, 2021	8	8	100%
Ramon L. Macasaet	Jan 1 - Dec. 31, 2021	14	14	100%
Katrina Therese Lim-Dy ***	July 1 - Dec. 31, 2021	6	6	100%

\*\*\* Director Katrina Therese Lim-Dy was appointed as a member of the UCPBS Audit Committee replacing Director Danilo V. Pulido who retired on August 04, 2021.

The review process was adopted by the Board to ensure the effectiveness and adequacy of the internal control and risk management systems.

The Audit Committee's primary purpose is to provide assistance to the UCPBS Board in fulfilling its oversight responsibilities over the Bank's reporting policies, practices and control, and internal and external audit functions.

The IAD reports to the Audit Committee the results of its assurance services, consulting services, special / fraud audits, and other services to ensure that Senior Management is taking necessary corrective actions in a timely manner to address any weakness, non-compliance with policies, laws and regulations, and other issues identified by auditors.

On top of the discussion and notation of the regular reports of the IAD, the Audit Committee also deliberates on various issues and concerns related to the Bank's existing internal controls, potential breaches, and vulnerabilities and likewise recommends ways and measures to strengthen internal controls and manage risks. The

business units that fail in the audit are also required to present to the Audit Com the status/action taken on the audit's recommendations to address internal control breaches or related plans.

The Audit Committee monitors and evaluates the adequacy and effectiveness of the internal control system. It oversees the implementation of internal control policies and activities and ensures that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. This is to identify the weaknesses and evaluate its robustness considering the Bank's risk profile and strategic direction.

The Committee meets regularly at least once each month. It maintains the minutes of its meetings. The Minutes are confirmed by the UCPBS Board. They held 14 meetings in 2021 with 100% attendance.

The Committee is composed of the following:

- Dir. John B. Llamas (Chairman)
- Dir. Ramon L. Macasaet (Member)
- Dir. Katrina Therese Lim-Dy (Member) \*\*\*

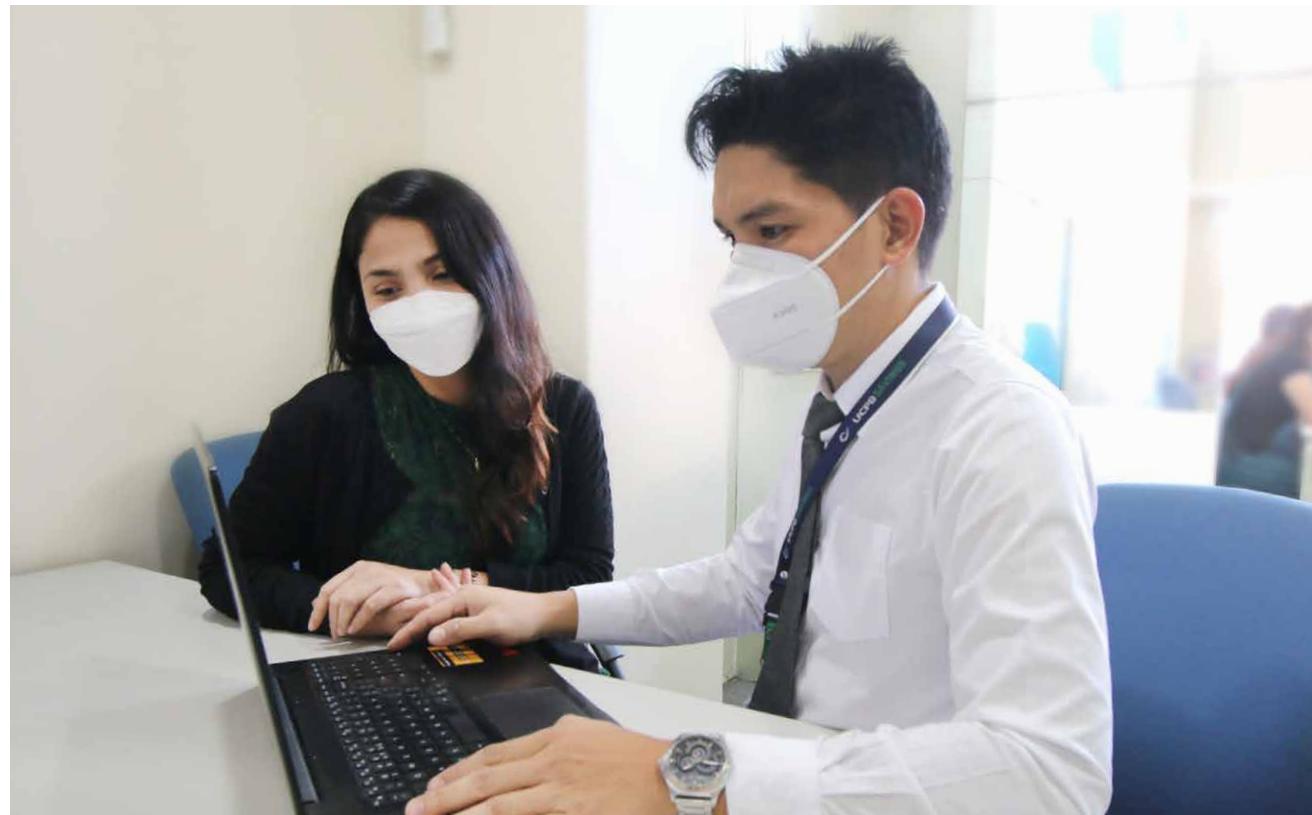
\*\*\* Director Katrina Therese Lim-Dy was appointed as a member of the UCPBS Audit Committee replacing Director Danilo V. Pulido who retired on August 04, 2021.



# CORPORATE GOVERNANCE



The UCPBS Corporate Governance Manual promotes and institutionalizes the principles of good governance and professional practices within the Bank.



## CORPORATE GOVERNANCE

The Bank's Corporate Governance framework promotes and institutionalizes the principles of good governance and professional practices within the Bank. Sound corporate governance is a vital component of strategic management in sustaining the growth, stability, and success of UCPBS. The Bank continues to adapt and refine the good governance practices within the group that centered on laws, rules, and regulations. The Board of Directors defines the appropriate corporate governance framework for the Bank's structures that facilitate oversight of the effective implementation of policies and procedures governing its major areas of operations.

### BOARD OF DIRECTORS (BOD)

The Board of Directors (BOD) is primarily responsible for the governance of the Bank. It establishes strategic objectives, policies, and procedures to guide and direct the Bank's activities and how to attain them, as well as the monitoring and overseeing of management action.

The Board is responsible for defining the Bank's Vision, Mission, and Values of the Bank. It has a fiduciary responsibility to the Bank and its shareholders. Approve and oversee the implementation of strategies to achieve corporate objectives, risk governance, and the systems of check and balance.

The BOD ensures that the Corporate Governance standards are met by:

- Fostering good corporate culture and values;
- Approving the Bank's objectives, and strategies and overseeing the management's implementation;

- Overseeing the selection process of key members of senior management, heads of control functions, and approval of a sound remuneration and incentive policy for personnel; and
- Approving the Bank's good corporate governance framework and its implementation thereof.

The Board shall be composed of seven (7) members of which at least one-third should be independent directors. Non-executive directors shall be comprised of at least a majority of the Board Members to promote an independent oversight of the Bank. The UCPBS Board is composed of the following:

Independent Directors	5
Non- Executive Director	1
Executive Director	1
Total	7

### SELECTION PROCESS

The Bank selects the candidate/s for the Board position based on the fit and proper rule of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), Governance Commission for GOCC, and other governing agencies.

All Senior Management positions, from VP and up, as well as those specific positions that are subject to Monetary Board or BSP confirmation, shall require BOD approval upon the recommendation of the appropriate Committee.

### PRESIDENT AND CEO

The President and Chief Executive Officer is responsible for the overall supervision, administration, and management of the Bank's day-to-day operations. She may assign and delegate the exercise or performance of her powers, duties, and functions to any other officer(s) under her supervision and control. The President and CEO may constitute Management Committees to assist her in the administration of the Bank.

In carrying out the Bank's business, the President and CEO is the overall-in-charge of the management of the Bank's business affairs that was governed by the strategic direction and risk appetite approved by the BOD. She is primarily accountable to the BOD for developing the primary direction, and strategies and for promoting the long-term interest of the Bank.

### CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board provides the leadership and ensures that the Board is effective and performing in a going concern. He should maintain a relationship of trust among members of the Board. His duties and responsibilities are the following:

- Ensures that the meeting agenda focuses on strategic matters including discussion on risk appetites, and key governance concerns;
- Ensures a sound decision-making process;
- Encourages and promotes critical discussion;
- Ensures that dissenting views can be expressed and discussed within the decision-making process;
- Ensures that members of the Board receive accurate, timely, and relevant information;
- Ensures the conduct of proper orientation for the first-time directors and provides training opportunities for all directors; and
- Ensures the conduct of performance evaluation to all members of the Board Directors at least once a year.

### EXECUTIVE DIRECTORS

The Executive Directors are the directors involved in the day-to-day operations of the Bank. They hold a position on the Board and have Management responsibility for running the Bank. This includes the President / Director of the Bank. The President and CEO serve as Executive Directors.

### INDEPENDENT AND NON-EXECUTIVE DIRECTORS

Independent Directors are members of the Board who do not have a material relationship with the Bank and are neither part of its executive team nor involved in the day-to-day operations of the parent bank and its subsidiaries.

Non-executive directors are those who are not part of the day-to-day management of Bank's operations and devoted sufficient time to effectively carry out their duties and responsibilities. As such:

- a. A non-executive director may concurrently serve as director in a maximum of 5 publicly listed companies. In case of concurrent directorship within the UCPB Group, each entity where the non-executive director is concurrently serving as director shall be separately considered in assessing compliance with this requirement; and
- b. An independent director may only serve as such for a maximum cumulative term of 9 years, after which the independent director shall be perpetually barred from serving in the same position with UCPBS, but may continue to serve as a regular director.

### BOARD LEVEL COMMITTEES

The Board of Directors may delegate some of its functions, but not its responsibilities, to board-level committees. In this regard, the Bank has four (4) Board-Level Committees that performs different functions: (1) The Executive Committee; (2) Audit Committee; (3) Risk Oversight Committee; and (4) Corporate Governance Committee. The three Board Committees oversees the Bank's independent unit such as the Internal Audit Division (IAD), Risk Management Divisions (RMD) and Bank Compliance Division (BCD). The Board level Committees meet monthly and report to the Board during its regular Board meeting.

