

April 30, 2021

**Ms. Janet A. Encarnacion**  
Head, Disclosure Department  
The Philippine Stock Exchange, Inc.  
6/F PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

**Dear Ms. Encarnacion:**

We hereby submit a copy of our SEC Form 17-Q for the period ended March 31, 2021.

Very truly yours,



**Renato K. De Borja, Jr.**  
Senior Vice President/Controller

cc: Philippine Dealing Exchange Corp.  
29<sup>th</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas, 1226 Makati City



SEC Number 20573  
File Number \_\_\_\_\_

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**METROPOLITAN BANK & TRUST COMPANY**

(Company's Full Name)

**Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila**

(Company's Address)

**8898-8805**

(Telephone Number)

**December 31**

(Fiscal year ending)

**17-Q**

(Form Type)

(Amendment Designation, if applicable)

**March 31, 2021**

(Period Ended Date)

**None**

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended : **March 31, 2021**
2. Commission Identification Number : **20573**
3. BIR Tax Identification No. : **000-477-863**
4. Exact name of issuer as specified in its charter : **METROPOLITAN BANK & TRUST COMPANY**
5. Province, country or other jurisdiction of  
incorporation or organization : **Metro Manila, Philippines**
6. Industry Classification Code :  (SEC Use Only)
7. Address of issuer's principal office : Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta  
Village, Makati City, Metro Manila
8. Issuer's telephone number, including area code : **(632) 8898-8805**
9. Former name, former address and former fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding</u>	<u>Amount of Debt Outstanding (Unpaid Subscriptions)</u>
<b>Common Shares</b>	<b>4,497,415,555 shares</b>	<b>None</b>

11. Are any or all of the securities listed on a Stock Exchange?

Yes [  ] No [  ]

Stock Exchange : **Philippine Stock Exchange**  
Class of Securities : **Common Shares**

12. Indicate by check mark whether the registrant:

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

Yes [  ] No [  ]

- b. Has been subject to such filing requirements for the past 90 days.

Yes [  ] No [  ]

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

Attached are the following:

Interim Condensed Consolidated Statements of Financial Position	- Annex 1
Interim Condensed Consolidated Statements of Income	- Annex 2 (page 1 of 2)
Interim Condensed Consolidated Statements of Comprehensive Income	- Annex 2 (page 2 of 2)
Interim Condensed Consolidated Statements of Changes in Equity	- Annex 3
Interim Condensed Consolidated Statements of Cash Flows	- Annex 4
General Notes to Interim Condensed Consolidated Financial Statements	- Annex 5
Financial Indicators	- Annex 6

### Item 2. Management's Discussion and Analysis of Consolidated Financial Position and Results of Operations

- Annex 7

## PART II - OTHER INFORMATION

### I. Control of Registrant

The following stockholders own more than 5% of the total outstanding number of shares issued as of March 31, 2021:

NAME OF STOCKHOLDER	TOTAL NUMBER OF SHARES HELD	PERCENT TO TOTAL NUMBER OF SHARES ISSUED
GT Capital Holdings, Inc. <sup>a</sup>	1,670,611,010	37.15%
PCD Nominee Corporation (Filipino)* <sup>b</sup>	1,117,464,997	24.85%
PCD Nominee Corporation (Non-Filipino)*	960,996,059	21.37%

\* There is no participant of PCD who is a beneficial owner of more than 5% of the total common shares issued by the Registrant.

a. Inclusive of 35,482,859 shares lodged with PCD Nominee Corp.

b. Net of 35,482,859 shares owned by GT Capital Holdings, Inc.

As of March 31, 2021, public ownership on the Bank was at 48.16%. Out of the total shares issued, 21.40% represents foreign ownership.

### II. Pending Legal Proceedings

As of March 31, 2021, several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

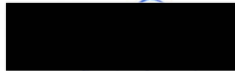
### III. Board Resolutions


There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.






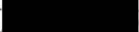
**METROPOLITAN BANK & TRUST COMPANY**  
By:


  
**RENATO K. DE BORJA, JR.**  
Senior Vice President/Controller

  
**JOSHUA E. NAING**  
Senior Executive Vice President/Head of  
Financial and Control Sector

April 30, 2021

**SUBSCRIBED AND SWORN** to before me at Makati City, Metro Manila this APR 30 2021, affiants exhibiting to me their respective Passports with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
JOSHUA E. NAING			
RENATO K. DE BORJA, JR.			

  
**ATTY. MARIA SOFIA A. LOPEZ**  
Notary Public for Makati City  
Appointment No. M-264 until Dec. 31, 2021  
10/F Metrobank Plaza, Sen. Gil Puyat Ave., Makati City

Doc. No. 85 ;  
Page No. 18 ;  
Book No. 51 ;  
Series of 2021

METROPOLITAN BANK & TRUST COMPANY  
AND SUBSIDIARIES

**Interim Condensed Consolidated Financial Statements**

As of March 31, 2021 (Unaudited) and December 31, 2020 (Audited)  
and for the quarters ended March 31, 2021 and 2020 (Unaudited)

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(In Millions)

	(Unaudited)	(Audited)
	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Cash and Other Cash Items	₱ 29,233	₱ 38,469
Due from Bangko Sentral ng Pilipinas (BSP)	297,192	304,906
Due from Other Banks	39,346	38,233
Interbank Loans Receivable and Securities Purchased		
Under Resale Agreements (SPURA) (Note 13)	61,915	79,394
Investment Securities at		
Fair Value Through Profit or Loss (FVTPL)	51,677	77,551
Fair Value Through Other Comprehensive Income (FVOCI) (Note 7)	639,238	569,445
Amortized Cost (Note 7)	24,154	23,293
Loans and Receivables	1,157,934	1,252,929
Property and Equipment	25,381	24,617
Investments in Associates and a Joint Venture	6,149	6,248
Goodwill	5,199	5,199
Investment Properties	7,547	7,667
Deferred Tax Assets	12,713	14,028
Other Assets	14,788	13,184
	<b>₱ 2,372,466</b>	<b>₱ 2,455,163</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Deposit Liabilities</b>		
Demand	₱ 510,116	₱ 515,378
Savings	797,158	795,979
Time	395,375	450,103
Long-Term Negotiable Certificates (Note 6)	35,759	35,755
	<b>1,738,408</b>	<b>1,797,215</b>
Bills Payable and Securities Sold Under Repurchase		
Agreements (SSURA) (Note 7)	134,530	139,614
Derivative Liabilities	10,267	13,465
Manager's Checks and Demand Drafts Outstanding	5,492	6,024
Income Taxes Payable	2,291	2,711
Accrued Interest and Other Expenses	8,941	9,149
Bonds Payable (Note 8)	91,736	91,397
Subordinated Debts (Note 9)	1,167	1,167
Non-equity Non-controlling Interest	8,567	8,315
Other Liabilities	55,450	52,931
	<b>2,056,849</b>	<b>2,121,988</b>
<b>EQUITY</b>		
Equity Attributable to Equity Holders of the Parent Company	306,581	324,204
Non-controlling Interest	9,036	8,971
	<b>315,617</b>	<b>333,175</b>
	<b>₱ 2,372,466</b>	<b>₱ 2,455,163</b>



**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(In Millions, Except Earnings Per Share)

	(Unaudited)			
	Quarters Ended March 31			
	2021		2020	
<b>INTEREST INCOME ON</b>				
Loans and receivables	P	17,285	P	23,333
Trading and investment securities		4,157		5,322
Deposits with banks and others		803		337
		<b>22,245</b>		<b>28,992</b>
<b>INTEREST AND FINANCE CHARGES</b>				
Deposit liabilities		1,401		4,232
Bills payable and SSURA, bonds payable, subordinated debts and others		1,808		3,343
		<b>3,209</b>		<b>7,575</b>
<b>NET INTEREST INCOME</b>		<b>19,036</b>		<b>21,417</b>
<b>PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>		<b>2,509</b>		<b>5,040</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>		<b>16,527</b>		<b>16,377</b>
<b>OTHER INCOME</b>				
Service charges, fees and commissions		3,330		3,341
Trading, securities and foreign exchange gains - net		2,887		1,378
Miscellaneous		1,727		1,499
		<b>7,944</b>		<b>6,218</b>
<b>OTHER EXPENSES</b>				
Compensation and fringe benefits		6,388		5,903
Occupancy and equipment-related cost		503		470
Miscellaneous		7,814		8,132
		<b>14,705</b>		<b>14,505</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>9,766</b>		<b>8,090</b>
<b>PROVISION FOR INCOME TAX</b>		<b>1,932</b>		<b>1,779</b>
<b>NET INCOME</b>	<b>P</b>	<b>7,834</b>	<b>P</b>	<b>6,311</b>
<b>Attributable to :</b>				
Equity holders of the Parent Company	P	7,780	P	6,122
Non-controlling interest		54		189
	<b>P</b>	<b>7,834</b>	<b>P</b>	<b>6,311</b>
<b>Basic/Diluted Earnings Per Share Attributable to</b>				
Equity Holders of the Parent Company (Note 14 of Annex 5)	P	1.73	P	1.36

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
( In millions )

	<b>Quarters Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>NET INCOME</b>	<b>₱ 7,834</b>	<b>₱ 6,311</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		
Items that may not be reclassified to profit or loss:		
Change in net unrealized gain on equity securities at FVOCI	(14)	(111)
Change in remeasurement loss on retirement plan	(274)	(987)
	<b>(288)</b>	<b>(1,098)</b>
Items that may be reclassified to profit or loss:		
Change in net unrealized gain on investment in debt securities at FVOCI	(7,053)	(5,263)
Change in equity in other comprehensive loss of investees	(138)	(226)
Translation adjustment and others	118	614
	<b>(7,073)</b>	<b>(4,875)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>₱ 473</b>	<b>₱ 338</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	₱ 371	₱ 126
Non-controlling interest	102	212
	<b>₱ 473</b>	<b>₱ 338</b>

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**For the Quarters Ended March 31, 2021 and 2020**  
(In Million Pesos, Except Par Value and Number of Shares)  
(Unaudited)

