

ASSESSMENT

19 February 2026



Send Your Feedback

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Metropolitan Bank & Trust Company

Second Party Opinion – Sustainable Finance Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 Sustainability Quality Score (very good) to Metropolitan Bank & Trust Company's (MBT) sustainable finance framework, dated 19 December 2025. The bank has established its use-of proceeds framework with the aim of financing projects across seven green and four social eligible categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025 and Sustainability Bond Guidelines (SBG) 2021; and the Loan Market Association, Asia-Pacific Loan Market Association and Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Green Loan Principles (GLP) 2025 and Social Loan Principles (SLP) 2025. The framework demonstrates a significant contribution to sustainability. In addition, the framework is aligned with the ASEAN Sustainability Bond Standards (ASEAN SUS) 2018.

Sustainability quality score



Alignment with principles

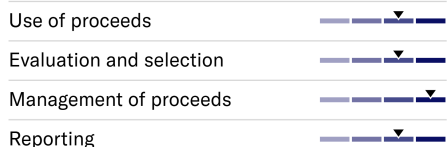
USE OF PROCEEDS

Overall alignment



FACTORS

ALIGNMENT



Contribution to sustainability

Final contribution to sustainability



Preliminary contribution to sustainability

Relevance and magnitude

Additional considerations No adjustment

POINT-IN-TIME ASSESSMENT

This Second Party Opinion was originally assigned on a private basis on 02 January 2026 and is being published on 19 February 2026 at the request of the issuer.

Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of Metropolitan Bank & Trust Company's (MBT) sustainable finance framework, including the framework's alignment with the ICMA's GBP 2025, SBP 2025, SBG 2021, and the LMA/APLMA/LSTA's GLP 2025 and SLP 2025. Under this framework, MBT plans to issue Sustainability Financing Instruments (SFI) to finance projects across seven green and four social eligible categories, as outlined in Appendix 3 of this report.

We have also provided a supplementary opinion on the framework's alignment with the ASEAN SUS 2018 developed by the ASEAN Capital Markets Forum, as outlined in Appendix 4 of this report. We performed a full review of the framework in the context of the ASEAN Green Bond Standards (GBS) 2018 and ASEAN Social Bond Standards (SBS) 2018, as set out therein. The supplementary opinion assessments are solely based on information provided or confirmed by the issuer. Our supplementary opinions do not constitute a verification, certification or audit; is distinct from the Alignment with Principles Score; and has no influence on the expressed sustainability quality score.

Our assessment is based on the last updated version of the framework dated 19 December 2025, and our opinion reflects our point-in-time assessment¹ of the details contained in this version of the framework, as well as other public and non-public information provided by the bank.

We produced this SPO based on our [Assessment Framework: Second Party Opinions on Sustainable Debt](#), published in October 2025.

Issuer profile

Metropolitan Bank & Trust Company (MBT) is the Philippines' second-largest bank by assets, with a market share of 12.8% as of 31 December 2024. Established in 1962, the bank started out by providing financial services to the Filipino-Chinese community, but has since diversified its business to become a universal bank, with more than 2,200 ATMs and 960 domestic branches nationwide. As a universal bank based in the Philippines, MBT provides banking and financial products and services, including deposits, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, trading and remittances, credit card and trust services. The bank is listed on the Philippine Stock Exchange.

The bank has moderate carbon transition risk associated with its exposure to carbon intensive industries such as manufacturing, real estate, and construction. The bank also faces moderate physical climate risk, reflecting the negative impact on the corporate and retail bank customers in Philippines due to the high incidence of climate-related shocks in the country. MBT faces social risks related to regulatory and litigation risk, similar to the industry. The bank's exposure to customer relation risks is lower than that for global peers, because the bank is generally focused on intermediation with simpler product ranges with few identified conduct issues.

Strengths

- » Some of the projects will likely have a high positive impact, in particular the financing of the solar projects financed under the renewable energy category.
- » The bank intends to allocate SFI proceeds within 24 months of issuance.
- » The bank has committed to an independent third-party verification on the allocation reporting annually.

Challenges

- » There is no clear commitment regarding whether impact reporting will be subject to externally verification.
- » Projects in certain categories, such as 'Sustainable Water and Wastewater Management' and 'Sustainable Agriculture', lack performance thresholds, limiting our ability to assess the extent of their contribution to the respective environmental objectives.
- » The target population for some social categories is defined too broadly, limiting our visibility into the full extent of how the eligible projects contribute to sustainability for the most vulnerable populations.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Alignment with principles

MBT's sustainable finance framework is aligned with the four components of ICMA's GBP 2025, SBP 2025, SBG 2021; and the LMA/APLMA/LSTA's GLP 2025 and SLP 2025. For a summary alignment with principles scorecard, please see Appendix 1. In addition, the framework is aligned with the ASEAN SUS, as detailed in Appendix 4.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Green Bond Principles (GBP) | <input checked="" type="checkbox"/> Green Loan Principles (GLP) |
| <input checked="" type="checkbox"/> Social Bond Principles (SBP) | <input checked="" type="checkbox"/> Social Loan Principles (SLP) |
| <input type="checkbox"/> Sustainability-Linked Bond Principles (SLBP) | <input type="checkbox"/> Sustainability Linked Loan Principles (SLLP) |

Use of proceeds



Clarity of the eligible categories – **ALIGNED**

MBT has clearly outlined the nature of expenditures, including capital expenditures, operational expenditures, and other eligible expenses such as R&D and subsidies. The eligibility and exclusion criteria for majority of the green and social categories are defined, with target populations specified. MBT has confirmed that eligible projects will be distributed across the bank's global portfolio.