#### Executive Committee

The Executive Committee assists the BOD in the general supervision, administration and management of the Bank. It reviews, considers and approves credit proposals within its approving authority; formulates recommendations to the BOD relating to strategies, credit and debt restructuring, borrowings and expenditures, acquisition and disposal of key assets, issuance and investment of securities, technology and operations issues, changes to organization and key management, changes to policies and manuals, and other matters requiring BOD approval that are not within the purview of other board committees.

#### Audit Committee

The Audit Committee assists the BOD in ensuring that the auditing, accounting, financial management principles and Bank's practices generally conform with the approved internal policy. It oversees the financial reporting framework, monitors and evaluates the adequacy and effectiveness of the internal control system, operation of internal and external audit functions, and implementation of corrective actions.

The Audit Committee shall be composed of at least three (3) members of the board of directors, who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. The chairperson of the audit committee shall not be the chairperson of the board of directors or of any other board-level committees.

### Risk Oversight Committee

The Risk Oversight Committee (ROC) assists the BOD in developing risk policies and management programs for the Bank. It also develops appropriate strategies in identifying, quantifying, managing and controlling risk exposures, including preventing and minimizing the impact of losses as they occur. The committee oversees the implementation and review of the Bank's risk management system on an integrated enterprise-wide basis and ensure that it remains effective, that authority limits are observed and immediate corrective actions are taken whenever limits are breached or risk events occur.

The committee shall be composed of at least three (3) members of the board of directors, majority of whom shall be independent directors, including the chairperson. The ROC's chairperson shall not be the chairperson of the board of directors, or any other board-level committee. It should possess a range of expertise and adequate knowledge on risk management issues and practices, and have access to independent experts to assist it in discharging its responsibilities.

### The Corporate Governance Committee

The Corporate Governance Committee assists the Board of Directors in fulfilling its corporate governance responsibilities. It promotes corporate governance principles and guidelines, as well as in building a culture of excellence, professionalism, efficiency and integrity. It takes the lead in carrying out the Board's performance evaluation and capability building functions. In this regard, the corporate governance committee performs the following:

- (1) Oversee the nomination process for members of the board of directors and for positions appointed by the board of directors. The committee reviews and evaluates the qualifications of all persons nominated to the board of directors as well as those nominated to other positions requiring appointment by the board of directors. The committee recommends to the board of directors' matters pertaining to the assignment to board committees, as well as succession plan for the members of the board of directors and senior management.

The Committee reviews and evaluates the qualifications of all persons nominated to a position that required Board approval and ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications as mandated under the law, rules and regulations. It also recommends to the Governance Commission for GOCCs (GCG) the nominees for the shortlist of Board composition and succession plan.

- (2) Oversee the continuing education program for the board of directors. The committee provides programs for the continuous education of directors and draw on external expertise as needed. The committee ensures the effective implementation of policy for onboarding / orientation program for first time directors and annual continuing education for all directors. The training program covers topics relevant in carrying out their duties and responsibilities as directors.

(3) Oversee the performance evaluation process. The committee oversees the periodic evaluation of contribution and performance (e.g., competence, candor, attendance, preparedness and participation) of the board of directors, board-level committees, and senior management.

(4) Oversee the design and operation of the remuneration and other incentives policy. The Committee also acts as the Nomination and Remuneration Committee of the Bank and ensures that the remuneration and other incentives policy of the Bank are aligned with the operating and risk culture as well as with the strategic and financial interest of UCPBS, promotes good performance and conveys acceptable risk-taking behavior as defined in its code of ethics, and complies with legal and regulatory requirements.

It works closely with the Bank's Human Resources Division in evaluating the remuneration and incentives developed by the Bank. The Nomination and Remuneration Committee meet during the regular meeting of the Corporate Governance Committee and discuss issues relative thereto, if any. The Committee's reports are being handled and presented by the Human Resources Division and being discussed during the regular meeting.

(5) Oversee the Related Party Transactions and its operations. The Committee handles the Related Party Transactions (RPT) of the Bank. It ensures that conflict of interest in a particular RPT has been addressed accordingly and any member with conflict of interest is refrained from evaluating the particular transaction.

The RPT Committee evaluates and endorses to the Board all material RPTs to ensure that these are not undertaken on terms more favorable than similar transactions with non-related parties and that no resources of the Bank are misappropriated or misapplied. Ensure that the transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process. The Committee reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.

(6) Oversee the compliance functions

The compliance function is subject to the oversight of the Corporate Governance Committee. It ensures the independence of the compliance function from the business activities of the Bank and warrants that the compliance program as approved by the Board is supported by adequate and sufficient resources and that compliance issues are resolved expeditiously. Coordinate the relationship of the Chief Compliance Officer and Bank Compliance Division with other functions and/or units of the Bank, including the delineation of responsibilities and lines of cooperation. The Committee ascertains the right of the Compliance Officer to have unimpeded access to information necessary in the conduct of investigations of possible breaches of the compliance policy.

### AML GOVERNANCE & CULTURE

The Bank has an active BOD and Senior Management committees that oversee its AML operations. It has a Compliance Office that apprises the Board on all matters pertaining to Anti-Money Laundering activities, which was aligned with the requirements of RA. 9160, as amended, and its Implementing Rules and Regulations (IRR).

The BOD likewise constituted the Corporate Governance Committee as the AML designated committee to oversee the implementation and monitoring of the Bank's compliance with all laws, rules, and regulations related to AMLA. Furthermore, the BOD has established the Bank's Anti-Money Laundering Committee (BAMLC), a management committee whose function is to:

- Assist in the implementation of the Bank's compliance with AMLA law;
- Lead in the carrying out of the Bank's policies and guidelines to comply with the requirements of the AMLA, particularly on the timely submission of the covered and suspicious transactions;
- Ensure that the Bank has a comprehensive and risk-based MTPP that is in accordance with the regulatory provisions;
- Determine and decide reported unusual transaction if reportable as STR or not; and
- Ensure that the Bank is fully compliant with the requirements of the AMLA.

### LIST OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

#### 1. Board of Director

- Liduvino S. Geron
- Lizette Margaret Mary J. Racela
- Victor P. Dela Serna Jr.
- John B. Llamas
- Ramon L. Macasaet
- Filemon S. Cimafranca, Jr.
- Katrina Therese Lim-Dy

#### 2. Corporate Secretary

- Atty. Florence Rosalinda R. Claveria – Acting Corporate Secretary
- Atty. Margarita A. Nacpil – Assistant Corporate Secretary

#### 3. Senior Management Committee

- Ms. Lizette Margaret Mary J. Racela- President and CEO
- Mr. Reynaldo E. Ebanen- Head, Bank Compliance Division
- Mr. Wilfred D. Abobo- Head, Branch Banking Division
- Ms. Maria Sarah V. Prepeña- Head, Consumer Lending Division

- Ms. Ma. Pamela V. Suarez- Head, Asset Recovery & Management Division
- Mr. Jaime Juan Ramon N. Valera III- Head, Corporate Planning & Marketing Division
- Ms. Christine C. Renton- Head, Human Resource & General Services Division
- Ms. Patricia M. Tapalla- Head, Risk Management Division
- Ms. Irene S. Quintana- Head, Controllership Division
- Mr. Dante R. Cortez- Head, Credit Management Division
- Mr. Wilfredo S. Bautista- Head, Information Technology Division
- Atty. Alexander L. Paulino- Head, Legal Services Division
- Mr. Tristan D. Baria- OIC, Internal Audit Division
- Mr. Elmer M. Aquino – Head, Commercial Lending Division
- Mr. Rolan D. Campos II - Head, Treasury Division
- Mr. Ernesto Olavario- Head, Operations Division

### BOARD MEETINGS AND DIRECTORS' ATTENDANCE

The Board of Directors holds regular monthly meetings on the third Thursday of each month, should the date set for a regular meeting fall on a legal holiday, the meeting shall be held at the same time on the next business day. The call for the special meetings can be made at any time by the Chairman of the Board or by the President or by any three (3) members of the Board to discuss the progress or challenges faced by the Bank that requires immediate action. The Board was provided with board materials for the upcoming meeting at least 3 working days in advance of the said meeting.

### BOARD LEVEL COMMITTEES

#### 1. Executive Committee

- Liduvino S. Geron - Chairperson
- Lizette Margaret Mary J. Racela - Member
- Filemon S. Cimafranca Jr. – Member

#### 2. Audit Committee

- Mr. John B. Llamas – Chairperson
- Ms. Katrina Therese Lim-Dy – Member
- Mr. Ramon L. Macasaet – Member

BOARD OF DIRECTORS ATTENDANCE FOR THE PERIOD ENDING DECEMBER 31, 2021														
Board of Directors	Jan 27	Feb 24	Mar 24	Apr 21	May 31	Jun 04	Jun 23	Jul 21	Aug 25	Sep 22	Oct 27	Nov 24	Dec 15	
1. Liduvino S. Geron	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Lizette Margaret Mary J. Racela	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Felimon S. Cimafranca, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Victor P. Dela Serna, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. John B. Llamas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. Ramon K. Macasaet	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. Danilo V. Pulido *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. Katrina Therese Lim-Dy *										✓	✓	✓	✓	✓

\* Danilo V. Pulido – Resigned effective August 4, 2021

\* Katrina Therese Lim-Dy - Elected as Director effective August 20, 2021

#### BOARD LEVEL COMMITTEE MEETING

##### Audit Committee

Name of Members	Jan 19	Feb 23	Mar 23	Apr 21	May 18	Jun 22	Jul 13	Jul 22	Aug 17	Sep 21	Oct 19	Nov 16	Dec 13	
John B. Llamas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ramon L. Macasaet	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Danilo V. Pulido *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Katrina Therese Lim-Dy *										✓	✓	✓	✓	✓

\* Danilo V. Pulido – Resigned effective August 4, 2021

\* Katrina Therese Lim-Dy - Elected as Director effective August 20, 2021

##### Corporate Governance Committee

Name of Members	Jan 19	Feb 16	Mar 16	Apr 20	May 06	May 11	May 18	Jun 03	Jun 22	Jul 06	Jul 16	Aug 17	Aug 20	Sep 21	Oct 19	Nov 16	Dec 14
Ramon L. Macasaet	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
John B. Llamas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Victor P. Dela Serna, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