	Common Stock*	Capital Paid in Excess of Par Value	Surplus	Surplus Reserves	Treasury Stocks	Net Unrealized Gain (Loss) on Investment Securities at FVOCI	Equity in Other Comprehensive Income (Loss) of Investees	Remeasurement Losses on Retirement Plan	Translation Adjustment and Others	TOTAL	Non- Controlling Interest	Total Equity
<b>Balance, January 1, 2021</b>	<b>₱89,948</b>	<b>₱85,252</b>	<b>₱153,282</b>	<b>₱2,260</b>	<b>(₱65)</b>	<b>₱7,611</b>	<b>(₱22)</b>	<b>(₱4,778)</b>	<b>(₱9,284)</b>	<b>₱324,204</b>	<b>₱8,971</b>	<b>₱333,175</b>
Total comprehensive income (loss) for the period	-	-	7,780	-	-	(7,068)	(137)	(278)	74	371	102	473
Transfer to surplus reserves	-	-	(41)	41	-	-	-	-	-	-	-	-
Cash dividends	-	-	(17,990)	-	-	-	-	-	-	(17,990)	(37)	(18,027)
Acquisition of Parent Company shares held by a mutual fund subsidiary	-	-	-	-	(4)	-	-	-	-	(4)	-	(4)
<b>Balance, March 31, 2021</b>	<b>₱89,948</b>	<b>₱85,252</b>	<b>₱143,031</b>	<b>₱2,301</b>	<b>(₱69)</b>	<b>₱543</b>	<b>(₱159)</b>	<b>(₱5,056)</b>	<b>(₱9,210)</b>	<b>₱306,581</b>	<b>₱9,036</b>	<b>₱315,617</b>
<b>Balance, January 1, 2020</b>	<b>₱89,948</b>	<b>₱85,252</b>	<b>₱144,154</b>	<b>₱2,098</b>	<b>(₱72)</b>	<b>₱2,629</b>	<b>₱345</b>	<b>(₱5,531)</b>	<b>(₱9,269)</b>	<b>₱309,554</b>	<b>₱8,937</b>	<b>₱318,491</b>
Total comprehensive income (loss) for the period	-	-	6,122	-	-	(5,370)	(224)	(974)	572	126	212	338
Transfer to surplus reserves	-	-	(34)	34	-	-	-	-	-	-	-	-
Cash dividends	-	-	(4,497)	-	-	-	-	-	-	(4,497)	(33)	(4,530)
Acquisition of Parent Company shares held by a mutual fund subsidiary	-	-	-	-	(8)	-	-	-	-	(8)	-	(8)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(633)	(633)	-	(633)
<b>Balance, March 31, 2020</b>	<b>₱89,948</b>	<b>₱85,252</b>	<b>₱145,745</b>	<b>₱2,132</b>	<b>(₱80)</b>	<b>(₱2,741)</b>	<b>₱121</b>	<b>(₱6,505)</b>	<b>(₱9,330)</b>	<b>₱304,542</b>	<b>₱9,116</b>	<b>₱313,658</b>

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Millions)

	(Unaudited)	
	Quarters Ended March 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income before income tax	P 9,766	P 8,090
Adjustments for :		
Provision for credit and impairment losses	2,509	5,040
Trading and securities gain on investment securities	(2,205)	(1,543)
Depreciation and amortization	1,247	1,195
Share in net income of associates and a joint venture	(69)	(117)
Profit from assets sold	(120)	(64)
Unrealized market valuation loss on financial assets and liabilities at FVTPL	214	1,921
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure	(58)	(60)
Amortization of software cost	212	180
Amortization of discount on subordinated debt and bonds payable	90	73
Dividends	(54)	(38)
Changes in operating assets and liabilities:		
Decrease (increase) in :		
Investment securities at FVTPL	22,462	(10,880)
Loans and receivables	92,294	43,330
Other assets	(2,129)	(5,384)
Increase (decrease) in:		
Deposit liabilities	(58,807)	(585)
Bills payable-deposit substitutes	(3,222)	(46,813)
Manager's checks and demand drafts outstanding	(532)	1,981
Accrued interest and other expenses	(208)	(2,708)
Non-equity non-controlling interest	252	(1,131)
Other liabilities	2,352	(8,352)
Net cash provided by (used in) operations	63,994	(15,865)
Dividends received	17	38
Income taxes paid	(1,174)	(1,236)
<b>Net cash provided by (used in) operating activities</b>	<b>62,837</b>	<b>(17,063)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Investment securities at FVOCI	(201,868)	(792,581)
Investments securities at amortized cost	(4,109)	(496)
Property and equipment	(1,137)	(991)
Proceeds from sale of:		
Investment securities at FVOCI	127,391	737,038
Property and equipment	133	125
Investment properties	339	239
Decrease (increase) in interbank loans receivable and SPURA	15,204	(28)
Proceeds from:		
Maturity of investment securities at amortized cost	3,310	15,026
<b>Net cash used in investing activities</b>	<b>(60,737)</b>	<b>(41,668)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Settlements of bills payable	(255,070)	(1,099,110)
Availments of bills payable and SSURA	253,208	1,077,227
Settlements of bonds payable	-	4,608
Cash dividends paid	(18,027)	(4,530)
Payment of principal portion of lease liabilities	(373)	(460)
Acquisition of Parent Company shares by a mutual fund subsidiary	(4)	(8)
<b>Net cash used in financing activities</b>	<b>(20,266)</b>	<b>(22,273)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(18,166)</b>	<b>(81,004)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		
Cash and other cash items	38,469	32,956
Due from BSP	304,906	219,994
Due from other banks	38,357	54,772
Interbank loans receivable and SPURA	46,669	67,313
	<b>428,401</b>	<b>375,035</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
Cash and other cash items	29,233	37,375
Due from BSP	297,192	152,960
Due from other banks	39,416	54,530
Interbank loans receivable and SPURA (Note 13)	44,394	49,166
	<b>P 410,235</b>	<b>P 294,031</b>

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**1. Corporate Information**

Metropolitan Bank & Trust Company (“Metrobank,” “the Bank” or “the Parent Company”) is a universal bank incorporated in the Philippines on April 6, 1962. The Securities and Exchange Commission (SEC) approved the renewal of its Certification of Incorporation on November 19, 2007. The Bank’s shares were listed with the Philippine Stock Exchange, Inc. (PSE), on February 26, 1981, as approved by the SEC in November 1980. It has a universal banking license granted by the Bangko Sentral ng Pilipinas (BSP) on August 21, 1981.

The Bank and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering through a network of over 2,000 local and international branches, subsidiaries, representative offices, remittance correspondents and agencies. The Bank, which is the ultimate parent of the Group, provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, trading and remittances, credit card and trust services. Its principal place of business is at Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, Metro Manila, Philippines.

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**2. Summary of Significant Accounting Policies**

Basis of Preparation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Groups’ annual audited financial statements as at December 31, 2020.

The unaudited interim condensed financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) that have been measured at fair value.

The unaudited interim condensed consolidated financial statements are presented in Philippine Peso (PHP), the Bank’s functional currency, and all values are rounded to the nearest million pesos (₱000,000) except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented under Basis of Consolidation.

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of the Bank and of its subsidiaries and are prepared for the same reporting period as the Bank using consistent accounting policies.

The following are the wholly and majority-owned foreign and domestic subsidiaries of the Bank as of March 31, 2021:

Subsidiary	Effective Percentage of Ownership	Country of Incorporation	Functional Currency
<b>Financial Markets:</b>			
<b>Domestic:</b>			
First Metro Investment Corporation (FMIC) and Subsidiaries	99.27	Philippines	PHP
Philippine Savings Bank (PSBank)	88.38	Philippines	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries	59.85	Philippines	PHP
<b>Foreign:</b>			
Metropolitan Bank (China) Ltd (MBCL)	100.00	China	Chinese Yuan United States Dollar (USD)
Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)**	100.00	The Bahamas	Dollar (USD)
First Metro International Investment Company Limited (FMIIC) and Subsidiary	100.00	Hong Kong	Hong Kong Dollar (HKD)
<b>Remittances:</b>			
Metro Remittance (Hong Kong) Limited	100.00	Hong Kong	HKD Singapore Dollar
Metro Remittance (Singapore) Pte. Ltd. (MRSPL)	100.00	Singapore United Kingdom	Great Britain Pound
Metro Remittance (UK) Limited (MR UK)	100.00	United States of America (USA)	USD
Metro Remittance (USA), Inc. (MR USA)	100.00	Japan	Japanese Yen
Metro Remittance (Japan) Co., Ltd. (MR Japan)	100.00	Italy	Euro
Metro Remittance (Italia), S.p.A. (MR Italia) ***	100.00		
<b>Real Estate:</b>			
Circa 2000 Homes, Inc. *	100.00	Philippines	PHP
<b>Others:</b>			
Philbancor Venture Capital Corporation *	60.00	Philippines	PHP
MBTC Technology, Inc. **	100.00	Philippines	PHP

\* In process of dissolution.

\*\* In process of liquidation

\*\*\* Fully liquidated in January 2021

Investment in MR Italia

As certified by the Camera di Commercio Roma, MR Italia's registration in Italy has been cancelled effective May 14, 2020. The company was fully liquidated in January 2021.

Investment in FMIC

In line with its transformation initiative, the BOD of FMIC approved the proposal to return its quasi banking license with the BSP on November 24, 2020. This was approved by the BSP on March 25, 2021.

All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full at consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Group or the Parent Company. The results of subsidiaries acquired or disposed of during the period, if any, are included in the unaudited interim condensed consolidated statement of income and unaudited interim condensed consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

Changes in the Parent Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid (or to be paid) or received is recognized directly in equity included as part of "Translation adjustment and others" and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amount of any non-controlling interest; (c) derecognizes the related other comprehensive income (OCI) recorded in equity and recycles the same to statement of income or retained earnings; (d) recognizes the fair value of the consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in statement of income; and (g) reclassifies the Parent Company's share of components' gain (losses) previously recognized in OCI to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### Entity with significant influence over the Group

GT Capital Holdings, Inc. (GT Capital) holds 37.15% of the total shares of the Bank as of March 31, 2021 and December 31, 2020.

#### Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2020, except for the adoption of the following amended standards, which became effective beginning January 1, 2021.