Clarity of the environmental or social objectives – **BEST PRACTICES**

The bank has communicated the environmental and social objectives for all its eligible categories. All the eligible categories under the framework are relevant to their respective social and environmental objectives. The bank has also referenced the United Nations' (UN) Sustainable Development Goals (SDGs) in articulating the objectives of the eligible categories, making the framework coherent with international standards (see Appendix 2 for more details).

Clarity of expected benefits – **BEST PRACTICES**

The bank has clearly identified the expected environmental and social benefits for all the eligible categories. The benefits are measurable and will be quantified in the bank's annual post-issuance report. For capital and operational expenditures, the bank commits to a look-back period of 24 months and intends to disclose the share of refinancing prior to issuance.

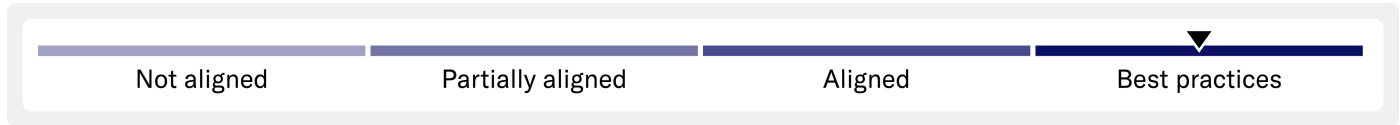
Process for project evaluation and selection



Transparency and clarity of the process for defining and monitoring eligible projects – **ALIGNED**

MBT has established a clear and structured decision-making process for determining the eligibility of projects. This process is detailed in the framework, which will be publicly available. The bank's sustainability team is responsible for evaluating and selecting eligible green and social projects, as well as monitoring the allocation of proceeds to these projects. Projects will be reviewed annually until the facility is fully drawn. If a project fails to meet the eligibility criteria, the sustainability team, in coordination with the applicable internal teams, will reallocate funds to new eligible projects that conform to the framework. All projects within the framework will adhere to MBT's environmental and social risk management (ESRM) framework.

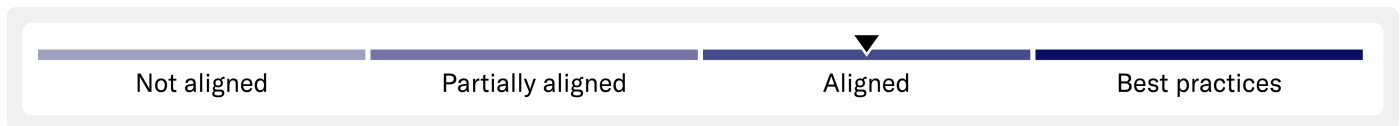
Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

The bank has established a clear process for the management and allocation of proceeds within its framework. Net proceeds from the SFI issuances under the framework will be held in an eligible project portfolio and allocated within 24 months of issuance. The bank's treasury team will track the proceeds and ensure their allocation to eligible projects, with the allocation being reviewed annually. Temporarily unallocated proceeds will be invested in cash and cash equivalents, investments in money market and short-term, liquid fixed income instruments, in accordance with MBT's Treasury policy. The bank has committed that unallocated funds will not be used to finance investments or projects that are not aligned with the eligibility and exclusions criteria outlined in the framework.

Reporting



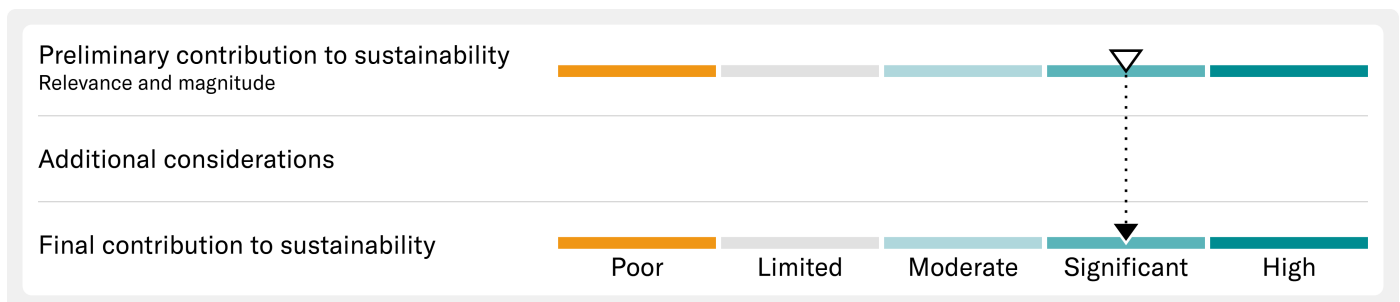
Reporting transparency – ALIGNED

The bank will publish both allocation and impact reports annually until full allocation and in case of material changes related to the financed projects. The reports will be publicly available on the bank's website and will include relevant information, such as the description of eligible projects, the amount of proceeds allocated to each eligible project category, the balance of unallocated proceeds, the share of proceeds used for financing and refinancing, the number of eligible categories, and the breakdown of eligible categories by the nature of what is being financed.