##### Risk Oversight Committee

Name of Members	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Danilo V. Pulido *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Katrina Therese Lim-Dy *								✓	✓	✓	✓	✓
Dir. Victor P. Dela Serna Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pres. Lizette Margaret Mary J. Racela	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* Danilo V. Pulido – Resigned effective August 4, 2021

\* Katrina Therese Lim-Dy - Elected as Director effective August 20, 2021

##### Executive Committee

Name of Members	Jan 20	Feb 19	Mar 19	Apr 16	May 19	Jun 16	Jul 14	Aug 18	Sept 15	Oct 20	Nov 10	Dec 16
Liduvino S. Geron	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lizette Margarete Mary J. Racela	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Filemon S. Cimafranca, Jr.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



##### 3. Risk Oversight Committee

- Ms. Katrina Therese Lim-Dy – Chairperson
- Mr. Victor P. Dela Serna Jr. – Member
- Ms. Lizette Margaret Mary J. Racela – Member

##### 4. Corporate Governance Committee

- Mr. Ramon L. Macasaet - Chairperson
- Mr. John B. Llamas - Member
- Mr. Victor P. Dela Serna Jr. – Member

##### PERFORMANCE EVALUATION

The Board conducts a self-assessment of its performance. The process of assessing the Board's performance involved several major components, such as (i) the Board (25%), (ii) the Chairman (10%), (iii) Members of the Board (15%), (iv) Board Meetings (25%), and (v) Board committees (25%). The Corporate Governance Committee initially reviews and assesses the Board's performance which is being presented to the Board for final notation. Each Director assessed the performance of other members and the results are discussed in an executive session during the regular Board meeting to deliberate the Director's / Committee's performance through the accomplished evaluation forms.

The Board of Directors' performance and assessments are in place and covered by the Corporate Governance Manual, which is aligned with the Government Commission for GOCCs (GCG) criteria.

##### REMUNERATION POLICY

It is the policy of the Bank to adopt a compensation program that is competitive within the banking industry. The Bank actively participates in the provision of a fair, reasonable and competitive compensation and benefits package, aligned to the Bank's intention to provide an outstanding service to its clients, while following the current Philippine Labor Code.

The Bank's Board of Directors is entitled to per diem every attendance to committee meetings, while remuneration for employees is given every 10th and 25th of the month. Aside from basic payout, associates are also given applicable allowances such as medical, clothing, and rice.

##### RELATED PARTY TRANSACTIONS

Related Party Transaction (RPT) means any transaction, arrangement or relationship, or any series of similar transactions, in which (i) the Company or any of its subsidiaries is or will be a participant, and (ii) any Related Party has or will have a direct or indirect interest. This also includes any material amendment or modification to an existing Related Party Transaction. The RPT policy provides a clear definition of what transactions are covered under this policy so that they can be conducted at arm's length and in a transparent manner. All RPTs of the Bank are conducted in the regular course of business and are not undertaken under more favorable economic terms.

The Corporate Governance Committee also performs the functions of the Related Party Transactions Committee that assists the BOD in its oversight responsibility in ensuring that the Bank's direct and indirect credit transactions with Related Parties are handled in a sound and prudent manner, on an arm's-length basis, with transparency and integrity and in compliance with



applicable laws and regulations. It also ensures that related party transactions are identified, monitored, and evaluated, and that appropriate disclosure is made to the BOD and to the supervising authorities for transparency and arm's length transaction.

The Committee is also responsible for ensuring that all related party transactions are endorsed to the BOD for confirmation and all material transactions should have BOD approval and confirmation of the shareholders.

#### SELF-ASSESSMENT FUNCTION

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

#### 1. Bank Compliance Division (BCD)

The Bank Compliance Division is responsible for the conduct of independent assessments to check the Bank's compliance with relevant laws, rules, and regulations. It is governed by a Compliance Charter that was approved by the Board of Directors that defines the compliance function's standing, authority, and independence. It shall have the right to obtain access to information necessary to carry out its responsibilities, conduct investigations of possible breaches of the regulatory policy, and shall directly report to and have direct access to the Board of Directors or appropriate Board-level Committee.

The compliance function shall facilitate the effective management of compliance risk by:

1. Identifying all relevant laws, rules, and regulations applicable to the Bank.
2. Analyze the risks of non-compliance, prioritize the risks (e.g., low, medium, high) and address all compliance matters.
3. Establish a clear communication process to inform all affected business and operating units of the Bank of any and all regulatory changes in a timely manner.
4. Establish and maintain a constructive working relationship with all regulatory agencies, for the prime purpose of seeking clarifications on laws and regulations or discussing compliance findings with the agencies.
5. Establish and maintain a regular schedule of compliance testing for all units of the Bank, and comply with applicable banking laws, rules and regulations. The frequency of testing must be commensurate to the identified risk levels (i.e. high risk areas).

#### 2. Risk Management Division (RMD)

The Risk Management Division (RMD) is responsible for overseeing the risk-taking activities across the Bank. It shall ensure that the risk governance framework remains appropriate relative to the complexity of risks taking activities of the Bank. It shall directly report to the Risk Oversight Committee (ROC) and the Board of Directors. The risk management function shall be responsible for identifying, measuring, monitoring, and reporting risk on an enterprise-wide basis as part of the second line of defense which include the following:

- a. Identify the key risk exposures, and assess and measure the extent of risk exposures of the Bank.
- b. Monitor the risk exposures and determine the corresponding capital requirement in accordance with the Basel capital adequacy framework and based on the Bank's internal capital adequacy assessment on an on-going basis;
- c. Monitor and assess particular risks whether these are consistent with board-approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures; and
- d. Report on a regular basis to Senior Management and the Board of Directors, the results of assessment and monitoring.

The Risk Management Committee's (ROC) reports are reflected in the minutes of the meeting and being reported to the Board during the regular BOD meeting.

#### 3. Internal Audit Division (IAD)

The Internal Audit Division assists the Bank in fulfilling its vision, mission, strategic initiatives, and objectives, while adhering to its core values, by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control, and governance processes. The Internal Audit shall entirely be independent of all the other organizational units of the Bank as well as from the personnel and work that is to be

audited. It shall operate only under the direct control of the Audit Committee and shall be given an appropriate standing within the Bank to be free from bias and interference. The Audit Committee's reports are reflected in the minutes of the meeting and reported to the Board during the regular BOD meeting.

The Internal Audit Division will assist to ensure the following:

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

#### Dividend Policy

Dividends shall be declared and paid out of the surplus profits of the Bank as often and as such time as the Board of Directors may determine and in accordance with the provisions of law and of the BSP rules and regulations.



# CUSTOMER PROTECTION AND ASSISTANCE

## UCPB SAVINGS CUSTOMER ASSISTANCE & MANAGEMENT CENTER HOTLINE

**(02) 8811-0278**

0998-591-9006 (SMART)  
0917-620-4851 (GLOBE)

**Email:**  
[usb-camu@ucpbsavings.com](mailto:usb-camu@ucpbsavings.com)

**Website:**  
[www.ucpbsavings.com](http://www.ucpbsavings.com)

**Facebook page:**  
[fb.com/UCPBS.KASAMAMO](http://fb.com/UCPBS.KASAMAMO)



### Role and responsibility of the Board and Senior Management

The Board of Directors (BOD) takes the lead role in developing, building, and promoting a strong culture of consumer protection in the Bank. In addition, they are chiefly responsible for ensuring compliance with BSP Circular 1048 and all other laws, rules, and regulations governing consumer protection. The implementation of the BOD's oversight is supported by the Bank's Corporate Governance. The Senior Management (ManCom), on the other hand, is responsible for ensuring that the practices of the bank are aligned with the approved risk management system and consumer protection policies, which should be consistently displayed throughout the bank's place of business particularly, across all business units that deal directly with consumers.

### Customer Protection and Assistance

UCPB SAVINGS BANK (UCPBS) is responsive to the needs and welfare of its customers while being held against high standards of ethical business practices. In order to provide a well-defined perspective and direction in achieving the Bank's consumer protection policies, practices, and procedures, a Financial Consumer Protection Manual which was framed after the Bangko Sentral ng Pilipinas' (BSP) Circular No. 857, revised per BSP Circular 1048 was implemented, covering the structure, standards, and responsibilities relative to its customer protection.

The policy is consistent with the global processes and order, taking into consideration the digital and technological advancement and innovations for adaptable avenues to quality financial services; and not to employ practices which may pose risks to the consumer in the conduct of bank transactions which reinforced consumer protection as an essential component of corporate governance and culture and risk management.

### The Customer Assistance Management System of the bank

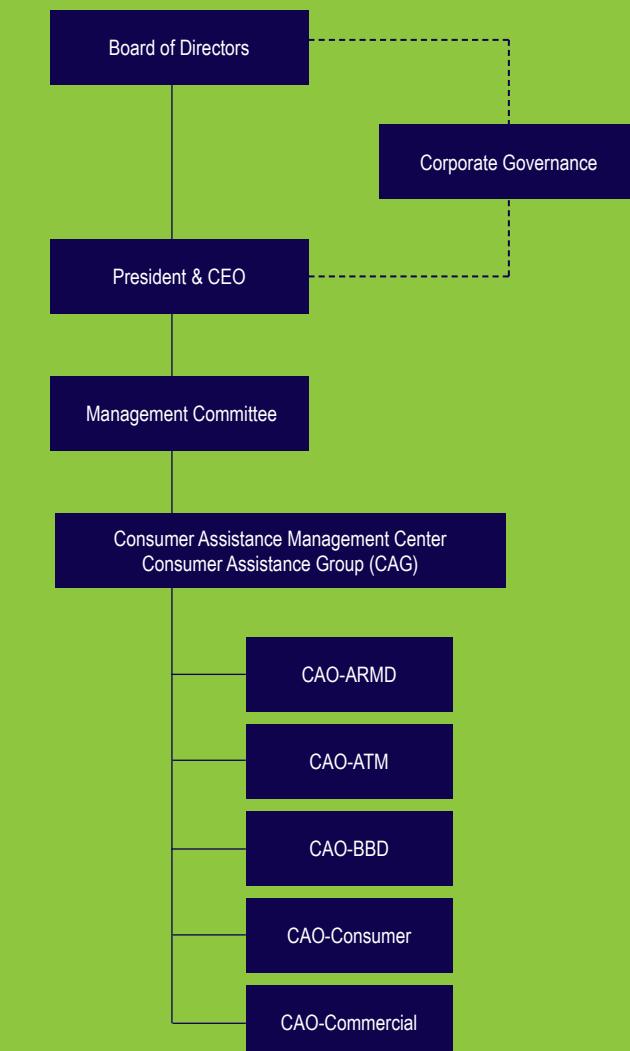
The Customer Assistance and Management Center (CAMC) standardizes the Bank's customer assistance management. It provides a framework, internal processes, and requirements in dealing with inquiries, requests, or complaints submitted or referred to by its clients. It substantiates the mechanism to address feedback and efficient management of clients' inquiries, requests, and complaints, which enables the Bank to identify issues and continuously improve its service delivery and standards.