#### *Amendments*

Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships
- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

As of March 31, 2021, the amended standard does not have an impact on the financial statements of the Group

#### Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PAS 34 requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments and estimates of the Group have been disclosed in the 2020 audited financial statements.

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### 3. Financial Risk Management

Compared with December 31, 2020, there have been no changes in the financial risk exposures that materially affect the unaudited interim condensed consolidated financial statements of the Group as of March 31, 2021. The Group has exposures to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks. Related discussions below should be read in conjunction with Note 4, Financial Risk and Capital Management, of the Group's 2020 audited financial statements.

#### *Risk management framework*

The Board of Directors (BOD) has overall responsibility for the oversight of the Parent Company's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Oversight Committee (ROC), Audit Committee (AC) and senior management committees through the Executive Committee and Asset and Liability Committee (ALCO) among others.

The ROC, which is composed primarily of independent members of the BOD, is responsible for overseeing the Parent Company's risk infrastructure, the adequacy and relevance of risk policies, and the compliance to defined risk appetite and levels of exposure. The ROC is assisted in this responsibility by the Risk Management Group (RSK). The RSK undertakes the implementation and execution of the Parent Company's Risk Management framework which involves the identification, assessment, control, monitoring and reporting of risks.

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Parent Company. To a certain extent, the respective risk management programs and objectives are the same across the Group. The risk management policies adopted by the subsidiaries and affiliates are aligned with the Parent Company's risk policies. To further promote compliance with PFRS and Basel III, the Parent Company created a Risk Management Coordinating Council (RMCC) composed of risk officers of the Parent Company and its financial institution subsidiaries.

#### Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, market segments, and industry concentrations, and by monitoring exposures in relation to such limits, among others. The same is true for treasury-related activities. Each business unit is responsible for the quality of its credit portfolio and for monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by RSK and Internal Audit Group, respectively.

#### Liquidity Risk

Liquidity risk is the current and prospective risk to earnings or capital arising from the inability to meet its obligations when they become due. This may be caused by the inability to liquidate assets or to obtain funding to meet the liquidity needs. The Group manages its liquidity risk by holding adequate stock of high-quality liquid assets, analyzing net funding requirements over time, diversifying funding sources contingency planning.

To measure the prospective liquidity needs, the Group uses Maximum Cumulative Outflow (MCO), a liquidity gap tool to project short-term and long-term cash flow expectations on a business-as-usual condition.



The MCO is generated by distributing the cash flows of the Bank's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

Cash flows from assets are considered as cash inflows, while cash flows from liabilities are considered cash outflows. The net cash flows are determined for each given time period. If the inflows exceed the outflows, the Group is said to have a positive liquidity gap or has excess funds for the given time bucket. Conversely, if the outflows exceed the inflows, the Group is said to have a negative liquidity gap or has funding needs for the given time bucket.

The MCO is monitored regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO, while the subsidiaries generate the report at least monthly. The liquidity profile of the Group is reported monthly to the Parent Company's ALCO and ROC.

To supplement the business-as-usual scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and/or events to the Group's liquidity profile. Liquidity stress testing exercise is performed quarterly on a per firm basis, and at least annually on the Group-wide level.

#### Market Risk

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. Market risk originates from holdings in foreign currencies, debt securities and derivatives transactions.

Depending on the business model for the product, i.e., whether they belong to the trading book or banking book, the Group applies different tools and processes to manage market risk exposures. Risk limits, approved by the BOD, are enforced to monitor and control this risk. RSK, as an independent body under the ROC, performs daily market risk analyses to ensure compliance to policies and limits, while Treasury Group manages the asset/liability risks arising from both banking book and trading operations in financial markets. The ALCO, chaired by the President, manages market risks within the parameters approved by the BOD.

As part of group supervision, the Parent Company regularly coordinates with subsidiaries to monitor their compliance to their respective risk tolerances and to ensure alignment of risk management practices. Each subsidiary has its own risk management unit responsible for monitoring its market risk exposures. The Parent, however, requires regular submission of market risk profiles from subsidiaries which are presented to ALCO and ROC in both individual and consolidated forms to provide senior management and ROC a holistic perspective and ensure alignment of strategies and risk appetite across the Group.

#### Market Risk - Trading Book

In measuring the potential loss in its trading portfolio, the Parent Company uses Value-at-Risk (VaR). VaR is an estimate of the potential decline in the value of a portfolio, under normal market conditions, for a given "confidence level" over a specified holding period. The Parent Company measures and monitors the Trading Book VaR daily and this value is compared against the set VaR limit. Meanwhile, the Group VaR is monitored and reported monthly.

#### *VaR methodology assumptions and parameters*

Historical Simulation (HS) is used to compute the VaR. This method assumes that market rates volatility in the future will follow the same movement that occurred within the 260-day historical period. In calculating VaR, a 99.00% confidence level and a one-day holding period are assumed. This means that, statistically, within a one-day horizon, the trading losses will exceed VaR in 1 out of 100 trading days.

Like any other model, the HS method has its own limitations. To wit, it cannot predict volatility levels which did not happen in the specified historical period. The validity of the VaR model is verified through a daily backtesting analysis, which examines how frequently both actual and hypothetical daily losses exceed VaR. The result of the daily backtesting analysis is reported to the ALCO and ROC monthly.

Subsidiaries with trading books perform daily mark-to-market valuation and VaR calculations for their exposures. Risk exposures are bounded by a system of risk limits and monitoring tools to effectively manage these risks.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerabilities and give the management an early advice if an actual loss goes beyond what is deemed tolerable to the Group and the Parent Company, even before the VaR limit is hit.

Stress testing is performed by the Parent Company on a quarterly basis and the results are reported to the ALCO and, subsequently, to the ROC and BOD. On a Group-wide perspective, stress testing is done, at least annually. The results are reported by the Parent Company's Risk Management Group to the BOD through ROC.

#### Market Risk - Banking Book

The Group has in place their own risk management system and processes to quantify and manage market risks in the banking book. To the extent applicable, these are generally aligned with the Parent's framework/tools.

The Group assesses interest rate risk in the banking book using measurement tools such as Interest Rate Repricing Gap, Earnings-at-Risk (EaR), Delta Economic Value of Equity ( $\Delta$ EVE) and Sensitivity Analysis.

Interest Rate Repricing Gap is a tool that distributes rate-sensitive assets and liabilities into pre-defined tenor buckets according to time remaining to their maturity (if fixed rate) or repricing (if floating rate). Items lacking definitive repricing schedules (e.g., current and savings account) and items with actual maturities that could vary from contractual maturities (e.g., securities with embedded options) are assigned to repricing tenor buckets based on an analysis of historical patterns, past experience and/or expert judgment.

Earnings-at-Risk (EaR) measures the possible decline in the Group's net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next twelve (12) months.

#### *EaR methodology assumptions and parameter*

The Group calculates EAR using HS approach, with one-year horizon and using five years data. EaR is then derived as the 99th percentile biggest drop in net interest income.

The Parent Company generates and monitors daily its EaR exposure while the subsidiaries generate their EaR reports at least monthly.

The Parent Company employs the Delta EVE model to measure the overall change in the economic value of the bank at one point. It reflects the changes in the net present value of its banking book at different interest rate shocks and stress scenarios.  $\Delta$ EVE is calculated by slotting the notional repricing cash flows arising from rate-sensitive assets and liabilities into pre-defined tenor buckets. The present value of the net repricing cash flows is then calculated using various interest rate scenarios prescribed by Basel as well as scenarios internally developed by the Parent Company.

Aside from the EaR and  $\Delta$ EVE, the Parent Company and its subsidiaries perform regular sensitivity and stress testing analyses on their banking books to further broaden their forward-looking analysis. This way, management can craft strategies to address and/or arrest probable risks, if necessary.

*Foreign currency risk*

Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency deposits in the Group's FCDU account. Foreign currency deposits are generally used to fund the Group's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

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#### **4. Fair Value Measurement**

Financial Instruments

The methods and assumptions used by the Group in estimating the fair values of financial assets and financial liabilities have been consistently applied in the unaudited interim condensed consolidated financial statements. These are:

*Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA* - Carrying amounts approximate fair values in view of the relatively short-term maturities of these instruments.

*Trading and investment securities* - Fair values of debt and equity securities are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the Group and the Parent Company obtained valuations from independent parties offering pricing services, used adjusted quoted market prices of comparable investments, or applied discounted cash flow methodologies. For equity securities that are not quoted, remeasurement to their fair values is not material to the financial statements.

*Derivative instruments* - Fair values are estimated based on quoted market prices, prices provided by independent parties, or prices derived using acceptable valuation models. The models utilize published underlying rates (e.g interest rates, Foreign Exchange (FX) rates, Credit Default Swap (CDS) rates, FX volatilities and spot and forward FX rates) and are implemented through validated calculation engines.

*Loans and receivables* - Fair values of the Group's loans and receivables are estimated using the discounted cash flow methodology, using current incremental lending rates for similar types of loans. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amounts approximate fair values.

*Liabilities* - Fair values are estimated using the discounted cash flow methodology using the Group's current borrowing rate for similar borrowings with maturities consistent with those remaining for the liability being valued, if any. The carrying amount of demand and savings deposit liabilities and other short-term liabilities approximates fair value considering that these are either due and demandable or with short-term maturities.