MBT has identified relevant environmental and social reporting indicators for each eligible category within its framework, and the methodologies and assumptions used to report on E&S impacts will be disclosed. The allocation report will be externally verified annually until full allocation; however, external verification of impact reporting will be conducted wherever practical.

Contribution to sustainability

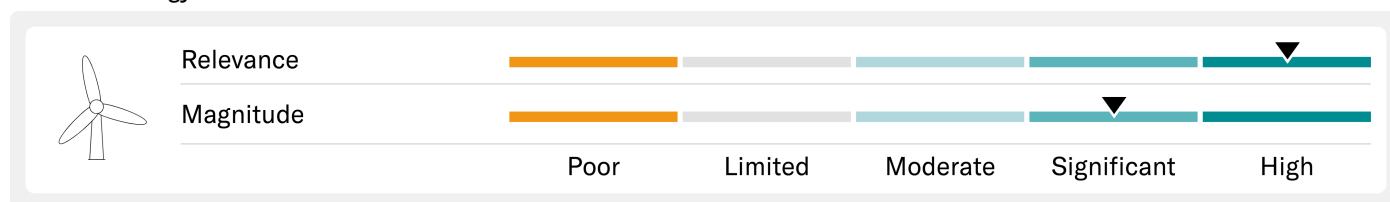
The framework demonstrates a significant overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the eligible project categories. MBT informed us that most of the proceeds will be allocated to renewable energy, energy efficiency, and sustainable water and wastewater management categories for the forthcoming issuances. Consequently, we have assigned a higher weight to these categories. A detailed assessment by eligible category has been provided below.

Renewable energy

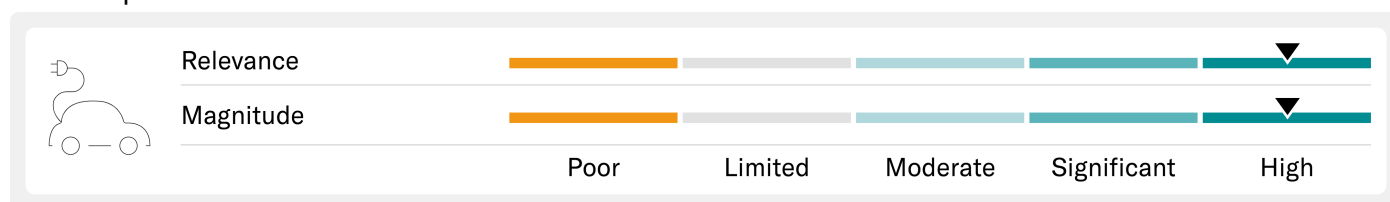


The relevance of this category is high because decarbonizing the electricity mix remains a critical challenge for the Philippines. According to the IEA, in 2023, coal accounted for 62% of the country's total electricity generation.² According to the Philippine Energy Plan (PEP) 2023-2050, the country aims to achieve a renewable energy share of 35% in power generation by 2030 and more than 50% by 2050.³ The Philippine banking sector plays a crucial role in this transition by channeling capital toward green and sustainable development. MBT has been actively scaling up financing for renewable energy projects to support the shift to clean energy, thereby making this category highly relevant.

The magnitude of this category is significant because the majority of the proceeds will be used to finance solar and hydropower projects, which are expected to generate substantial positive long-term impacts by aligning with international standards like the EU Taxonomy and Climate Bonds Initiative (CBI). Most technologies financed under this category are expected to deliver long-term positive environmental impacts by replacing fossil fuels with clean energy sources. MBT has confirmed that the bank looks at both environmental and social impacts when assessing eligible projects during the project due diligence phase relative to compliance in licenses and permits provided by the Government, including but not limited to: Department of Natural Resources (DENR), National Commission on Indigenous Peoples (NCIP), National Water Resources Board (NWRB), Philippine Drug Enforcement Agency (PDEA), and Local Government Unit Offices, which helps mitigate the potential E&S externalities associated with eligible projects, such as concentrated solar power, offshore wind projects and large-scale hydropower. Eligible geothermal and hydropower projects are expected to generate highly positive long-term impacts, with thresholds aligned to the internationally recognized market standards such as the EU Taxonomy and the CBI. However, large-scale hydropower projects carry inherent E&S risks that are difficult to fully mitigate, although these risks can be partially mitigated through an Environmental and Social Impact Assessment (ESIA) and loan covenants that may result in a loan default and potential reputational risks should the sustainable loan covenants not be met. Eligible electrical grid projects are expected to contribute positively by expanding renewable energy connections to the power grid.

Electricity generation from bioenergy will follow a lifecycle emissions threshold of 100g CO₂e/kWh, using thermochemical and biochemical technologies as specified by MBT. Only waste biomass, such as agricultural residues, will be eligible, along with woody biomass feedstock. To ensure resource sustainability, MBT has confirmed that all the eligible feedstocks will be certified under certifications like ISCC Plus and RSB. However, for bioenergy projects other than electricity generation, MBT has not confirmed whether these projects will achieve at least 80% GHG emissions savings compared to fossil fuel comparators, which is regarded as best practice.