CAMC guarantees that all concerns are treated sternly and addressed promptly, fairly, and with the utmost confidentiality. Even amidst the pandemic, CAMC ensures that clients' concerns are addressed throughout all its channels (email, Facebook, Messenger, and website). As an additional channel, OLA- a UCPBS avatar, was approved by the Management as an additional communication channel. While the avatar, markings, and name are already registered with the Department of Trade and Industry, its accessibility thru the Bank website is under construction and will be available in the following year.

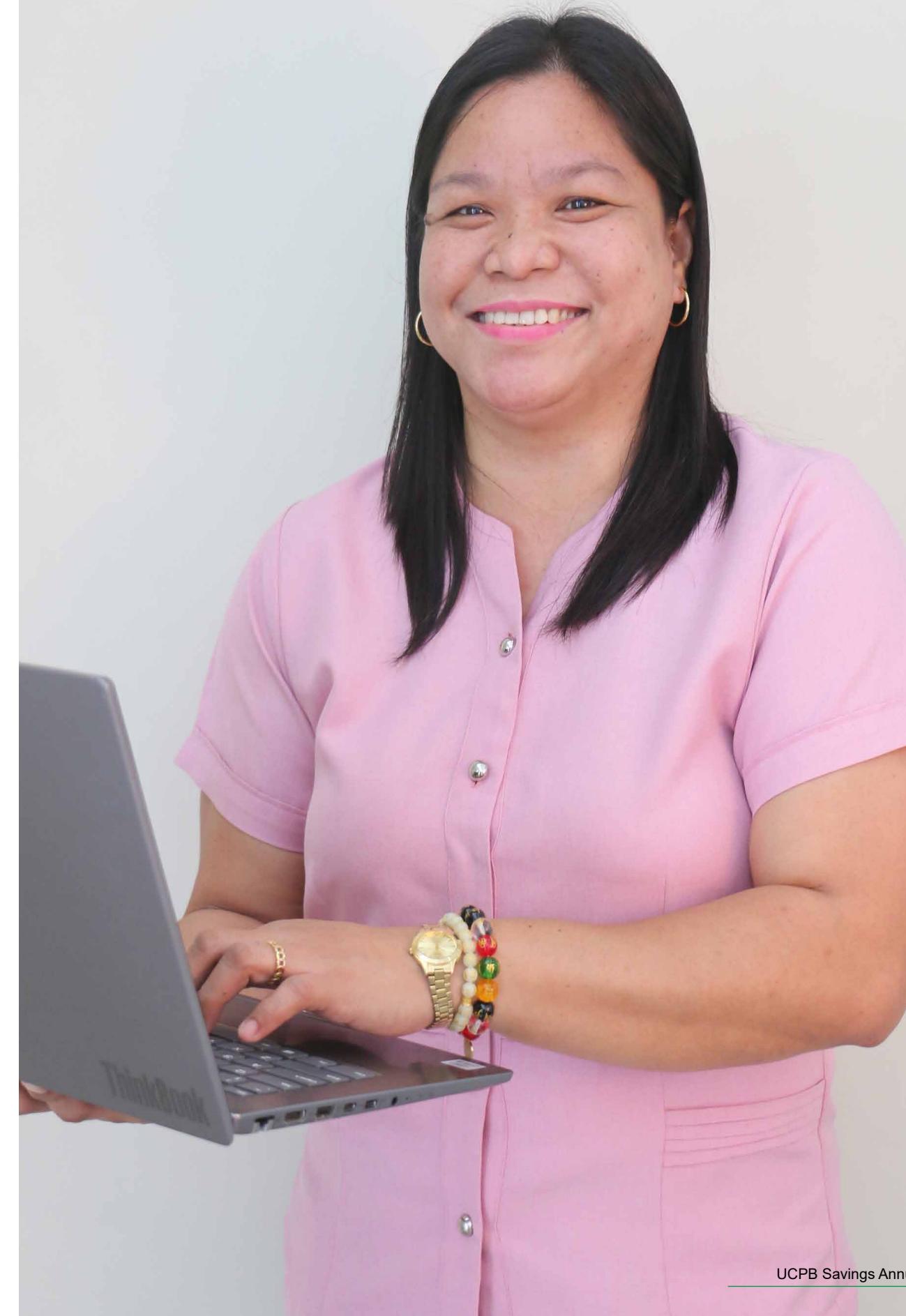
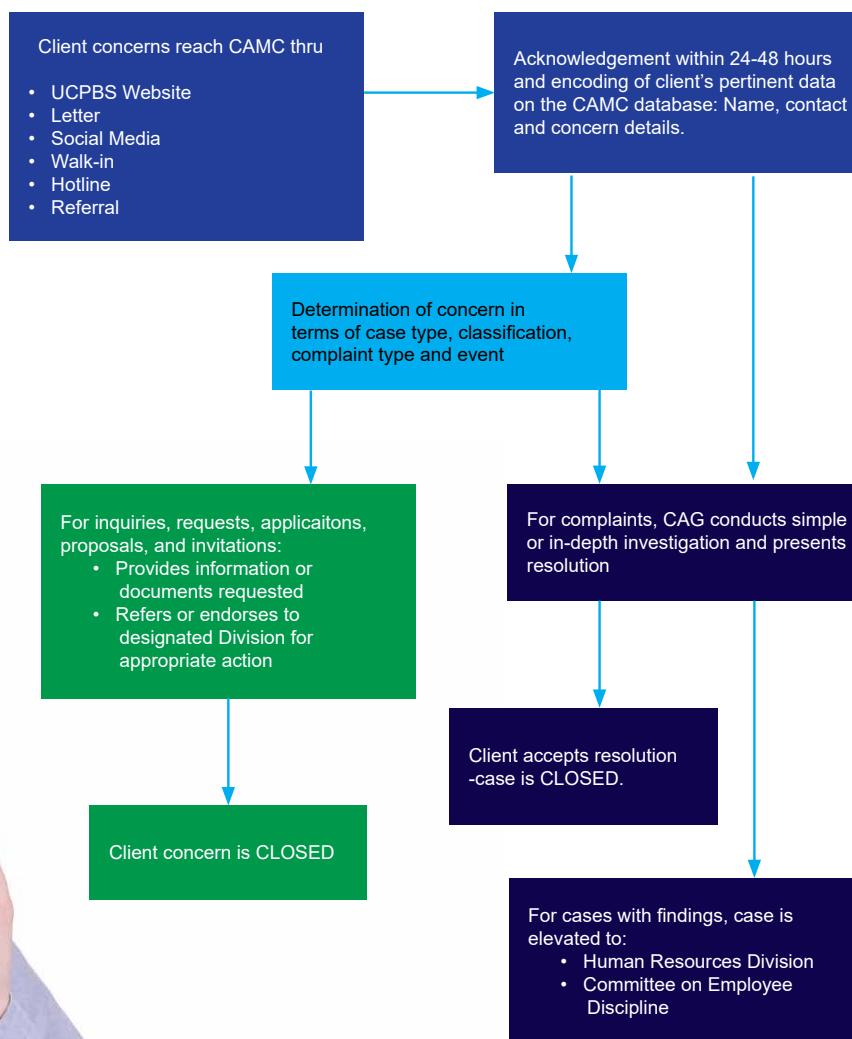
The CAMC Database had been maintained and updated to capture all the concerns from all UCPB Savings Bank Branches nationwide. All concerns passed through CAMC are logged through the CAMC Database; while Automated Teller Machine (ATM)-related concerns are also automatically logged through the e-Log, which is linked to the CAMC Database.

CAMC incorporated a review system mechanism in the database to ensure that all cases attended and logged in a timely manner.

## CONSUMER ASSISTANCE ORGANIZATIONAL STRUCTURE



## CAMC PROCESS FLOW



IN SERVICE TO THE COMMUNITIES

# UCPB SAVINGS BANK Beyond Financial Services

The missions of UCPBS are to strengthen partnerships with its clients through personal and proactive services, nurture a culture of good values among the associates, exercise prudence in managing the Bank's resources, and deliver proper financial returns to the shareholders. While the Bank considers its clients, employees, and shareholders as integral components, it is its unwritten commitment to be of service to the growing communities it serves by giving back in simple and significant ways, UCPBS integrated Corporate Social Responsibility (CSR) activities in order to achieve a balance of economic and social imperatives, while at the same time making an impact to the community.

Since the start of the pandemic, the Bank took the challenge to provide response and support to its clients, employees, and communities. It provided a 100% operation despite the risk and changes in work schedules brought about by the pandemic.

The service of the Bank went beyond being financial responders and in order to have a framework in place, the Corporate Social Responsibility Guidelines, under Corporate Events and Communication Guidelines were approved.



## Philippine Red Cross (PRC)

Now on its 4th consecutive year of partnership with PRC, employees renewed their voluntary membership to the organization to support its services all over the country. The total membership of the employees, their family members, and extended family amounted to more than Php 75,000. The amount will be used to support the Blood Services, Disaster Management Services, Safety Services, Health Services, Social Services, Red Cross Youth, and Volunteer Services.

Taking another mile to also be an arm that donates adequate, safe, and quality blood supply to the most vulnerable, 2 bloodletting activities were held at the UCPB Savings Bank Head Office on October 8 and 15, 2021. The employees were able to donate 37 bags which yielded 111 blood products. PRC had been the leading provider of blood and blood products in the country.



## Save the Children Foundation, Philippines (SCP)

Save the Children worked hard to help children gain access to quality education and health services, support them in times of great need, and protect them from risks and harm. As a response, the Bank launched its version of the Give to Save program where employees pledge a certain amount every month for a year and donate this to the foundation. With the pledge of more than 70 employees, the total voluntary donation for one year will be more than One hundred twenty thousand.

On October 15, 2021, Corporate Planning and Communications Head Jaime Juan Ramon Valera III handed over the 1st set of donations to Natalia Tabal, SCP's Corporate Partnerships Manager.