The following tables summarize the carrying amounts and fair values of the financial assets and liabilities:

	March 31, 2021 (Unaudited)				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
<b>Assets Measured at Fair Value</b>					
<b>Financial Assets</b>					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Treasury notes and bonds	₱18,188	₱18,188	₱-	₱-	₱18,188
Government	8,464	8,464	-	-	8,464
Private	6,174	6,174	-	-	6,174
Treasury bills	3,135	3,135	-	-	3,135
BSP	2	2	-	-	2
	35,963	35,963	-	-	35,963
Equity securities	5,798	5,798	-	-	5,798
Derivative assets					
Cross currency swaps	7,474	-	7,474	-	7,474
Currency forwards	1,383	-	1,383	-	1,383
Interest rate swaps	978	-	978	-	978
Put option	57	-	57	-	57
Call option	24	-	24	-	24
	9,916	-	9,916	-	9,916
	51,677	41,761	9,916	-	51,677
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	355,375	355,375	-	-	355,375
Government	92,798	92,798	-	-	92,798
Treasury bills	90,838	90,838	-	-	90,838
BSP	59,961	59,961	-	-	59,961
Private	38,580	22,368	16,212	-	38,580
	637,552	621,340	16,212	-	637,552
Equity securities	1,686	1,482	204	-	1,686
	639,238	622,822	16,416	-	639,238
	₱690,915	₱664,583	₱26,332	₱-	₱690,915
<b>Assets for which Fair Values are Disclosed</b>					
<b>Financial Assets</b>					
Investment securities at amortized cost					
Government	₱16,353	₱16,885	₱315	₱-	₱17,200
Private	7,135	2,663	4,592	-	7,255
Treasury bills	516	514	-	-	514
Treasury notes and bonds	150	152	-	-	152
	24,154	20,214	4,907	-	25,121
Loans and receivable – net					
Receivables from customers					
Commercial loans	835,318	-	-	830,447	830,447
Residential mortgage loans	100,337	-	-	123,392	123,392
Auto loans	87,691	-	-	105,790	105,790
Credit card	68,704	-	-	68,704	68,704
Trade	36,848	-	-	36,848	36,848
Others	12,616	-	-	13,949	13,949
	1,141,514	-	-	1,179,130	1,179,130
Unquoted debt securities	65	-	-	65	65
Sales contract receivable	65	-	-	65	65
	1,141,644	-	-	1,179,260	1,179,260
<b>Others assets</b>					
Residual value of leased assets	865	-	-	738	738
Miscellaneous	202	-	-	272	272
	1,067	-	-	1,010	1,010
	₱1,166,865	₱20,214	₱4,907	₱1,180,270	₱1,205,391

March 31, 2021 (Unaudited)					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Liabilities Measured at Fair Value</b>					
<b>Financial Liabilities</b>					
Derivative liabilities					
Cross currency swaps	P5,091	P-	P5,091	P-	P5,091
Interest rate swaps	4,247	-	4,247	-	4,247
Currency forwards	843	-	843	-	843
Put option	49	-	49	-	49
Call option	30	-	30	-	30
Credit default swaps/options	7	-	7	-	7
	<b>P10,267</b>	<b>P-</b>	<b>P10,267</b>	<b>P-</b>	<b>P10,267</b>
<b>Liabilities for which Fair Values are Disclosed</b>					
<b>Financial Liabilities</b>					
Deposit liabilities					
Time	P395,375	P-	P-	P396,894	P396,894
LTNCD	35,759	18,566	9,202	9,229	36,997
	431,134	18,566	9,202	406,123	433,891
Bills payable and SSURA	134,530	-	-	135,111	135,111
Bonds payable	91,736	78,593	-	15,245	93,838
Subordinated debts	1,167	-	-	1,160	1,160
Other liabilities					
Deposits on lease contracts	1,361	-	-	1,187	1,187
	<b>P659,928</b>	<b>P97,159</b>	<b>P9,202</b>	<b>P558,826</b>	<b>P665,187</b>
<b>December 31, 2020 (Audited)</b>					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets Measured at Fair Value</b>					
<b>Financial Assets</b>					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Treasury notes and bonds	P35,828	P35,828	P-	P-	P35,828
Government	14,531	14,531	-	-	14,531
Private	6,540	6,540	-	-	6,540
Treasury bills	2,346	2,346	-	-	2,346
BSP	2	2	-	-	2
	59,247	59,247	-	-	59,247
Equity securities	6,458	6,458	-	-	6,458
Derivative assets					
Cross currency swaps	8,708	-	8,708	-	8,708
Currency forwards	2,092	-	2,092	-	2,092
Interest rate swaps	1,038	-	1,038	-	1,038
Put option	7	-	7	-	7
Call option	1	-	1	-	1
	11,846	-	11,846	-	11,846
	77,551	65,705	11,846	-	77,551
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	342,355	342,355	-	-	342,355
Treasury bills	81,497	81,497	-	-	81,497
Government	76,901	76,199	702	-	76,901
Private	36,943	21,274	15,669	-	36,943
BSP	30,049	30,049	-	-	30,049
	567,745	551,374	16,371	-	567,745
Equity securities	1,700	1,498	202	-	1,700
	569,445	552,872	16,573	-	569,445
	<b>P646,996</b>	<b>P618,577</b>	<b>P28,419</b>	<b>P-</b>	<b>P646,996</b>

	December 31, 2020 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets for which Fair Values are Disclosed</b>					
<b>Financial Assets</b>					
Investment securities at amortized cost					
Government	₱19,134	₱20,446	₱322	₱-	₱20,768
Private	3,622	2,491	1,207	-	3,698
Treasury bills	294	266	-	-	266
Treasury notes and bonds	243	284	-	-	284
	23,293	23,487	1,529	-	25,016
Loans and receivable – net					
Receivables from customers					
Commercial loans	898,309	-	-	891,872	891,872
Residential mortgage loans	103,216	-	-	130,681	130,681
Auto loans	95,735	-	-	117,075	117,075
Credit card	72,001	-	-	72,001	72,001
Trade loans	36,166	-	-	36,166	36,166
Others	26,478	-	-	28,738	28,738
	1,231,905	-	-	1,276,533	1,276,533
Unquoted debt securities	65	-	-	70	70
Sales contract receivable	79	-	-	81	81
	1,232,049	-	-	1,276,684	1,276,684
Others assets	208	-	-	276	276
	1,255,550	23,487	1,529	1,276,960	1,301,976
<b>Non-Financial Assets</b>					
Investment properties	7,667	-	-	14,493	14,493
Residual value of leased assets	930	-	-	790	790
	8,597	-	-	15,283	15,283
	₱1,264,147	₱23,487	₱1,529	₱1,292,243	₱1,317,259
<b>Liabilities Measured at Fair Value</b>					
<b>Financial Liabilities</b>					
Financial liabilities at FVTPL					
Derivative liabilities					
Cross currency swaps	₱7,401	₱-	₱7,401	₱-	₱7,401
Interest rate swaps	4,834	-	4,834	-	4,834
Currency forwards	1,215	-	1,215	-	1,215
Call option	10	-	10	-	10
Put option	4	-	4	-	4
Credit default swaps	1	-	1	-	1
Non-equity non-controlling interest	8,315	-	8,315	-	8,315
	₱21,780	₱-	₱21,780	₱-	₱21,780
<b>Liabilities for which Fair Values are Disclosed</b>					
<b>Financial Liabilities</b>					
Deposit liabilities					
Time	₱450,103	₱-	₱-	₱451,759	₱451,759
LTNCD	35,755	27,527	9,355	-	36,882
	485,858	27,527	9,355	451,759	488,641
Bills payable and SSURA	139,614	-	-	140,415	140,415
Bonds payable	91,397	93,946	-	-	93,946
Subordinated debts	1,167	-	-	1,232	1,232
Other liabilities					
Deposits on lease contracts	1,458	-	-	1,169	1,169
	₱719,494	₱121,473	₱9,355	₱594,575	₱725,403

As of March 31, 2021 and December 31, 2020, there were no transfers between levels of the fair value hierarchy.

## 5. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to the Senior Management who is responsible for allocating resources to the segments and assessing its performance. The Group's business segments follow:

- Consumer Banking - principally providing consumer type loans and support for effective sourcing and generation of consumer business;
- Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Investment Banking - principally arranging structured financing and providing services relating to privatizations, initial public offerings, mergers and acquisitions; and providing advisory services primarily aimed to create wealth to individuals and institutions;
- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Segment assets are those operating assets that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross interest income and interest expense. The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a pool rate which approximates the cost of funds. The following table presents revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities as of and for the periods ended March 31, 2021 and 2020.

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
<b>Period Ended March 31, 2021</b>							
<b>(Unaudited)</b>							
<b>Results of Operations</b>							
Net interest income (expense)							
Third party	<b>P4,139</b>	<b>P8,158</b>	<b>P-</b>	<b>P3,726</b>	<b>P2,316</b>	<b>P697</b>	<b>P19,036</b>
Intersegment	<b>(119)</b>	<b>(6,550)</b>	<b>-</b>	<b>(442)</b>	<b>7,111</b>	<b>-</b>	<b>-</b>
Net interest income after intersegment transaction	<b>4,020</b>	<b>1,608</b>	<b>-</b>	<b>3,284</b>	<b>9,427</b>	<b>697</b>	<b>19,036</b>
Non-interest income	<b>1,751</b>	<b>214</b>	<b>14</b>	<b>2,910</b>	<b>1,334</b>	<b>1,652</b>	<b>7,875</b>
Revenue - net of interest expense	<b>5,771</b>	<b>1,822</b>	<b>14</b>	<b>6,194</b>	<b>10,761</b>	<b>2,349</b>	<b>26,911</b>
Non-interest expense	<b>5,475</b>	<b>(464)</b>	<b>1</b>	<b>889</b>	<b>5,190</b>	<b>6,123</b>	<b>17,214</b>
Income (loss) before share in net income of associates and a joint venture	<b>296</b>	<b>2,286</b>	<b>13</b>	<b>5,305</b>	<b>5,571</b>	<b>(3,774)</b>	<b>9,697</b>
Share in net income of associates and a joint venture	<b>-</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>69</b>
Benefit from (Provision for) income tax	<b>(7)</b>	<b>(81)</b>	<b>-</b>	<b>(804)</b>	<b>(22)</b>	<b>(1,018)</b>	<b>(1,932)</b>
Non-controlling interest in net income of consolidated subsidiaries	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54)</b>	<b>(54)</b>
<b>Net income (loss)</b>	<b>P289</b>	<b>P2,195</b>	<b>P13</b>	<b>P4,501</b>	<b>P5,549</b>	<b>(P4,767)</b>	<b>P7,780</b>