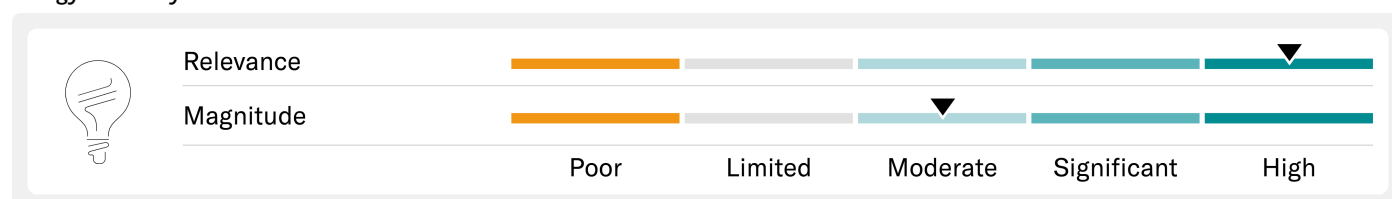
Clean transportation



The relevance of this category is high as eligible projects will contribute to the country's carbon emissions reduction and air quality improvement through the promotion of zero-direct emissions transportation. It also plays a significant role in improving public health and contributes to a more sustainable future. Road transport accounts for close to 90% of total GHG emissions from the transportation sector in the Philippines⁴, and the levels of emissions and air pollution are likely to increase significantly in the next few decades given the rate of economic development and population growth in the country, which makes the provision of low-carbon transport highly relevant. Projects under this category are highly relevant to MBT given the bank's support to SDGs. As of 2024, 17% of MBT's loan portfolio, equivalent to PHP 326.5 billion, supports the development of public infrastructure such as roads and highways, commercial properties, and the manufacturing and operations of transportation, storage, and telecommunication activities.

The magnitude of this category is high, as financed projects are expected to support the Philippines' transition to clean transportation. MBT will exclusively finance fully electric or zero-direct emissions transportation solutions, representing the best available technologies without causing lock-in effects. Eligible projects include financing fully electric or zero-emission vehicles, along with the technology and infrastructure required to support their use. This category also covers infrastructure for active mobility, such as public walking and cycling infrastructure. In addition, financing will support freight rail and urban or suburban metro systems that emit zero direct emissions, including fully electric or hydrogen-powered solutions. Airport infrastructure enabling zero-emission operations and intermodal freight transfer will also be included, such as facilities for electric or hydrogen aircraft servicing, ground handling equipment with zero tailpipe emissions, airport electrification upgrades, and installations for rail and water-based transshipment of goods. Furthermore, port infrastructure dedicated to vessels with zero direct CO₂ emissions will be eligible, including electricity charging stations, hydrogen refueling facilities, shore-side electrical power provision, and infrastructure for port operations with zero tailpipe emissions, as well as installations for transshipping freight between modes. For the transshipment of goods under airport and port infrastructure, MBT has communicated to us that only zero tailpipe emissions or fully electrified equipment and vehicles will be used, and the transportation of fossil fuels will be excluded, thus minimizing any lock-ins. As confirmed, this category will not finance vessels or aircraft assets.

Energy efficiency



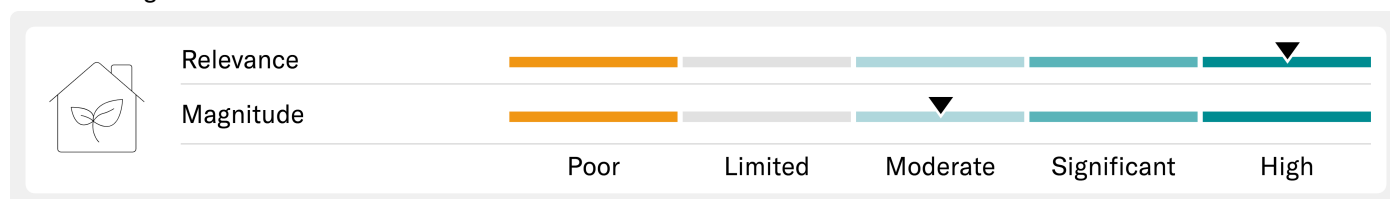
Energy efficiency is highly relevant for both the Philippines and its banking sector, as it is a central component of the country's Implementation Plan for its National Determined Contribution (NDC). The IEA reports that coal and oil represented over 56% of the country's final energy consumption, while fossil fuels contributed to more than 77% of the country's electricity generation as of 2023.⁵ Enhancing energy efficiency across all sectors is essential for reducing carbon emissions ahead of the nation's transition to a low carbon economy. As a leading financial institution in the Philippines, MBT plays an important role in channeling capital toward initiatives that facilitate this shift to a more sustainable economic model.