**If you could give**

**P 10.00**  
*every month,*

*in a year you contribute P120;  
as UCPB Savings Family we can  
donate a total of P87,840.*

**Equivalent to**  
**290**  
**water kits**  
*to help 290 families access  
clean and potable water.*

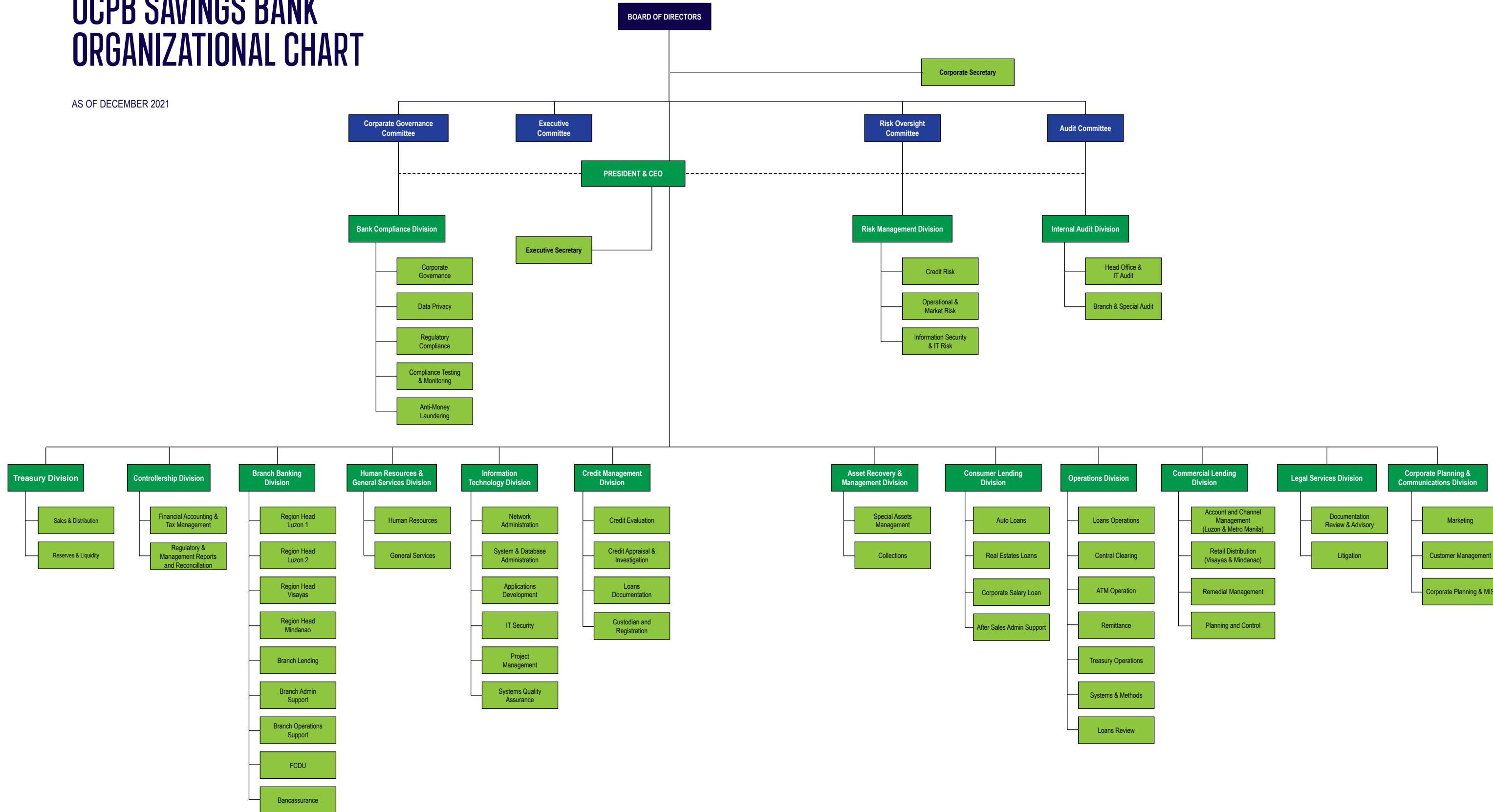


# OUR PILLARS OF STRENGTH

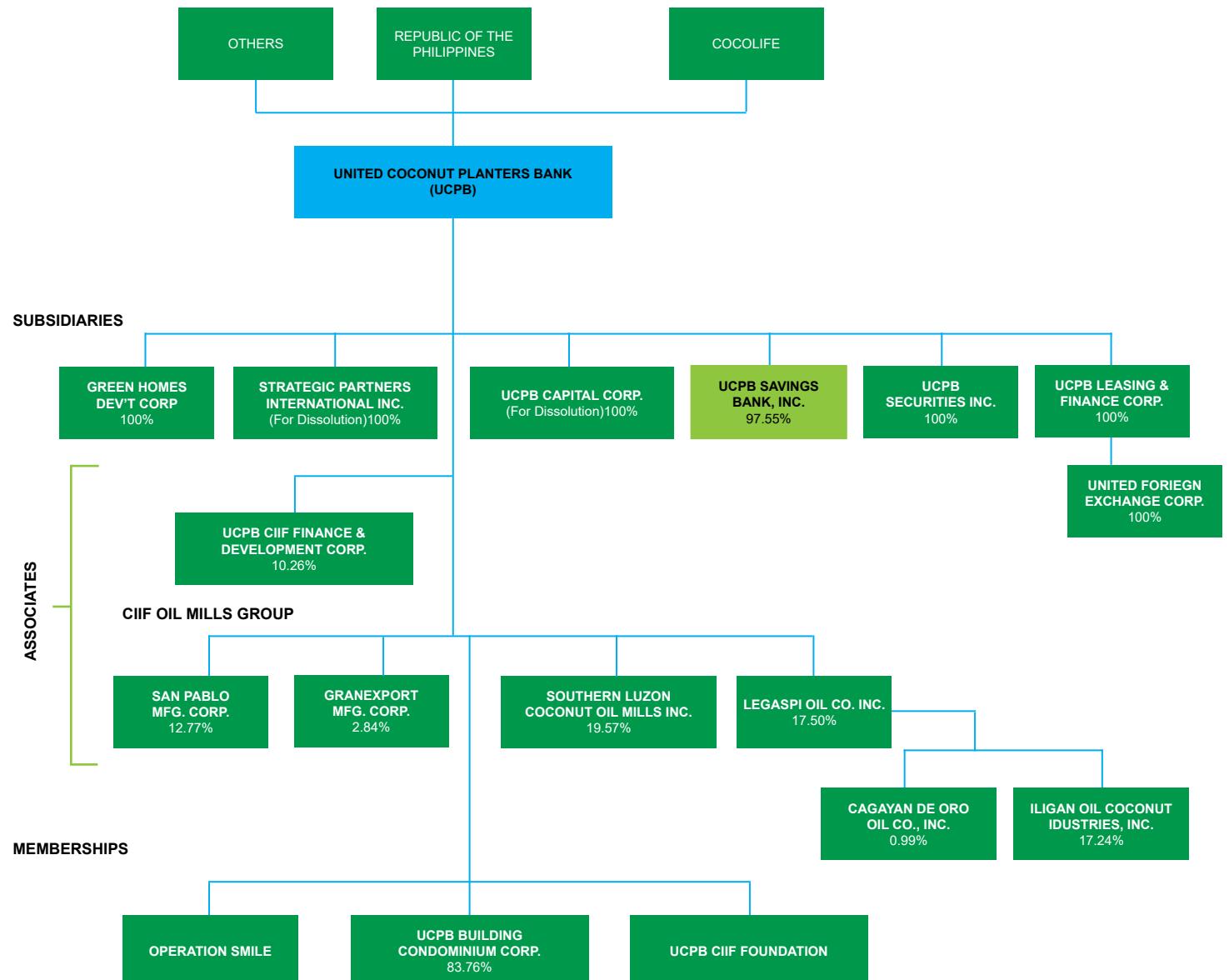


# UCPB SAVINGS BANK ORGANIZATIONAL CHART

AS OF DECEMBER 2021



# THE CONGLOMERATE STRUCTURE



# THE PINACLE OF THE ORGANIZATION

# THE BOARD OF DIRECTORS



- |   |  |   |
|---|--|---|
| 1. LIDUVINO S. GERON<br>Chairman of the Board         | 4. VICTOR P. DELA SERNA, JR.<br>Independent Director | 7. JOHN B. LLAMAS<br>Independent Director               |
| 2. LIZETTE MARGARET MARY J. RACELA<br>President & CEO | 5. RAMON MACASAET<br>Independent Director            | 8. DANILO V. PULIDO<br>Independent Director             |
| 3. FILEMON S. CIMAFRANCA, JR.<br>Independent Director | 6. KATRINA THERESE LIM-DY<br>Independent Director    | 9. FLORENCE ROSALIND R. CLAVERIA<br>Corporate Secretary |

\* Danilo V. Pulido – Resigned effective August 4, 2021  
\* Katrina Therese Lim-Dy - Elected as Director effective August 20, 2021

# THE BOARD OF DIRECTORS

## LIDUVINO S. GERON

Chairman of the Board since July 17, 2020  
Filipino, 57

- UCPB Savings Bank - Director/Chairman
- Masaganang Sakahan, Inc. - Director
- Landbank of the Philippines - Executive Vice President
- UCPB - Officer-in-Charge
- UCPB Leasing and Finance Corp. - Director/Chairman

Mr. Geron brings with him over two decades of expertise in various areas of banking, particularly branch banking, strategic planning and lending. Mr. Geron is the Executive Vice President for National Development Lending Sector of the Land Bank of the Philippines (LBP).

From a management trainee in 1994, he rose from the ranks and has headed different units, including the Bank's Visayas Branches Group, Lending Program Management Group, Credit Policy Department, Strategic Planning Group and the Branch Banking Sector. He earned his degree in Agricultural Engineering from the University of the Philippines Los Banos and pursued his master's degree in Systems Agriculture at the University of Western Sydney which he completed in 1992.

As of December 31, 2021, he holds 1 share representing the Republic of the Philippines.