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
<b>Statement of Financial Position</b>							
Total assets	<b>₱183,112</b>	<b>₱852,422</b>	<b>₱-</b>	<b>₱896,148</b>	<b>₱163,727</b>	<b>₱277,057</b>	<b>₱2,372,466</b>
Total liabilities	<b>₱86,413</b>	<b>₱831,143</b>	<b>₱-</b>	<b>₱850,552</b>	<b>₱270,108</b>	<b>₱18,633</b>	<b>₱2,056,849</b>
<b>Other Segment Information</b>							
Capital expenditures	<b>₱39</b>	<b>₱21</b>	<b>₱-</b>	<b>₱6</b>	<b>₱9</b>	<b>₱2,503</b>	<b>₱2,578</b>
Depreciation and amortization	<b>₱184</b>	<b>₱72</b>	<b>₱-</b>	<b>₱14</b>	<b>₱529</b>	<b>₱660</b>	<b>₱1,459</b>
Provision for credit and impairment losses	<b>₱3,612</b>	<b>(₱1,486)</b>	<b>₱-</b>	<b>₱-</b>	<b>₱218</b>	<b>₱165</b>	<b>₱2,509</b>
Period Ended March 31, 2020 (Unaudited)							
<b>Results of Operations</b>							
Net interest income (expense)							
Third party	₱5,255	₱11,883	₱-	₱2,811	₱336	₱1,132	₱21,417
Intersegment	(147)	(8,856)	-	(884)	9,887	-	-
Net interest income after intersegment transaction	5,108	3,027	-	1,927	10,223	1,132	21,417
Non-interest income	1,672	198	14	1,801	1,285	1,131	6,101
Revenue - net of interest expense	6,780	3,225	14	3,728	11,508	2,263	27,518
Non-interest expense	5,028	3,400	1	933	5,837	4,346	19,545
Income (loss) before share in net income of associates and a joint venture	1,752	(175)	13	2,795	5,671	(2,083)	7,973
Share in net income of associates and a joint venture	-	33	-	-	-	84	117
Benefit from (provision for) income tax	(451)	497	-	(1,042)	(11)	(772)	(1,779)
Non-controlling interest in net income of consolidated subsidiaries	-	-	-	-	-	(189)	(189)
<b>Net income (loss)</b>	<b>₱1,301</b>	<b>₱355</b>	<b>₱13</b>	<b>₱1,753</b>	<b>₱5,660</b>	<b>(₱2,960)</b>	<b>₱6,122</b>
<b>Statement of Financial Position</b>							
Total assets	<b>₱218,457</b>	<b>₱1,045,112</b>	<b>₱-</b>	<b>₱639,839</b>	<b>₱149,567</b>	<b>₱323,689</b>	<b>₱2,376,664</b>
Total liabilities	<b>₱96,476</b>	<b>₱1,012,232</b>	<b>₱-</b>	<b>₱635,157</b>	<b>₱253,302</b>	<b>₱65,839</b>	<b>₱2,063,006</b>
<b>Other Segment Information</b>							
Capital expenditures	<b>₱113</b>	<b>₱29</b>	<b>₱-</b>	<b>₱34</b>	<b>₱15</b>	<b>₱638</b>	<b>₱829</b>
Depreciation and amortization	<b>₱81</b>	<b>₱48</b>	<b>₱-</b>	<b>₱14</b>	<b>₱561</b>	<b>₱671</b>	<b>₱1,375</b>
Provision for credit and impairment losses	<b>₱2,742</b>	<b>₱2,140</b>	<b>₱-</b>	<b>₱-</b>	<b>₱76</b>	<b>₱82</b>	<b>₱5,040</b>

Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain-net, and foreign exchange gain (loss) - net, income from trust operations, leasing, dividends and miscellaneous income. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related cost, amortization of software costs and miscellaneous expense.

## 6. Long-Term Negotiable Certificates of Deposit (LTNCD)

As of March 31, 2021 and December 31, 2020, the total outstanding LTNCDs of the Group amounted to ₱35.76 billion. Significant terms of these LTNCDs have been disclosed in the 2020 audited financial statements.

## 7. Securities Sold Under Repurchase Agreement

Following are the carrying values of the investment securities pledged and transferred under SSURA transactions of the Group (included under Bills Payable and Securities Sold under Repurchase Agreements):



	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at				
FVTPL	<b>₱2,381</b>	<b>₱2,362</b>	₱4,804	₱4,708
Amortized cost	<b>3,613</b>	<b>3,682</b>	4,535	4,680
FVOCI	<b>119,447</b>	<b>94,253</b>	108,065	83,671
	<b>₱125,441</b>	<b>₱100,297</b>	₱117,404	₱93,059

## 8. Bonds Payable

This account consists of the following:

Issue Date	Maturity Date	Interest Rate	Face Value	Carrying value	
				March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
<u>Parent Company</u>					
<u>Fixed Rate Bonds:</u>					
<u>Parent Company</u>					
April 11, 2019	April 11, 2022	6.30%	₱17,500	<b>₱17,445</b>	₱17,433
July 3, 2019	July 3, 2021	5.50%	11,250	<b>11,238</b>	11,227
October 24, 2019	April 24, 2023	4.50%	13,750	<b>13,680</b>	13,671
June 24, 2020	September 24, 2021	3.00%	10,500	<b>10,463</b>	10,444
<u>USD Senior Unsecured Note:</u>					
July 15, 2020	January 15, 2026	2.125%	US\$500	<b>23,852</b>	23,580
				<b>76,678</b>	76,355
<u>Fixed Rate Bonds:</u>					
<u>PSBank</u>					
July 24, 2019	July 24, 2021	5.60%	6,300	<b>6,290</b>	6,283
February 4, 2020	February 4, 2023	4.50%	4,650	<b>4,623</b>	4,619
<u>ORIX Metro</u>					
November 15, 2019	November 15, 2021	4.55%	4,160	<b>4,145</b>	4,140
				<b>₱91,736</b>	₱91,397

Significant terms of these bonds have been disclosed in the 2020 audited financial statements.

## 9. Subordinated Debts

As of March 31, 2021 and December 31, 2020, the total outstanding subordinated debt of the Group amounted to ₱1.2 billion and will mature on December 20, 2023. Significant terms of this Peso Note has been disclosed in the 2020 audited financial statements.

## 10. Capital Stock

As of March 31, 2021 and December 31, 2020, this account consists of (amount in millions, except par value and number of shares):

	Shares	Amount
Authorized		
Common stock - ₱20.00 par value	<b>6,000,000,000</b>	
Preferred stock - ₱20.00 par value	<b>1,000,000,000</b>	
Common stock issued and outstanding	<b>4,497,415,555</b>	<b>₱89,948</b>

As of March 31, 2021 and December 31, 2020, treasury shares totaling 1,216,847 and 1,134,147, respectively, represent shares of the Parent Company held by mutual fund subsidiary of FMIC.

Details of the Bank's cash dividend distributions from 2019 to 2021 follow:

Date of Declaration	Per Share	Total Amount (In Millions)	Record date	Payment date
February 17, 2021	₱1.00 (regular)	₱4,497	March 5, 2021	March 18, 2021
February 17, 2021	3.00 (special)	13,492	March 5, 2021	March 18, 2021
February 19, 2020	1.00 (regular)	4,497	March 6, 2020	March 20, 2020
February 13, 2019	1.00 (regular)	3,980	March 1, 2019	March 14, 2019

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

Significant information on capital issuances have been disclosed in the 2020 audited financial statements.

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## 11. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities and are classified as entities with significant influence, subsidiaries, associates, other related parties and key personnel.

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility and did not present other unfavorable conditions.

The Parent Company has a Related Party Transactions Committee (RPTC) and a Related Party Transactions Management Committee (RPTMC), both of which are created to assist the BOD in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that corporate or business resources of the Parent Company are not misappropriated or misapplied. After appropriate review, RPTMC (through RPTC) and RPTC disclose all information and endorses to the BOD with recommendations, the proposed related party transactions. The members of the RPTC are appointed annually by the BOD, composed of at least three (3) Board non-executive members, two (2) of whom should be independent directors, including the Chairman. Currently, RPTC is composed of three (3) independent directors (including the Committee's Chairman); the head of Internal Audit Group (as Resource Person); and the Compliance Officer (as the Committee Secretary) and meets bi-monthly or as the need arises. On the other hand, RPTMC members are appointed annually by the President, composed of at least four (4) members. RPTC's and RPTMC's review of the proposed related party transactions considers the following: (a) identity and relationship of the parties involved in the transaction; (b) terms of the transaction and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances; (c) business purpose, timing, rationale and benefits of the transaction; (d) approximate monetary value of the transaction and the approximate monetary value of the related party's interest in the transaction; (e) valuation methodology used and alternative approaches to valuation of the transaction; (f) information concerning potential counterparties in the transaction; (g) description of provisions or limitations imposed as a result of entering into the transaction; (h) whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction; (i) impact to a director's independence; (j) extent that such transaction or relationship would present an improper conflict of interest; and (k) the availability of others sources of comparable products or services. Further, no director or officer participates in any discussion of a related party transaction for which he, she, or any member of his or her immediate family is a related party, including transactions of subordinates except in order to provide material information on the related party transaction to RPTC.

Major subsidiaries, which include FMIC, PSBank and MBCL, have their own respective RPTCs which assist their respective BODs in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that their corporate or business resources are not misappropriated or misapplied.

In the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI) based on BSP Circular No. 423 dated March 15, 2004, as amended. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total equity or 15.00% of the respective total loan portfolio, whichever is lower, of the Bank, PSBank, FMIC, ORIX Metro and MBCL.

BSP Circular Nos. 560 and 654 provide the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks which require that the total outstanding loans, other credit accommodations and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% while a separate individual limit of 25.00% for those engaged in energy and power generation, of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% or 12.50%, respectively, of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank as reported to the BSP. As of March 31, 2021 and December 31, 2020, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 5.00% of such net worth wherein the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 12.39% and 13.18%, respectively, of the Parent Company's net worth. The Parent Company has no outstanding loans, other credit accommodations and guarantees to subsidiaries and affiliates engaged in energy and power generation.