This category has a moderate magnitude because majority of the financing will go towards the pumped-hydropower projects (PHP), which are expected to provide large-scale energy storage solutions, thereby supporting the decarbonization of the Philippines' electricity grid. PHPs financed are expected to be paired with intermittent renewables, and the bank has confirmed that the GHG intensity of the off-peak grid electricity used to charge the PHP system will be lower than the electricity displaced when discharged, enabling peak load shifting and enhancing reliability of intermittent and seasonal renewable energy. This will support the dispatchability of intermittent renewable sources, which currently account for 3.3% of the grid but are expected to increase as the country aims to reach 35% total renewables in the grid by 2030 (PEP 2023-2050). Nonetheless, without a firm commitment to achieving low GHG life-cycle thresholds, and expected to be large-scale, these projects are expected to have a considerable environmental footprint. The bank commits to conducting ESIA to address potential impacts from artificial reservoirs and implement mitigation measures.

A small proportion of proceeds is likely to be invested in telecommunications projects focused on network upgrades. These initiatives aim to improve energy efficiency within the sector, as fiber networks transmit data via light rather than electrical signals, minimizing energy loss compared to traditional copper-based networks. Furthermore, advancements in mobile networks ensure that each new generation of technology delivers greater data throughput per unit of energy than its predecessors.

The category also includes additional projects demonstrating a minimum 20% improvement in energy efficiency over the long term; however, these are expected to receive minimal proceeds, at least in the short term. These investments will cover facilities and factories across industrial, utility, public services, and energy sectors, as well as various appliances and fixtures such as LED lighting, heating and cooling equipment, and agricultural solutions. The implementation of these projects is projected to contribute positively to environmental sustainability.

Green buildings

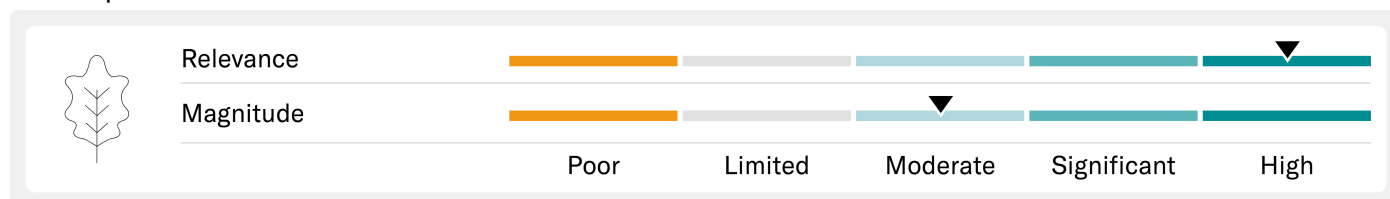


The relevance of this category is high due to the substantial contribution of GHG emissions from energy use in buildings in the Philippines. As of 2023, residential, commercial and public services accounted for 40% of final energy consumption, according to IEA. This highlights opportunities for economic savings through improved energy efficiency in buildings. Energy demand is expected to rise with population growth and increasing urbanization. Additionally, the rapid development of digitization and artificial intelligence are expected to expand the capacity of data centers in the Philippines from 560MW in 2025 to 1.3GW by 2030, emphasizing the relevance of projects under this category. We expect the green building component to be the main focus of this category, given the bank's considerable exposure to the real estate and construction sectors, underscoring the importance of this category.

Projects financed under this eligible category demonstrate a moderate magnitude as they are likely to have a positive contribution to environmental sustainability. The activities include constructing new buildings, acquiring properties, and renovating various types of facilities, such as residential, public, industrial, and commercial buildings. MBT anticipates that BERDE, IFC EDGE, and LEED will be the most commonly adopted certification systems. IFC EDGE certification requires at least a 20% savings in resources like energy, water, and embodied carbon, while BERDE and LEED certifications may not guarantee improved energy efficiency due to their point-based evaluation methods. Additionally, building new structures tends to produce higher carbon emissions and greater environmental and social impacts compared to retrofitting existing ones.

Data centers with design and operational Power Usage Effectiveness (PUE) of 1.4 or below will also receive financing in this category. This is in line with the Climate Neutral Data Centre Pact's (CNDCP) recommended PUE for warm climates, which is widely accepted as benchmark for sustainability in the data center sector. These data centers are expected to achieve better energy savings compared to the global average PUE of 1.54, as reported for 2025. However, criteria such as water usage performance, which addresses the water-intensive nature of cooling systems, and the adoption of renewable energy, remain unspecified.

Pollution prevention and control



The relevance is high because the Philippines produces approximately 61,000 metric tons of solid waste daily, with only about one-third of that waste reaching landfills and dumps. The country's solid waste production has been rising due to rapid population growth and urbanization, compounded by inadequate waste segregation, which leaves current landfills unable to meet future disposal needs. The Philippines is vulnerable to natural disasters and climate change effects such as typhoons, flooding, and rising sea levels. Pollution exacerbates these vulnerabilities by damaging coastal ecosystems that naturally defend against storms and erosion. Effective pollution management is vital for broader resilience and adaptation strategies in response to climate change and natural disasters.