## LIZETTE MARGARET MARY J. RACELA

President and CEO since September 2017  
Filipino, 56

- UCPB Savings Bank (seconded) - President

Ms. Racela has more than 30 years of banking experience, with extensive exposure in the areas of Retail Banking, Commercial and SME Lending, Consumer Lending and Credit Administration. Prior to her current position, she headed the Consumer Lending and Branch Banking groups in RCBC. She also held executive positions with Philippine National Bank, EastWest Bank and UCPB. She completed her degree in Bachelor of Science in Business Administration at the University of the Philippines Diliman.

As of December 31, 2021, she holds 1 share representing the Bank of the Republic of the Philippines.

## JOHN B. LLAMAS

Independent Director since June 2017  
Filipino, 73

- UCPB Savings Bank - Director
- UCPB - Director

Mr. Llamas is the Managing Partner of Elysium Management and Consultancy. He was formerly a Consultant of Multi-Orient Manpower & Management Services, Inc., Special Projects Officer of the Oriental Ship Management Co., Inc. and Finance Manager of Dameco Corp. Davao City. He also served as Account Officer, Appraiser and Credit Investigator of the Bank of the Philippine Islands; and Bookkeeper, Credit Investigator and Appraiser at Philippine Veterans Bank. He has a Bachelor of Science in Business Administration degree, Major in Accounting from the University of the East.

As of December 31, 2021, he holds 1 share representing the Bank of the Republic of the Philippines.

## FILEMON S. CIMAFRANCA, JR.

Independent Director since November 2018  
Filipino, 74

- UCPB Savings Bank - Director
- UCPB - Director

Atty. Cimafranca is a Managing partner of FDC & Co. Law, and a Consultant of the Office of the Director, National Bureau of Investigation. He is also the Chairman of the Davao City Council, Boy Scouts of the Philippines and concurrently Chairman of Eastern Mindanao Region, Boy Scouts of the Philippines; and Director and Legal Counsel of the Philippine Shooter Match Operators Confederation.

He was a Consultant for the Public Order and Security at the Office of the Mayor, Davao City; Special Counsel and Mindanao Region Legal Head of the Philippine National Bank; Interpol agent of the National Bureau of Investigation; Clerk Stenographer at the Dausi, Bohol Municipal Court and past President of the Kiwanis Club of Sarangani Bay. He obtained his Bachelor of Law and Bachelor of Arts in Political Science, both from the Holy Name University.

As of December 31, 2021, he holds 1 share representing the Republic of the Philippines.

## VICTOR P. DELA SERNA, JR.

Independent Director since April 2018  
Filipino, 55

- UCPB Savings Bank - Director
- UCPB - Director

Atty. Dela Serna is a practicing lawyer handling collection and labor cases. He was also a Partner of Molaer and De La Serna Law Offices, Trial Lawyer at the Brillantes Law Office and Legal Officer at the Bureau of Immigration. He also served as Associate Attorney at the Lopez Law Office, Legal Researcher at the House of Representatives, In-House Counsel at the AFP General Insurance Corporation, and Legal Counsel at Delbros, Inc. He obtained his Bachelor of Law at the University of the East and Bachelor of Arts in Political Science at the San Sebastian College.

As of December 31, 2021, he holds 1 share representing the Republic of the Philippines.

## RAMON L. MACASAET

Independent Director since June 2017  
Filipino, 63

- UCPB Savings Bank - Director
- DBP-Daiwa Capital Markets Philippines, Inc. - Director
- UCPB - Director

Mr. Macasaet is an entrepreneur engaged in agricultural and aquatic business. He served in various positions at the Zamboanga Special Economic Zone and Freeport Zone Authority (Zamboanga Ecozone) including Finance Department Manager II, Budget Division Chief II, Administrative Division Chief II, and Treasury Division Chief II. He also held various branch personnel roles at Security Bank. He completed his Bachelor of Science in Business Administration from Ateneo de Zamboanga University.

As of December 31, 2021, he holds 1 share representing the Bank of the Republic of the Philippines.

## DANILO V. PULIDO

Independent Director until July 2021  
Filipino, 80

- UCPB Savings Bank - Director
- UCPB - Director

Mr. Pulido was Chairman of Emilia Properties, Inc. and a Director of UCPB Savings Bank. He held Senior Executive positions at Philippine National Bank, Philippine Exchange Company and the National Investment and Development Corporation. He obtained a Master of Business Administration degree and Bachelor of Science in Business Administration, both from the University of the Philippines.

## KATRINA THERESE LIM-DY, CPA

Independent Director since August 2021  
Filipino, 39

- UCPB Savings Bank - Director
- UCPB Leasing and Finance Corporation - Director
- UCPB Securities, Inc. - Director
- UCPB - Director

Ms. Katrina Therese Lim-Dy is a member of the Catbalogan Chamber of Commerce, being an entrepreneur engaged in the fuel and construction business. She also served as member of the Board of the Philippine Sugar Corporation. She graduated from St. Scholastica's College with a degree in Bachelor of Science in Accountancy and is a CPA by profession.

As of December 31, 2021, she holds 1 share representing the Republic of the Philippines.

## FLORENCE ROSALIND R. CLAVERIA

Corporate Secretary since September 2020  
Filipino, 46

Atty. Claveria has almost 20 years of experience in the legal profession focused on banking, government and commercial transactions, and contracts. She brings with her 18 years of banking experience, 13 years of which from the Investment Banking Group of Land Bank of the Philippines. She rose from the ranks as documentation lawyer and investment banker, and graduated from the Management Development Program, Treasury Certification Program, and Leadership Development Program conducted by LANDBANK and the Ateneo Center for Continuing Education.

She also worked at Bernaldo law firm and in the Cultural Center of the Philippines. She has degrees in AB English (Literature) from Far Eastern University, Bachelor of Laws from San Beda University, and MBA major in International Business and Finance from the De La Salle University.

## THE SENIOR MANAGEMENT



LIZETTE MARGARET MARY J. RACELA  
President & CEO



IRENE S. QUINTANA  
Controllership Division



ROLAN D. CAMPOS, II  
Treasury Division



MARIA SARAH V. PREPEÑA  
Consumer Lending Division



WILFRED A. ABOBO  
Branch Banking Division



ELMER M. AQUINO  
Commercial Lending  
Division



MA. PAMELA V. SUAREZ  
Asset Recovery and  
Management Division



WILFREDO S. BAUTISTA  
Information Technology Division

Note: Management Committee as of December 31, 2021

Note: Management Committee as of December 31, 2021

## THE SENIOR MANAGEMENT



**ERNESTO O. OLAVARIO**  
Operations Division



**CHRISTINE C. RENTON**  
Human Resources and  
General Services Division



**PATRICIA M. TAPALLA**  
Risk Management Division



**REYNALDO E. EBANEN**  
Bank Compliance Division



**DANTE R. CORTEZ**  
Credit Management Division



**ALEXANDER L. PAULINO**  
Legal Services Division



**TRISTAN D. BARIA**  
Internal Audit Division (OIC)



**JAIME JUAN RAMON N. VALERA III**  
Corporate Planning and Marketing Division

Note: Management Committee as of December 31, 2021

Note: Management Committee as of December 31, 2021

# THE SENIOR MANAGEMENT PROFILE

## LIZETTE MARGARET MARY J. RACELA

Filipino, 56 years old

She is a graduate of University of the Philippines in 1987 with a Bachelor's Degree in Business Administration. With 30 years of banking experience, she had her engagements with several well-known local banks. She started as a Marketing Assistant and eventually pursued an opportunity with UCPBS as a Private Banking Officer.

Her extensive exposure in Retail Banking, Commercial Lending, Consumer Lending, Credit Administration and Treasury is one of her most valued assets to spearhead the continuous growth and success of UCPBS.

## IRENE S. QUINTANA

Filipino, 54 years old

Ms. Quintana has over 30 years of working experience in the bank industry. As she started her career in the said field, Ms. Quintana has extensive exposure to the different functions such as Finance and Controllership, Branch Banking Operations, Bank Regulatory Reports and Special Audit Services.

She holds a Bachelor's Degree in Accounting from the Philippine School of Business Administration and a Certified Public Accountant.

## WILFRED D. ABOBO

Filipino, 51 years old

Mr. Abobo has 29 years of experience and knowledge in the branch banking operations, administration and marketing in the Metro Manila, provincial and foreign job assignments with commendable performances in exceeding deposit targets and cross-selling.

He earned his Bachelor degree in Accounting at Adamson University in 1991 and obtained his CPA Professional license in 1993. Thereafter, he taught part-time in Accountancy for 12 years with his Alma Mater.

## ELMER M. AQUINO

Filipino, 52 years old

Mr. Aquino has 26 years of supervisory experience in corporate, middle market, retail and SME lending. He was the Division Head of a universal bank for 16 years and savings/thrift bank for 10 years. Mr. Aquino has an extensive background in account, credit and product management.

He earned his Bachelor of Science in Commerce, Major in Accounting degree at the University of Sto. Tomas as Cum Laude; with MBA units from the University of the Philippines, Diliman and Ateneo Professional School Campus. He is a Certified Public Accountant.

## MARIA SARAH V. PREPEÑA

Filipino, 53 years old

Ms. Prepeña has over 20 years of work experience in banking industry and almost 10 years in insurance industry. She started her career as Marketing Assistant and rose from the ranks to handle various leadership positions. At present, she is the Head of Consumer Lending Division of UCPBS. She holds a Bachelor of Arts degree major in English from University of Nueva Caceres in Naga City.

## ERNESTO O. OLAVARIO

Filipino, 53 years old

Mr. Olavario has been in the banking industry for more than 29 years with an exposure in the Branch Banking Operations, Check Clearing, Loans Accounting and Audit. He started his career as an Accounting Assistant and worked his way up to become an Audit Officer.

He graduated with a degree in Bachelor of Science in Business Administration Major in Accounting from National College of Business and Arts.

## MA. PAMELA V. SUAREZ

Filipino, 54 years old

Ms. Suarez' professional practice spans 30 years of experience. She began her career as an Account Executive in a multinational advertising agency growing global brands for 5 years. Moving on to banking, she assumed for the past 25 years different posts in the field of Marketing Communications, Product Management and Business Development of loan, deposit products and acquired assets of foreign and local banks.

Ms. Suarez graduated from the University of Santo Tomas with a Bachelor of Science in Pharmacy. She has also completed the Tactical Marketing Implementation and Delivery Program of the Ateneo Graduate School of Business.

## WILFREDO S. BAUTISTA

Filipino, 64 years old

Mr. Bautista has more than 40 years of experience in the Information Technology industry which includes a wide range of skills in Programming, Systems Analysis, teaching application software, Technical Services, Data Center and Network / Communications and computer systems audit.