Details on significant related party transactions of the Group as of March 31, 2021, December 31, 2020 and March 31, 2020 follow (transactions with subsidiaries have been eliminated in the unaudited interim condensed consolidated financial statement):

<u>Category</u>	<u>Amount</u>	<u>Terms and Conditions/Nature</u>
<b><u>Transactions Affecting Statements of Financial Position</u></b>		
<b>March 31, 2021 (Unaudited)</b>		
<b>Entity with Significant Influence Over the Group</b>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	<b>₱2,543</b>	With annual fixed interest rates ranging from 0.00% to 0.25% including time deposits with maturity terms of 14 to 35 days
Bills payable*	<b>108</b>	Peso borrowings subject to annual fixed interest rates of 0.63% with maturity term of 63 days
<u>Volume:</u>		
Deposit liabilities	<b>557</b>	Generally similar to terms and conditions above
Bills payable	<b>1</b>	Generally similar to terms and conditions above
<b>Subsidiaries</b>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	<b>5,943</b>	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 0.00% to 3.27% with maturity terms from 71 to 359 days
Investment securities at FVTPL	<b>13</b>	Treasury notes and private bonds purchased from FMIC and PSBank
FVOCI	<b>1,210</b>	Treasury note purchased from PSBank
Receivables from customers*	<b>5,351</b>	Unsecured, with ECL of ₱19.5 million With annual fixed interest rates from 1.14% to 3.25% and maturity terms from 1 day to 3 years

<b>Category</b>	<b>Amount</b>	<b>Terms and Conditions/Nature</b>
Accounts receivable	<b>₱139</b>	Non-interest bearing receivables on service fees, underwriting fees, remittance, rental fees and common use service area fees
Other receivables	<b>3</b>	Accrued rent receivable from PSBank and ORIX
Derivative assets	<b>633</b>	Swaps bought with various terms
Deposit liabilities*	<b>2,786</b>	With annual fixed interest rates ranging from 0.00% to 0.25% including time deposits with maturity terms of 91 days
Bills payable*	<b>39</b>	Peso borrowings subject to annual fixed interest rates ranging of 0.75% with maturity terms from 90 to 91 days
Treasury stock	<b>69</b>	Parent Company's shares held by FMIC's mutual fund subsidiary
Dividends declared	<b>283</b>	Dividend declared by PSBank
<b>Volume:</b>		
Interbank loans receivable	<b>(469)</b>	Generally similar to terms and conditions above
Receivables from customers	<b>380</b>	Generally similar to terms and conditions above
Accounts receivable	<b>(5)</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>(587)</b>	Generally similar to terms and conditions above
Bills payable	<b>2</b>	Generally similar to terms and conditions above
Contingent - derivatives	<b>5,596</b>	Swaps bought with various terms
Securities transactions		
Purchases	<b>4,784</b>	Outright purchases of investment securities at FVTPL and FVOCI
Sales	<b>6,728</b>	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	<b>2,768</b>	Outright purchases of foreign currency
Sell	<b>1,111</b>	Outright sale of foreign currency
<b>Associates</b>		
<b>Outstanding Balance:</b>		
Deposit liabilities*	<b>₱2,169</b>	With annual fixed interest rates ranging from 0.00% to 0.25% including time deposits with maturity terms from 31 to 357 days
<b>Volume:</b>		
Deposit liabilities	<b>(754)</b>	Generally similar to terms and conditions above
Securities transactions		
Outright sales	<b>1,484</b>	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Sell	<b>35</b>	Outright sale of foreign currency
<b>Other Related Parties</b>		
<b>Outstanding Balance:</b>		
Receivables from customers*	<b>₱24,030</b>	Secured-P1.5 billion, unsecured-P22.5 billion, with ECL of ₱472.5 million and with annual fixed interest rates ranging from 2.90% to 5.00% and maturity terms from 28 days to 5 years
Assets held under joint operations	<b>219</b>	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Deposit liabilities*	<b>15,139</b>	With annual fixed rates ranging from 0.00% to 0.75% including time deposits with maturity terms from 5 to 359 days
Bills payable*	<b>77</b>	Peso-denominated borrowings with annual fixed interest rates of 0.63% and maturity terms from 60 to 66 days
<b>Volume:</b>		
Receivables from customers	<b>(9,975)</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>(3,217)</b>	Generally similar to terms and conditions above
Contingent		
Unused commercial LCs	<b>29</b>	LC transactions with various terms
Foreign currency		
Buy	<b>65</b>	Outright purchases of foreign currency
<b>Key Personnel</b>		
<b>Outstanding Balance:</b>		
Receivables from customers	<b>₱83</b>	Secured - ₱56.7 million, unsecured - ₱25.8 million, no impairment. With annual fixed interest rate ranging from 0.00% to 10.00% and maturity terms from 1 to 15 years
Deposit liabilities	<b>233</b>	With various terms and with minimum annual interest rate of 0.00%

Category	Amount	Terms and Conditions/Nature
<b>December 31, 2020 (Audited)</b>		
<b>Entity with Significant Influence Over the Group</b>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	<b>₱1,986</b>	With annual fixed interest rates ranging from 0.00% to 0.30% including time deposits with maturity terms from 30 to 39 days
Bills payable*	<b>107</b>	Peso borrowings subject to annual fixed interest rates of 0.88% with maturity term of 70 days
<u>Volume:</u>		
Deposit liabilities	<b>(385)</b>	Generally similar to terms and conditions above
Bills payable	<b>(105)</b>	Generally similar to terms and conditions above
<b>Subsidiaries</b>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	<b>6,412</b>	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 0.00% to 3.45% with maturity terms from 17 to 212 days
Investments securities at FVTPL	<b>83</b>	Treasury notes and private bonds purchased from FMIC and PSBank
FVOCI	<b>1,218</b>	Treasury note purchased from PSBank
Receivables from customers*	<b>4,971</b>	Unsecured, with ECL of ₱35.0 million; with annual fixed interest rates ranging from 1.13% to 1.37% and maturity terms from 1 day to 3 years
Accounts receivable	<b>144</b>	Non-interest bearing receivables on service fees, underwriting fees, remittance, rental fees and common use service area fees
Other receivables	<b>3</b>	Accrued rent receivable from PSBank and ORIX
Derivative assets	<b>751</b>	Swaps bought with various terms
Deposit liabilities*	<b>3,373</b>	With annual fixed interest rates ranging from 0.00% to 0.30% including time deposits with maturity terms of 40 days
Bills payable*	<b>37</b>	Peso borrowings subject to annual fixed interest rates ranging from 0.75% to 1.00% with maturity terms from 90 to 97 days
Treasury stock	<b>65</b>	Parent Company's shares held by FMIC's mutual fund subsidiary
Dividends declared	<b>1,103</b>	Dividends declared by PSBank
<u>Volume:</u>		
Interbank loans receivable	<b>(466)</b>	Generally similar to terms and conditions above
Receivables from customers	<b>(11,108)</b>	Generally similar to terms and conditions above
Accounts receivable	<b>(50)</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>(856)</b>	Generally similar to terms and conditions above
Bills payable	<b>(102)</b>	Generally similar to terms and conditions above
Contingent - derivatives	<b>5,450</b>	Swaps bought with various terms
Securities transactions		
Purchases	<b>69,454</b>	Outright purchases of investment securities at FVTPL and FVOCI
Sales	<b>10,880</b>	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	<b>10,644</b>	Outright purchases of foreign currency
Sell	<b>3,833</b>	Outright sale of foreign currency
<b>Associates</b>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	<b>₱2,923</b>	With annual fixed interest rates ranging from 0.00% to 0.25% including time deposits with maturity terms from 31 to 35 days
<u>Volume:</u>		
Receivable from customers	<b>(1,301)</b>	Generally similar to terms and conditions above
Accounts receivable	<b>(1)</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>1,508</b>	Generally similar to terms and conditions above
Securities transactions		
Outright purchases	<b>1,124</b>	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	<b>5,258</b>	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	<b>178</b>	Outright purchases of foreign currency
Sell	<b>1,929</b>	Outright sale of foreign currency

Category	Amount	Terms and Conditions/Nature
<b>Other Related Parties</b>		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱34,005	Secured - ₱5.4 million, unsecured - ₱28.6 billion, with ECL of ₱220.0 million; with annual fixed interest rates ranging from 2.50% to 5.00% and maturity terms from 30 days to 5 years
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Deposit liabilities*	18,356	With annual fixed interest rates ranging from 0.00% to 1.00% including time deposits with maturity terms from 6 days to 359 days
Bills payable*	77	Peso-denominated borrowings with annual fixed interest rates ranging from 0.63% to 1.13% and maturity terms from 66 to 182 days
<u>Volume:</u>		
Receivable from customers	1,778	Generally similar to terms and conditions above
Accounts receivable	(2)	Generally similar to terms and conditions above
Deposit liabilities	4,466	Generally similar to terms and conditions above
Bills payable	77	Generally similar to terms and conditions above
Contingent - unused commercial LC's	35	LC transactions with various terms
<u>Foreign currency</u>		
Buy	273	Outright purchases of foreign currency
Sell	95	Outright sale of foreign currency
<b>Key Personnel</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱83	Secured - ₱57 million unsecured - ₱25.8 million, no impairment, with annual fixed interest rates ranging from 0.00% to 10.00% and maturity terms from 1 to 15 years
Deposit liabilities	314	With various terms and with minimum annual interest rate of 0.00%
<u>Volume:</u>		
Receivables from customers	(2)	Generally similar to terms and conditions above
Deposit liabilities	147	Generally similar to terms and conditions above
<b>Transactions Affecting Statements of Income</b>		
<b>March 31, 2021 (Unaudited) - Amount</b>		
<b>Subsidiaries</b>		
Interest income	₱45	On receivables from customers and interbank loans receivables
Service charges, fees and commissions	3	Income on transactional fees, including underwriting fees
Trading and securities gain - net	30	Net gain from securities transactions
Foreign exchange gain - net	1	Net gain from foreign exchange transactions
Leasing income	24	From leasing agreements with various lease terms
Miscellaneous income	36	Information technology and other fees
Interest expense	1	On deposit liabilities, bills payable and bonds payable
<b>Associates</b>		
Trading and securities gain - net	₱1	Net gain from securities transactions
Leasing income	18	From leasing agreements with various lease terms
<b>Other Related Parties</b>		
Interest income	₱230	On receivables from customers
Leasing income	3	From leasing agreements with various lease terms
Interest expense	3	On deposit liabilities and bills payable
<b>Key Personnel</b>		
Interest income	₱1	On receivables from customers
March 31, 2020 (Unaudited) - Amount		
<b>Entity with Significant Influence Over the Group</b>		
Interest expense	₱2	On deposit liabilities and bills payable
<b>Subsidiaries</b>		
Interest income	₱76	On receivables from customers and interbank loans receivables
Service charges, fees and commissions	4	Income on transactional fees, including underwriting fees
Trading and securities gain - net	44	Net gain from securities transactions
Foreign exchange loss - net	(8)	Net loss from foreign exchange transactions
Leasing income	7	From leasing agreements with various lease terms
Miscellaneous income	49	Information technology and other fees
Interest expense	22	On deposit liabilities, bills payable and bonds payable
<b>Associates</b>		
Interest income	₱10	On receivables from customers
Leasing income	4	From leasing agreements with various lease terms

Category	Amount	Terms and Conditions/Nature
<b>Other Related Parties</b>		
Interest income	<b>₱247</b>	On receivables from customers
Leasing income	<b>6</b>	From leasing agreements with various lease terms
Interest expense	<b>11</b>	On deposit liabilities and bills payable
<b>Key Personnel</b>		
Interest income	<b>₱1</b>	On receivables from customers

\* including accrued interest

Receivables from customers and deposit liabilities and their related statement of financial position and statement of income accounts resulted from the lending and deposit-taking activities of the Group. Together with the sale of investment properties; borrowings; contingent accounts including derivative transactions; outright purchases and sales of securities; foreign currency buy and sell; leasing of office premises; securing of insurance coverage on loans and property risks; and other management services rendered, these are conducted in the normal course of business, at arms-length transactions and are generally settled in cash. The amounts and related volumes and changes are presented in the summary above.