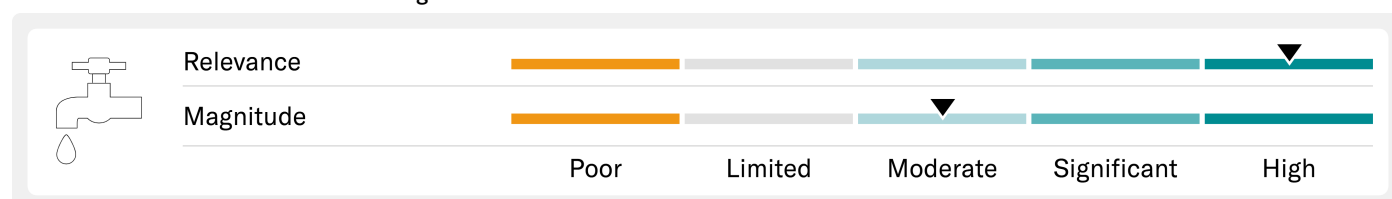
The category demonstrates moderate magnitude, as many activities in this category—such as the deployment of air filters and purifiers, nature-based solutions for carbon sequestration, and circular economy initiatives—are expected to yield positive environmental benefits. This category also encompasses waste-to-energy (WtE) projects that meet ASEAN taxonomy Tier 1 (Green) thresholds and abide by the waste hierarchy, prioritizing resource recovery maximization.

For heating appliances and filters, the key activity is to combat the chronic air pollution in the Philippines by financing projects for gas and electric appliances, which will replace wood-fired cooking and heating appliances in rural communities. This shift is expected to significantly reduce pollution, although it could also result in considerable technological lock-in if the appliances rely on gas. Regarding

carbon-capture projects, although we lack visibility into the project details, they are expected to be nature-based with a minimal environmental footprint. The bank may consider certifications such as FSC, but a comprehensive list of eligible certifications has not been shared. For circular economy-related projects, the bank plans to support national initiatives like the National Plastic Action Partnership, aiming to tackle plastic waste and promote the circular economy by conducting a comprehensive analysis of plastic baselines. This effort will help create awareness and prioritize sustainable consumption and production; however, the specifics regarding the extent of emissions footprint improvement remain unclear.

The category also encompasses waste management projects, with the bank committed to adhering to the waste management hierarchy for waste generated from its own operations. Meanwhile, the bank's clients are expected to align with the Philippines' Environment Management Bureau Self-Monitoring Report to ensure compliance with environmental regulations and effective management of environmental performance. Activities will include the collection, recycling, and processing of industrial, commercial, and household waste. However, the absence of specific thresholds limits our ability to assess the extent of waste reduction or the amount of waste diverted from landfills. For WtE, the bank commits to meeting ASEAN taxonomy Tier 1 (Green) thresholds, including requirements for power efficiency and bottom ash recovery, though the ash recovery threshold is less stringent than the one prescribed by the CBI of 90%. While these energy recovery methods are less circular and require greater energy input, they are generally considered preferable alternatives to landfill disposal due to the significant environmental risks associated with landfilling. The bank has confirmed that it will not finance landfill projects.

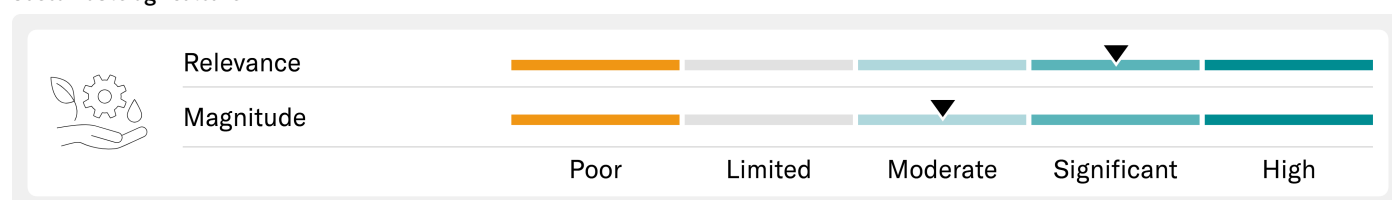
Sustainable water and wastewater management



The relevance is high because UN and UNICEF data shows that 53% of households in the Philippines lack access to a safely managed water supply and 39% lack safe sanitation, according to Planet Water Foundation. Sustainable water and wastewater management have implications on a population's health and the country's ability to manage water stress. Furthermore, the Philippines is among the most vulnerable countries with regard to climate-driven natural disasters, and water stress and flooding in the country are both likely to become more severe as rainfall variability increases.

The magnitude is moderate as the water-related infrastructure projects financed will contribute positively to the stated environmental objectives and involve minimal lock-ins, given the exclusion of large-scale projects like dams from financing. The projects supported will include water purification, recycling and storage, as well as water distribution systems. The bank intends to align these projects with ASEAN taxonomy thresholds and the Philippine Sustainable Finance Taxonomy Guidelines. However, without clear performance thresholds, the extent of water savings or efficiency improvements remains unclear. Nonetheless, the bank has confirmed that desalination projects will not be financed under this category, thereby mitigating E&S concerns associated with such projects.