He graduated from the Mapua Institute of Technology with a degree in Electrical Engineering.

## ROLAN D. CAMPOS II

Filipino, 50 years old

Mr. Campos earned his Bachelor degree in Accountancy at San Beda College and obtained his Masters in Business Administration, Regis Program from Ateneo de Manila University in 2002.

He has 27 years of experience in the banking industry and has assumed different positions; making significant milestones in various local banks as the Vice President and Corporate Treasurer.

## CHRISTINE C. RENTON

Filipino, 51 years old

Ms. Renton has over 20 years of experience as a Human Resource Practitioner, with expertise in the areas of Talent Management, Career and Succession Management, Performance Management & Scorecards, Organization Development, Training and CompBen Management. Ms. Renton graduated from Far Eastern University with a degree in B. S. Psychology.

She is also a Certified International Human Resource Manager, a Certified Development Dimension International Facilitator and a Certified Life Coach.

## ALEXANDER L. PAULINO

Filipino, 44 years old

Atty. Paulino has more than 17 years of corporate and litigation experience acquired from lawfirms and banking institutions. He finished law at the San Beda College of Law in 2003 and passed the Bar given the same year. He took up his Pre-law at the University of Santo Tomas where he graduated with a degree in Bachelor of Arts Major in Legal Management, Cum Laude.

## PATRICIA M. TAPALLA

Filipino, 54 years old

Ms. Tapalla has been in the banking industry for more than 32 years skilled in Audit, Accounting, Branch Operations, Loan Operations, Bank Compliance, Loan Documentation, Central Liability, Cable Testing, and Processing Center Operations.

She graduated with a degree in Bachelor of Science in Commerce Major in Accounting from St. Scholastica's College Manila and passed the Certified Public Accountant Licensure examination in October 1989.

## REYNALDO E. EBANEN

Filipino, 54 years old

Mr. Ebanen is a graduate of University of the East, with a bachelor degree in Business Administration. He has been with the banking industry for almost 30 years and has assumed several positions such as Accounting Assistant, Branch Accountant, Account Officer, AML Officer and Compliance Officer. Having worked for almost all types of banks such as rural, thrift, commercial and universal banks, Mr. Ebanen has gained extensive experience in the industry, which serves as his leverage in his current function as a Senior Officer of the Bank.

He is a member of ABCOMP and was part of the Technical Working Group of the Philippine's Check Truncation System spearheaded by the BSP and PCHC prior to its implementation. His trainings include, among others, Corporate Governance, AML and Data Privacy. He has also attended the Trust Operations and Investment Management Program at the Asian Institute of Management (AIM) in 2006.

## DANTE R. CORTEZ

Filipino, 56 years old

Mr. Cortez has 32 years of work experience in the field of credit evaluation and sales-marketing. He started his banking career as part of the Consumer Lending Group in 2012 and became the Credit Process Project Head.

Before he entered the banking industry, he previously worked with Home Development Mutual Fund where he earned his experience in collection, remedial, credit evaluation, foreclosure and acquired assets management. He earned his Bachelor's degree in Accounting at the Manuel S. Enverga University and took his Masters in Business Administration at the same school.

He is a CESO qualifier of the Career Executive Service Board.

## TRISTAN D. BARIA

Filipino, 41 years old

Mr. Baria is an experienced finance and internal audit practitioner. He is a control professional and has been in the audit of banks for almost 13 years. He has extensive experience in fraud investigation and is well-versed in all areas of bank operations. He was in the practice of accounting, financial controls, and project management for 5 years totaling 18 years of combined work experience on internal controls, risk management, and corporate governance.

In 2021, he oversaw and managed the whole Internal Group as its OIC and was eventually appointed as Chief Audit Executive and Head of Internal Audit Division. He earned his Bachelor of Science in Accountancy Degree from Palawan State University and the University of the East Manila.

## JAIME JUAN RAMON N. VALERA III

Filipino, 51 years old

Mr. Valera has close to 30 years of experience in the field of banking with expertise in the areas of Financial & Budget Planning, Business Intelligence, Customer Analytics and Treasury. He started his career in UCPB as General Teller and moved his way up to head the Treasury Division of UCPB in 2005.

Mr. Valera graduated from De La Salle University, Manila with a Bachelor of Arts degree in Asian Studies.

# BRANCH NETWORK AND SERVICES



## PRODUCTS & SERVICES



### CASH DEPOSITS PESO ACCOUNTS

#### Current Account

- **Regular Current Account**  
A non-interest bearing deposit account with checkbook.
- **Current Account with Automatic Transfer Arrangement (ATA)**  
An account where funds are automatically transferred from savings to current account whenever a check is drawn/issued or when the account is debited.
- **Cheque Plus**  
A special type of current account which is interest bearing with checkbook, passbook and/or ATM.
- **Cheque Lite**  
A demand deposit with a lower initial deposit and maintaining balance requirement for individual depositors.

#### Savings Account

- **Regular Savings Deposit**  
An interest-bearing deposit account with passbook.
- **Basic Deposit Account**  
A bank product that allows individuals to easily open a deposit account with minimal account opening requirements at a reasonable cost.

#### ATM Savings Account

A Peso-denominated savings account with ATM card.

#### Kiddie & Teen Savings

A special savings/deposit account for kids and teens with passbook.

- In trust for – ITF
- My first step – Kids
- My first step – Teen

#### Stratified Savings Account

A special savings/deposit account with interest based on pre-agreed rates and level of deposit (monthly average daily balance).

#### Savings Builder Account

An interest-bearing Peso-denominated deposit account that automatically transfers a specific amount from the primary account on specified date/s of the month.

#### Time Deposit

A deposit account with a higher interest rate at a specific maturity date and evidenced by a Certificate of Deposit.

##### • Regular Time Deposit

- Time Deposit for 30 - 90 days

##### • Long Term Time Deposit

- Time Deposit 1 Year
- Time Deposit 5 Years

# PRODUCTS & SERVICES

## CASH MANAGEMENT

- **Conduit Clearing Arrangement**

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

- **Deposit Pick-up Service**

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

- **Cash Delivery Service**

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

- **Payroll Service Arrangement**

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

## CONSUMER LOANS

- **Auto Loan**

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

- **Real Estate Loans**

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

- **Personal Loans**

A loan facility granted to qualified individual borrowers.

- **Cash Loan**

A loan facility granted to existing borrowers, depositors and employees of the Bank and accredited companies.

- **Back-to-Back Loan**

A loan secured by assignment/hold-out on deposits covered by a deed of assignment signed by the depositor/s.

- **Salary Loan**

- **Payroll Service Plan Loan (PSPL)**  
for public school teachers

- **Payroll Service Non-DepEd (PSND)**  
for local government employees

- **Time Plan Loan (TPL)**

for employees of private institutions

- **Corporate Salary Loan**

Unsecured/clean loan facility granted by the Bank for employees accredited corporations.

## COMMERCIAL LOANS

- **Commercial Loans**

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

- **Small Business Loans**

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

- **Term Loan**

- **Promissory Note (PN) Line**

- **Short-Term Loans**

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

- **Long-Term Loan**

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

## OTHER SERVICES

- **Government Payments**

A collection facility that allows UCPBS to collect payments or contributions for PhilHealth and SSS.

- **PhilHealth Payments**
- **SSS Payments**

- **Domestic Remittances**

Remittances of sum of money from one branch to another, or to other bank.

- **Safety Deposit Box\***

A safety box offered to the clients for lease to store/safekeep their important documents.

- **Manager's Check**

Checks issued and guaranteed by the Bank for clients disbursement and other types of payouts.

- **eCash Card**

A prepaid, reloadable card which can be availed as payment channel for remittance, commission and other types of pay-out or disbursement.

- **Foreign Exchange\***

Refers to transactions involving buying and selling of US Dollars

- **BancAssurance**

A cross-selling program of the bank whereby life and non-life insurance products are made available for the bank's banking and non-banking customers.

**COCOLIFE - Life Insurance**

**COCOGEN - Non-Life Insurance**

- **Deposit Pick-Up Service**

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

- **Cash Delivery Service**

Cash Delivery Service is a banking service whereby the Bank delivers cash to the client at the latter's place of business or delivery points on days mutually agreed upon by them and stipulated in the Memorandum of Agreement (MOA) on Cash Delivery Service.

- **Interbranch Transactions**

Interbranch Transactions are deposits, withdrawals and check encashments made at a USB Branch for credit or debit to an account maintained with another USB Branch.

- **Payroll Service Arrangement**

Payroll Service Arrangement is a facility offered by UCPB Savings Bank to clients who wish to have their payroll serviced by the Bank thru account crediting.

- **Remittances**

- **Instapay (Receiving)**

InstaPay (Receiving) is an electronic fund transfer (EFT) facility of BancNet that offers real-time and low-value electronic money transfers from one account to another using any digital device. The service aims to remove the need to physically transact at bank branches while making banking service accessible 24/7 through mobile apps and internet banking facilities provided by participating banks and electronic money issuers

- **PesoNet (Receiving)**

PesoNet (Receiving) is an electronic funds transfer service that enables customers of participating banks, e-money issuers or mobile money operators to transfer funds in Philippine Peso currency to another customer of other participating banks, e-money issuers or mobile money operators in the Philippines within the same day.

- **Real Time Gross Settlement (RTGS)**

Philippine Payments and Settlement Systems (PhilPass) is a real time gross settlement (RTGS) system that settles interbank fund transfer through the demand deposit account (DDA) of the transacting bank/financial institution with BSP. The Bank's access to PhilPaSS is via the Philippine Payment System – Front End System or PPS-FES.