As of March 31, 2021 and December 31, 2020, government bonds with total face value of ₱60.0 million classified as 'Investment securities at FVOCI' are pledged by PSBank to the Parent Company to secure the latter's payroll account with PSBank. Also, as of March 31, 2021 and December 31, 2020, the Parent Company has assigned to PSBank government securities with total face value of ₱3.5 billion and ₱4.1 billion, respectively, classified as 'Investment securities at FVOCI', to secure PSBank deposits to the Parent Company.

#### Transactions with retirement plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of related party retirement plans pursuant to which it provides trust and management services to these plans. Certain trustees of the plans are either officers or directors of the Parent Company and/or the subsidiaries. Income earned by the Parent Company from such services amounted to ₱25.1 million and ₱23.5 million for the period ended March 31, 2021 and 2020, respectively. As of March 31, 2021 and 2020, the Parent Company sold securities totaling ₱2.3 billion and ₱9.9 million, respectively, to its related party retirement plans and recognized ₱14.1 million trading gain and ₱0.2 million trading loss, respectively, and has also purchased securities totaling ₱3.2 billion as of March 31, 2021. Further, as of March 31, 2021 and December 31, 2020, the total outstanding deposit liabilities of the Group to these related party retirement funds amounted to ₱511.8 million and ₱112.0 million, respectively. Interest expense on deposit liabilities amounted to ₱0.1 million and ₱1.3 million for the period ended March 31, 2021 and 2020, respectively.

As of March 31, 2021 and December 31, 2020, the related party retirement plans also hold investments in the equity shares of various companies within the Group amounting to ₱229.0 million and ₱240.3 million, respectively, with unrealized trading losses of ₱97.0 million and ₱73.4 million, respectively, and investments in mutual funds and trust funds of various companies within the Group amounting to ₱1.4 billion and ₱733.1 million, respectively, with unrealized trading loss of ₱8.5 million and unrealized trading gain of ₱3.4 million, respectively. Further, as of March 31, 2021 and December 31, 2020, investments in the corporate bonds of the Parent Company by the related party retirement plans amounted to ₱1.6 billion and ₱1.7 billion, respectively, with unrealized trading gains of ₱62.6 million and ₱71.9 million, respectively. For the period ended March 31, 2021 and 2020, realized net trading gains for disposals of various investments in equity shares, mutual and trust funds amounted to ₱1.6 million and ₱8.1 million, respectively. The related party retirement plans also recognized dividend income of ₱1.5 million and ₱0.3 million in March 31, 2021 and 2020, respectively.

## **12. Notes to Statements of Cash Flows**

The amounts of interbank loans and receivables and SPURA, gross of allowance for credit losses, considered as cash and cash equivalents follow:

	March 31	
	2021	2020
Interbank loans receivables and SPURA	<b>₱61,916</b>	₱54,056
Interbank loans receivables and SPURA not considered as cash and cash equivalents	<b>(17,522)</b>	(4,890)
	<b>₱44,394</b>	₱49,166

### 13. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying unaudited interim condensed consolidated financial statements. No material losses are anticipated to be recognized as a result of these transactions.

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items:

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Trust Banking Group accounts	<b>₱582,692</b>	₱567,841
Credit card lines	<b>204,406</b>	205,815
Unused commercial letters of credit	<b>39,354</b>	42,283
Undrawn commitments - facilities to lend	<b>18,891</b>	17,413
Bank guaranty with indemnity agreement	<b>8,528</b>	8,591
Credit line certificate with bank commission	<b>3,937</b>	4,262
Outstanding guarantees	<b>3,293</b>	3,826
Outstanding shipside bonds/airway bills	<b>1,625</b>	2,594
Late deposits/payments received	<b>1,286</b>	1,756
Inward bills for collection	<b>1,542</b>	1,909
Confirmed export letters of credits	<b>1,206</b>	964
Outward bills for collection	<b>970</b>	821
Others	<b>16,509</b>	11,488
	<b>₱884,239</b>	₱869,563

Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

### 14. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions except for earnings per share):

	For the Period Ended March 31		For the Year Ended December 31, 2020 (Audited)
	2021 (Unaudited)	2020	
a. Net income attributable to equity holders of the Parent Company	<b>₱7,780</b>	₱6,122	₱13,831
b. Weighted average number of outstanding common shares of the Parent Company	<b>4,496</b>	4,496	4,496
c. Basic/diluted earnings per share (a/b)	<b>₱1.73</b>	₱1.36	₱3.08

As of March 31, 2021 and 2020 and December 31, 2020, there were no outstanding dilutive potential common shares.



The following basic ratios measure the financial performance of the Group:

	<b>For the Period Ended March 31</b>		For the Year Ended
	<b>2021</b>	2020	December 31, 2020
	(Unaudited)		(Audited)
Return on average equity	<b>9.87%</b>	7.98%	4.36%
Return on average assets	<b>1.29%</b>	1.01%	0.56%
Net interest margin on average earning assets	<b>3.52%</b>	4.06%	3.98%

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#### 15. Other Matters

The Group has no significant matters to report on the following during the period ended March 31, 2021:

- a. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues;
- b. Explanatory comments about the seasonality or cyclicity of interim operations;
- c. Issuances, repurchases and repayments of debt and equity securities;
- d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividends by the Parent Company as discussed in Note 10; and
- e. Effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except as discussed in Note 2.

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#### 16. Subsequent Event

- a. On April 26, 2021 the BOD of PSBank declared a 7.50% regular cash dividend for the first quarter of 2021 amounting to ₱320.14 million or ₱0.75 per share payable on May 26, 2021 to all stockholders of record as of May 11, 2021.

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**FINANCIAL INDICATORS**  
**AS OF AND FOR THE PERIOD ENDED MARCH 31, 2021 AND 2020**

RATIO	FORMULA	2021	2020
a) Liquidity Ratio	Liquid Assets	48.17%	36.37%
	Total Assets		
b) Loans to Deposits Ratio	Total Loans	69.21%	84.60%
	Total Deposit Liabilities		
c) Debt to Equity Ratio	Total Liabilities	670.90%	677.41%
	Total Equity Attributable to Equity Holders of the Parent Company		
d) Asset to Equity Ratio	Total Assets	773.85%	780.41%
	Total Equity Attributable to Equity Holders of the Parent Company		
e) Return on Average Equity	Net Income Attributable to Equity Holders of the Parent Company	9.87%	7.98%
	Average Equity		
f) Return on Average Assets	Net Income Attributable to Equity Holders of the Parent Company	1.29%	1.01%
	Average Assets		
g) Net Interest Margin on Average Earning Assets	Net Interest Income	3.52%	4.06%
	Average Earning Assets		
h) Operating Efficiency Ratio	Total Operating Expenses	54.64%	52.71%
	Net Operating Income		
i) Interest Coverage Ratio	Earnings Before Interest and Taxes	404.28%	206.81%
	Interest Expense		
j) Net Profit Margin	Net Income	25.95%	17.93%
	Total Gross Income		
k) Capital Adequacy Ratio	Total Qualifying Capital	19.89%	17.55%
	Total Risk-Weighted Assets		
l) Common Equity Tier 1 Ratio	Net Tier 1 Capital	19.02%	16.29%
	Total Risk-Weighted Assets		

**METROPOLITAN BANK & TRUST COMPANY**  
**SEC FORM 17 – Q**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

**ITEM 2 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF CONSOLIDATED  
FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**Key Performance Indicators**

***Financial Ratios***

The following ratios measure the financial performance of the Group, the Bank, and significant subsidiaries:

	<b>For the Period Ended March 31, 2021 (Unaudited)</b>			
	<b>Group</b>	<b>Metrobank</b>	<b>FMIC</b>	<b>PSBank</b>
Earnings per share	₱1.73	₱1.73	(₱036)	₱1.03
Return on equity	9.87%	9.85%	4.11%	5.07%
Return on assets	1.29%	1.47%	1.93%	0.78%
Operating efficiency ratio	54.64%	51.71%	228.46%	57.31%
Non-performing loans ratio	2.40%	1.70%	Nil	6.35%

	<b>For the Period Ended March 31, 2020 (Unaudited)</b>			
	<b>Group</b>	<b>Metrobank</b>	<b>FMIC</b>	<b>PSBank</b>
Earnings per share	₱1.36	₱1.36	(₱1.24)	₱1.60
Return on equity	7.98%	7.83%	6.13%	7.61%
Return on assets	1.01%	1.18%	2.63%	1.08%
Operating efficiency ratio	52.71%	48.51%	162.60%	60.75%
Non-performing loans ratio	1.40%	1.02%	Nil	3.72%

**Earnings Per Share**

Basic earnings per share (EPS) is computed by dividing the net income by the weighted average number of common shares outstanding after giving retroactive effect to stock dividends declared, stock rights exercised and stock splits made during the period, if any. As of March 31, 2021 and 2020, the Parent Company had no shares of stock that had a dilutive effect on its basic earnings per share.