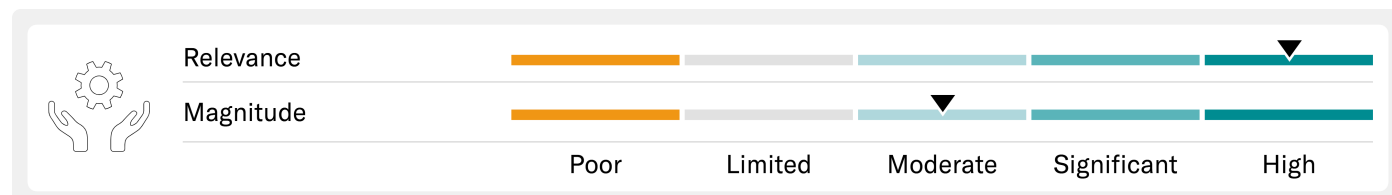
Sustainable agriculture



This category holds significant relevance because sustainable agriculture plays a major role in national development. The Philippines is home to rich forest ecosystems, such as tropical rainforests and mangroves, which are essential for water regulation, soil conservation, carbon sequestration, and biodiversity. Despite their ecological significance, these forests have long been threatened by agricultural expansion and unsustainable logging. Therefore, sustainable agriculture is crucial for creating a more stable and eco-friendly food system for the archipelagic nation while protecting the environment. In comparison to other green categories, however, this issue is not the banking sector's most pressing sustainability challenge.

The magnitude is moderate because the projects financed will likely provide certain extent of contribution to the environment. The eligibility criteria for sustainable agriculture, climate smart agriculture, and value-adding farming are defined broadly without specified technologies or thresholds and certifications, which limits our visibility into the extent to which the financed projects will have toward sustainable agriculture. This category primarily targets financing for smallholder farms, and MBT has confirmed that livestock farming is not eligible, thereby addressing concerns related to land degradation and water pollution. Furthermore, the projects will involve the procurement and use of green organic fertilizers, composting, and circular waste management practices, reducing reliance on synthetic fertilizers and fossil fuels.

Access to essential services



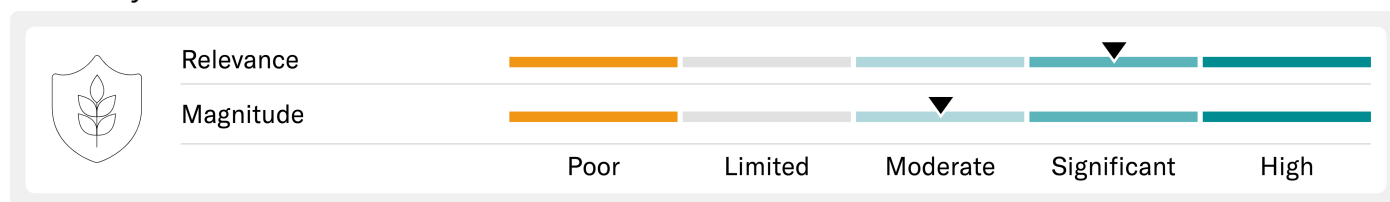
This eligible category is highly relevant due to significant gaps in infrastructure, education, and healthcare that impede the Philippines' development. Infrastructure issues like traffic congestion and port inefficiencies limit economic growth and poverty reduction. Infrastructure-related projects in this category align with both the Philippine Development Plan 2023–28, which focuses on economic transformation with commercial bank financing as a key component, and the National Total Electrification Roadmap (2023–2032), which emphasizes electricity access as essential for equity and long-term growth. MBT is expected to support this with a strong pipeline of new infrastructure projects.⁶ Similarly, education investments are vital for improving access and quality in the Philippines' education system. Affordable schools and training centers address facility shortages, especially in rural areas, while scholarships reduce financial barriers for low-income students. The spending per student is nine times lower than the global average,⁷ and public education spending is only 3.6% of GDP, below the OECD average of 5%.⁸ Subsidized training for educators and healthcare professionals enhances human capital. Healthcare access and quality are also major challenges for the country, with only 0.5 hospital beds per 1,000 people and a shortage of healthcare workers.⁹ Investing in hospitals, clinics, and updated technology will improve care and enhance resilience to pandemics and disasters, strengthening health security.

This category includes three sub-categories and demonstrates a moderate overall magnitude mainly due to infrastructure projects, which will receive major funding and broadly benefit the population, though outreach to vulnerable groups remain unclear. Investments in transport and electricity are set to drive Philippine economic growth, with road upgrades focused on rural and congested areas, and rail projects aiming for a 10% increase in weekday riders. Electricity initiatives target underserved communities facing issues like unreliable power, storm damage, and poor transport. While the bank does not control post-financing pricing, it requires fares to align with market rates. MBT will ensure that project standards are properly maintained via due diligence performed relative to compliance with licenses and permits provided by the Government.

Within the education sector, MBT plans to allocate most of its funding toward building schools, covering both public and private institutions. While the bank does not directly set school fees, which can be higher for private schools, while education standards are maintained by adhering to government-approved curricula. At the same time, the bank will offer scholarships and educational loans specifically for students from families earning below the national poverty threshold, defined by the Philippine Statistics Authority as households with a monthly income of less than PHP 13,873 (USD 250), to ensure that support reaches those most in need. Loan affordability will be maintained by applying interest rates aligned with prevailing market standards.