\* elected branches only

# BRANCH AND ATM DIRECTORY

## LUZON

**ALABANG BRANCH**   
Common Goal Tower Finance St. cor.  
Industry St. Madrigal Business Park  
Alabang, Muntinlupa City  
T: (02) 8824-6030  
TF: (02) 8824-6028

**ALAMINOS BRANCH**   
M. H. Del Pilar St.  
Poblacion, Alaminos, Laguna  
T: (049) 521-0309  
TF: (049) 567-1296

**ALFONSO BRANCH**   
Mabini St. cor. Libertad St.  
Poblacion II, Alfonso, Cavite  
T: (046) 402-2002  
TF: (046) 402-1587

**ATIMONAN BRANCH**   
Quezon St. cor. C.O. Reyes St.  
Brgy. Zone II Atimonan Quezon  
TF: (042) 316-5314

**BACNOTAN BRANCH LITE**   
267 Maharlika Highway Poblacion,  
Bacnotan, La Union  
T: (072) 252-3603 / (072) 607-4544

**BATAC BRANCH**   
MC Building Washington St.  
Brgy. Ablan Batac, Ilocos Norte  
T: (077) 600-0895 to 96

**CALAPAN BRANCH LITE**   
G/F Halcon Heights Building  
Dama de Noche St.  
Lumang Bayan, Calapan City  
Oriental Mindoro  
T: (043) 288-2065 / (043) 441-7543

**CALAUAG BRANCH**   
Centre St. cor Bonifacio St.  
Brgy. 3 Calauag, Quezon  
T: (042) 717-7200 / 717-7201

**CARAMOAN BRANCH**   
41 Real St., Tawog Caramoan  
Camarines Sur  
T: (054) 238-5041

**DARAGA BRANCH LITE**   
Daraga Town Center, Bañag,  
Daraga Albay  
T: (052) 431-2583 / (052) 480-4581

**ILAGAN BRANCH LITE**   
G/F Hipolito Building, Maharlika Highway  
Calamagui 2nd, City of Ilagan, Isabela  
TF: (078) 624-1701

**KALAYAAN BRANCH**   
106 Neptune St., Kalayaan Avenue  
cor. Makati Avenue, Makati City  
T: (02) 8833-8923 / 8833-8927

**GOA BRANCH**   
Rizal St., cor. Panday St. Brgy. Poblacion  
Goa, Camarines Sur  
T: (054) 453-1523 / (054) 881-9719  
TF: (054) 453-1524

**LA TRINIDAD BRANCH**   
JC 159 Central Pico  
La Trinidad, Benguet  
T: (074) 442-8106 / (074) 442-8060

**LINGAYEN BRANCH**   
Avenida Rizal cor. Artacho West St.  
Lingayen, Pangasinan  
T: (075) 632-4774  
TF: (075) 632-4751

**LIBMANAN BRANCH**   
Bichara Arcade, T. Dilanco St.  
Libod#1, Libmanan Camarines Sur  
T: (054) 511-8222  
TF: (054) 451-2048

**LUCBAN BRANCH**   
Rizal Avenue cor. San Luis St.  
Brgy. 8, Lucban, Quezon  
T: (042) 911-1495 / 540-6526  
TF: (042) 540-4213

**MABALACAT BRANCH**   
Kimaesha Bldg., Dau Mc-Arthur Highway  
Mabalacat City  
T: (045) 308-0583 / (045) 409-0086

**MALOLOS BRANCH**   
Paseo Del Congreso  
Catmon, Malolos, Bulacan  
T: (044) 794-0022 / 794-0188  
TF: (044) 794-0021

**MORONG BRANCH**   
600 Tomas Claudio St.  
San Pedro Morong, Rizal  
T: (02) 8653-0281  
TF: (02) 8653-0282

**NAGCARLAN BRANCH**   
E.A. Fernandez cor. E. Lucido St.  
Poblacion, Nagcarlan, Laguna  
T: (049) 563-3489  
TF: (049) 563-3488

**ORION BRANCH LITE**   
Stall No. 31 National Road,  
Brgy. Arellano, Orion, Bataan  
T: (047) 633-3197

**PILI BRANCH**   
National Highway, Brgy. Old San Roque  
Pili, Camarines Sur  
T: (054) 477-7752 / 205-1220  
TF: (054) 477-5170

**TANAY BRANCH**   
F.T Catapusan St., Plaza Aldea  
Tanay, Rizal  
T: (02) 8654-0880  
TF: (02) 8654-0818

**TANZA BRANCH**

**PUERTO PRINCESA BRANCH**   
AICON Plaza, National Highway  
Brgy. San Pedro,  
Puerto Princesa City, Palawan  
T: (048) 433-2066  
TF: (048) 433-8187

**RIZAL AVENUE BRANCH**   
Unit 201-203 Tan Han Chi Place  
1558 Rizal Ave. cor. Mayhaligue St.  
Sta. Cruz, Manila  
T: (02) 8743-7426 / 5309-9558  
TF: (02) 8743-0750

**RIZAL NUEVA ECija BRANCH LITE**   
Quezon St., Poblacion Centro,  
Rizal, Nueva Ecija  
T: (044) 940-9755

**SABLAYAN BRANCH**   
420 P. Urieta St., Brgy. Buenavista  
Sablayan, Occidental Mindoro  
T: (043) 458-0012

**SAN JOSE BATANGAS BRANCH**   
Makalintal Ave., cor. Dr. Ona St.,  
San Jose, Batangas  
T: (043) 784-2052

**SAN JOSE DEL MONTE BRANCH**   
Dalisay Bldg., Halili Ave.  
Tungkong Mangga  
San Jose Del Monte, Bulacan  
T: (044) 815-1796  
TF: (044) 815-1742

**STA. CRUZ BRANCH**   
M.F. Tiaoqui Building, Plaza Sta. Cruz  
Sta. Cruz, Manila  
T: (02) 8733-0258 / 8733-7860 / 8733-7861  
TF: (02) 8733-0262

**STA. IGNACIA BRANCH**   
Altandex Building, Romulo Highway,  
Poblacion East, Sta. Ignacia, Tarlac  
T: (045) 606-3380 to 82  
TF: (045) 606-3379

**STA. ROSA BRANCH**   
UCPB Building National Highway  
Brgy. Balibago, Sta. Rosa, Laguna  
T: (049) 530-8191 / (049) 530-8193  
TF: (049) 530-8192

**TANAY BRANCH**   
F.T Catapusan St., Plaza Aldea  
Tanay, Rizal  
T: (02) 8654-0880  
TF: (02) 8654-0818

**TANZA BRANCH**   
007 A. Soriano Highway, Daang Amaya 1  
Tanza, Cavite  
T: (046) 437-1162 / 437-1167  
TF: (02) 8529-8970

**TAYABAS BRANCH**   
64 Quezon Avenue (Tayabas-Lucban Road)  
cor. M. Ponce St., Brgy. San Diego Zone 1  
City of Tayabas  
T: (042) 793-2329  
TF: (042) 793-2205

**TIAONG BRANCH**   
Maharlika Highway cor. San Antonio Road  
Poblacion 3, Tiaong, Quezon  
T: (042) 717-9659 / (042) 323-6115  
(042) 323-6201  
TF: (042) 717-9658

## VISAYAS

**BACOLOD BRANCH**   
G/F San Antonio Park Square  
Mandalagan, Bacolod City  
Negros Occidental  
T: (034) 709-7486 / (034) 441-2345/  
(034) 713-5138

**BORONGAN BRANCH**   
E. Cinco St., Borongan City  
Eastern Samar  
T: (055) 568-0010

**ESCALANTE BRANCH**   
Stall D-1, Puregold Bldg. North Ave.  
Balintawak, Escalante City  
Negros Occidental  
T: (034) 724-8022 / 724-8011  
TF: (034) 454-0734

**GANDARA BRANCH LITE**   
Maharlika Highway, Brgy. Adela Heights,  
Gandara, Samar  
T: 0917-847-0475

**ILOILO BRANCH**   
Angeles Arcade  
De Leon St., Iloilo City  
T: (033) 508-7090 / 508-7490  
TF: (033) 335-0422

**LA CASTELLANA BRANCH**   
Feria cor. Bonifacio St.  
Brgy. Robles, La Castellana  
Negros Occidental  
T: (034) 485-0160 / 702-2511  
TF: (034) 485-0059

**NAGA-CEBU BRANCH**   
E. Sayson St., Central Poblacion  
Naga City, Cebu  
T: (032) 272-6638 / (032) 489-5394  
TF: (032) 505-6930

**DAVAO BRANCH**   
MK Central Bldg., J.P. Laurel Ave.  
Bajada, Davao City  
T: (082) 224-4229 / 305-8575 / 226-3800  
TF: (082) 300-0541

**DIPOLOG BRANCH**

Quezon Ave., Miputak, Dipolog City  
Zamboanga Del Norte

T: (065) 212-1298  
TF: (065) 212-1300

**NUMANCIA BRANCH**   
R.P.V. Building, National Highway,  
Brgy. Joyao-Jayao, Numancia, Aklan  
T: (036) 265-6953  
TF: (036) 265-6952

**PALO LEYTE BRANCH LITE**   
Diversion Road, Barangay Guindapunan,  
Palo, Leyte  
T: (053) 522-2699 / (053) 888-3814

**SOGOD BRANCH**   
Osmeña St., Brgy. Zone IV  
Sogod, Southern Leyte  
T: (053) 382-2039  
TF: (053) 382-3262

**ORMOC BRANCH**   
G/F HSSC Building  
Real St., Ormoc City  
T: (053) 832-2745 / 561-7477

**TUBURAN BRANCH**   
Tabotabo St. Poblacion Tuburan  
Cebu City  
T: (032) 463-9088  
TF: (032) 463-9151

## MINDANAO

**ALORAN BRANCH**   
Jose Mutia St., Brgy. Ospital Aloran  
Misamis Occidental  
T: (088) 545-4011

**BULUA BRANCH**   
G/F Forever Books Building, Zone 6  
Bulua, Cagayan De Oro City,  
Misamis Oriental  
T: (088) 275-4519  
TF: (088) 858-8063

**CAGAYAN DE ORO BRANCH**   
Capistrano-Cruz, Taal St.  
Brgy 7 Cagayan de Oro City  
Misamis Oriental  
T: (088) 272-2695 / 852-4099  
TF: (088) 857-2355

**LAGUINDINGAN LENDING OFFICE**   
Daroy St., Brgy. Purok 2  
Laguindingan, Misamis Oriental  
T: (088) 555-0264

**MALAYBALAY LENDING OFFICE**   
Unit 3 Saint Joseph Square Fortich St.  
Brgy. 3 Malaybalay City, Bukidnon  
T: (088) 813-0830

**SINDANGAN LENDING OFFICE**   
Mabini St., Brgy. Poblacion  
Sindangan, Zamboanga del Norte  
T: (065) 918-0625

**ZAMBOANGA CITY LENDING OFFICE**   
UCPB Bldg., Rizal & Corcuera St.  
Zamboanga City  
T: (062) 991-2681

\* Lending Offices to be converted  
to Branch Lite by 2022