The increase in the Group’s EPS from ₱1.36 to ₱1.73 was due to the 27.08% increase in net income attributable to the equity holders of the Parent Company from ₱6.12 billion for the quarter ended March 31, 2020 to ₱7.78 billion for the same period in 2021.

**Return on Equity**

Return on equity (ROE) or the ratio of annualized net income to average capital funds (equity attributable to equity holders of the Parent Company) measures the return on capital provided by the stockholders.

ROE of the Group for the quarter ended March 31, 2021 was higher at 9.87% compared with 7.98% for the same period in 2020 due to the net effect of the 27.08% increase in the net income attributable to equity holders of the Parent Company and the 2.72% increase in the average equity.

#### Return on Assets

Return on assets (ROA) or the ratio of annualized net income to average total assets, measures the return on money provided by both stockholders and creditors, as well as how efficiently all assets are managed.

ROA went up to 1.29% for the quarter ended March 31, 2021 from 1.01% for the same period in 2020 due to the 27.08% increase in net income attributable to the equity holders of the Parent Company.

#### Operating Efficiency Ratio

Operating efficiency ratio represents the ratio of total operating expenses (excluding provisions for credit and impairment losses and income tax) to total operating income (excluding share in net income of associates and a joint venture).

For the quarter ended March 31, 2021, the Group's operating efficiency ratio went up to 54.64% from 52.71% for the same period in 2020 as a result of the 1.38% increase in operating expenses and the 2.21% decrease in operating income.

#### Non-Performing Loans Ratio

Non-performing loans (NPL) ratio represents the ratio of NPLs to gross loan portfolio, excluding interbank loans receivable.

As of March 31, 2021 and 2020, NPL ratio of the Group was at 2.40% and 1.40%, respectively.

#### Liquidity

To ensure that funds are more than adequate to meet its obligations, the Bank proactively monitors its liquidity position daily. Based on this system of monitoring, the Bank does not anticipate having any cash flow or liquidity problem within the next twelve months. As of March 31, 2021, the contractual maturity profile shows that the Bank has at its disposal about ₱1.06 trillion of cash inflows in the next twelve months from its portfolio of cash, placements with banks, debt securities and receivable from customers. This will cover 71.35% of the ₱1.49 trillion total deposits maturing during the same period. These cash inflows exclude securities in FVTPL and FVOCI with maturities beyond one year but may easily be liquidated in an active secondary market. Inclusive of these securities, the total financial assets will cover 100.99% of the total deposits maturing during the same period. On the other hand, historical balances of deposits showed that no substantial portion has been withdrawn in one year.

#### Events That Will Trigger Material Direct or Contingent Financial Obligation

These events are discussed in Annex 5 under Note 13 - Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements.

#### Material Off-Balance Sheet Transactions, Arrangements or Obligations

The summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items are discussed in Annex 5 under Note 13 - Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements. Likewise, the summary of obligations are discussed in Note 6 - LTNCD; Note 8 - Bonds Payable; Note 9 - Subordinated Debts and Note 10 - Capital Stock.

#### Material Commitments for Capital Expenditures

For the year 2021, the Bank estimates to incur capital expenditures of about ₱3.0 to ₱5.0 billion, of which 70% is estimated to be incurred for information technology.

### **Material Events or Uncertainties**

The registrant has nothing to report on the following for the period ended March 31, 2021:

1. Any known trends or demands, commitments, events or uncertainties that will have a material impact on liquidity or that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations, except as disclosed in Annex 5 under Note 15 - Other Matters; and Note 16 - Subsequent Events of the General Notes to the Interim Condensed Consolidated Financial Statements;
2. Any seasonal aspects that had a material effect on the financial condition or results of operations; and
3. Any significant element of income or loss that did not arise from continuing operations.

### **Material Changes in Financial Statements Accounts**

#### ***Financial Condition***

#### **March 31, 2021 (Unaudited) vs. December 31, 2020 (Audited)**

The Metrobank Group posted unaudited consolidated total assets of ₱2.37 trillion and consolidated total liabilities of ₱2.06 trillion as of March 31, 2021. Compared with the audited figures as of December 31, 2020, total assets and total liabilities went down by ₱82.70 billion or 3.37% and by ₱65.14 billion or 3.07%, respectively. Moreover, equity attributable to equity holders of the Parent Company was lower by ₱17.62 billion or 5.44% from ₱324.20 billion to ₱306.58 billion.

Cash and Other Cash Items decreased by ₱9.24 billion or 24.01% due to high level of cash requirements during year-end. Due from BSP which represents 12.53% of the Group's total assets went down by ₱7.71 billion or 2.53% due to the net effect of the decrease in overnight deposit facility placement and the increase in term deposit with the BSP. Interbank Loans Receivable and SPURA went down by ₱17.48 billion or 22.02% due to the decrease in interbank loans receivable and SPURA by ₱14.43 billion and ₱3.06 billion, respectively.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost went up by ₱44.78 billion or 6.68%. The increase was mainly due to the net effect of the ₱69.79 billion increase in investments in FVOCI particularly on treasury notes and bonds, treasury bills and government securities, and the ₱25.87 billion decrease in investment in FVTPL securities.

Net loans and receivables representing 48.81% and 51.03% of the Group's total assets as of March 31, 2021 and December 31, 2020, respectively, went down by ₱95.0 billion or 7.58% due to lower portfolios of corporate, commercial and consumer loans.

As of March 31, 2021, deferred tax assets amounted to ₱12.71 billion or lower by 9.37% compared with December 31, 2020 balance of ₱14.03 billion due to the net impact of the new tax rate under the CREATE Law. Other Assets increased by ₱1.60 billion or 12.17% primarily due to the net effect of the increases in software and prepaid expenses reduced by the decrease in miscellaneous assets.

Deposit liabilities represent 84.52% and 84.69% of the consolidated total liabilities as of March 31, 2021 and December 31, 2020, respectively, wherein low cost deposits represent 75.20% and 72.97% of the Group's total deposits, respectively. The Group's deposit level, sourced mainly by the Bank, PSBank and MBCL reached ₱1.74 trillion as of March 31, 2021, a decrease of ₱58.81 billion or 3.27% from the December 31, 2020 level coming mostly from the high cost deposits.

Bills Payable and SSURA went down by ₱5.08 billion or 3.64% due to the net effect of various settlements of interbank borrowings and the increase in SSURA. Derivative Liabilities decreased by ₱3.20 billion or 23.75%. The decrease of ₱0.53 billion or 8.83% in Manager's Checks and Demand Drafts Outstanding resulted from the normal banking operations of the Bank and PSBank. Income taxes

payable decreased by ₱0.42 billion or 15.49% due to the net movement in corporate income tax liability after considering the impact of the new tax rate under the CREATE Law.

Equity attributable to equity holders of the Parent Company decreased by ₱17.62 billion or 5.44% primarily due to the ₱17.99 billion total cash dividends paid by the Bank during the year.

### ***Results of Operations***

#### **Quarter Ended March 2021 vs. Quarter Ended March 2020 (Unaudited)**

The unaudited net income attributable to equity holders of the Parent Company for the quarter ended March 31, 2021 amounted to ₱7.78 billion and improved by ₱1.66 billion or 27.08% from the ₱6.12 billion net income reported in the same quarter of the previous year. The improvement was due to the following:

Interest income for the quarter ended March 31, 2021 went down by ₱6.75 billion or 23.27% from ₱28.99 billion to ₱22.25 billion mainly due to lower interest income from loans and receivables by ₱6.05 billion and interest income on trading and investment securities by ₱1.17 billion offset by the ₱0.47 billion increase in interest income on deposits with banks and others. Meanwhile, the decreases in interest expense on deposit liabilities by ₱2.83 billion or 66.90% (lower volume and interest rate of high cost deposits) and interest expense on borrowings by ₱1.54 billion or 45.92% accounted for the ₱4.37 billion or 57.64% decrease in interest expense. These resulted in a ₱2.38 billion or 11.12% decline in net interest income.

Other operating income went up by ₱1.73 billion or 27.76% from ₱6.22 billion for the first quarter of 2020 to ₱7.94 billion for the same quarter this year on account of the increases in net trading, securities and foreign exchange gain by ₱1.51 billion and miscellaneous income by ₱0.23 billion while fee-based income was maintained at almost same level. The Group set aside provision for credit and impairment losses of ₱2.51 billion in the first quarter of 2021 or ₱2.53 billion lower compared with ₱5.04 billion provision for the same quarter of 2020. Total operating expenses was maintained at same level with slight increase of ₱0.20 billion or 1.38% due to the increases in compensation and fringe benefits by ₱0.49 billion or 8.22% and occupancy and equipment-related expenses by ₱32.5 million or 7.02% offset by the decrease in miscellaneous expenses by ₱0.32 billion or 3.91%. Provision for income tax was higher by ₱0.15 billion or 8.60% after considering the net impact of the new tax rate under CREATE Law.

Income attributable to non-controlling interests went down by ₱0.14 billion from ₱0.19 billion to ₱0.05 billion due to the decreases in the results of operations of majority-owned subsidiaries.

Total comprehensive income went up by ₱0.14 billion from ₱0.34 billion for the first quarter of 2020 to ₱0.47 billion for the same period in 2021 due mainly to the net effect of higher net income for the first quarter of 2021 and the net movements in net unrealized gain on investment securities at FVOCI and loss on remeasurement of retirement plan. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱0.25 billion from ₱0.13 billion in 2020 to ₱0.37 billion for the quarter ended March 31, 2021.

**METROPOLITAN BANK & TRUST COMPANY  
(CONSOLIDATED)**

**AGING OF ACCOUNTS RECEIVABLE  
(IN MILLIONS)  
AS OF MARCH 31, 2021**

<b>NO. OF DAYS OUTSTANDING</b>	<b>AMOUNT</b>
<b>1-90</b>	<b>₱ 3,601</b>
<b>91-180</b>	<b>200</b>
<b>181-360</b>	<b>262</b>
<b>OVER 360</b>	<b>4,056</b>
<b>GRAND TOTAL</b>	<b>₱ 8,119</b>