MBT plans to finance both public and private hospitals, with public hospitals focusing on primary and preventive care and private hospitals specializing in diagnosis and treatment, respectively, thus providing broader healthcare coverage. While public hospitals receive subsidies through PhilHealth, a government agency, the details regarding affordability for private hospitals are less clear, which raises concerns about potential significant out-of-pocket expenses for the target population. The bank will also support R&D, production, logistics, and distribution of medical equipment across the country, aiming to improve healthcare access and quality, especially in underserved areas. Facility and service costs will match current market rates, as MBT does not set prices directly.

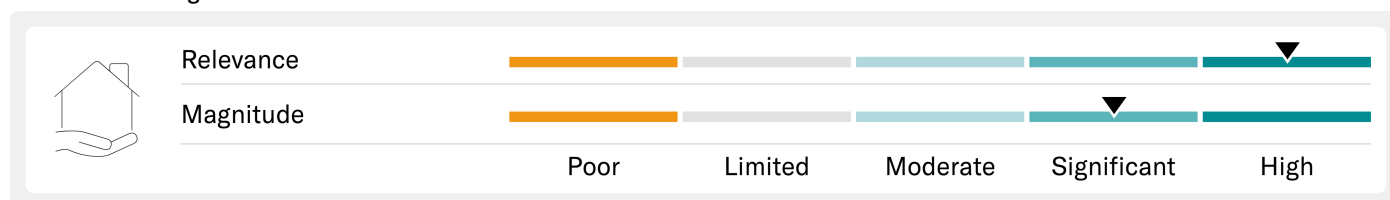
Food security



This category is significantly relevant, as about 51 million Filipinos faced food insecurity in 2024, making the Philippines the second worst-affected country in Southeast Asia according to a UN report. Financing agriculture and farmers is essential for inclusive development in the Philippines, especially since these sectors drive economic growth in rural areas where most Filipinos reside. Although banks play an important role in supporting agriculture, it does not represent the most pressing sustainability concern for the banking sector when compared to other green and social priorities.

Projects financed under this category demonstrate a moderate magnitude because they are likely to improve food access and economic resilience among vulnerable and low-income populations, particularly smallholder and family farmers. According to the Philippines' regulation, small farmers are expected to receive a gross income of up to PHP180,000 (\$3,000) per annum from sale of agricultural products, so we expect the financing to benefit the most vulnerable segment of the target population. MBT has stated that loan interest rates will reflect market conditions and remain competitive. Before providing financing, MBT will perform due diligence to confirm funds support appropriate projects and will assess borrowers' debt levels. The bank also offers financial literacy training. While eligible agricultural projects support income diversification, enhance resource efficiency, minimize losses through improved storage, and bolster resilience against climate and market risks, there is limited visibility on how much these financed projects can potentially advance food security. Furthermore, information is insufficient concerning MBT's approach to managing related E&S risks, such as deforestation.

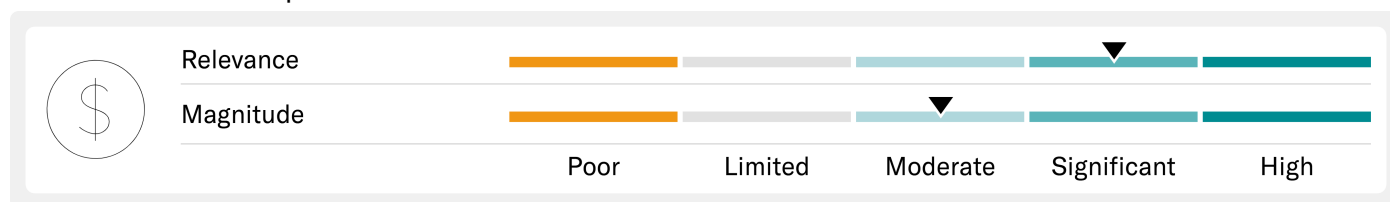
Affordable housing



The category is highly relevant because securing affordable housing remains a major challenge in the Philippines. In 2020, about 37% of the urban population lived in slum conditions. Rapid urbanization and population growth have intensified the demand for residential spaces, particularly within city boundaries. As a result, the country is struggling to address an increasing housing deficit. The Philippines currently faces a shortage of 6.5 million housing units. Furthermore, UN Habitat projects that the housing demand will rise from 6.5 million to 22 million units by 2040.

The magnitude is significant because the category includes 'socialized housing' and 'economic housing' schemes designed to meet the needs of vulnerable populations. The target population comprises households with incomes below the prevailing poverty threshold of PHP 13,873 per month (approximately USD 250), as defined by the Philippine Statistics Authority. This threshold allows the bank to serve a more vulnerable segment, given that its standard home loan eligibility criteria requires a minimum income of PHP 40,000.¹⁰ Although the affordability details are unclear, the lending rates are expected to be competitive. Furthermore, the eligible housing units must adhere to the '[Rules And Standards For Economic And Socialized Housing Projects To Implement Batas Pambansa BLG. 220](#)', which set design standards to ensure minimum requirements for safety, health, and ecological considerations.

Microfinance and MSME empowerment



The relevance is significant because expanding financial support for MSMEs is especially important in the Philippines, where it has the potential to stimulate job creation and help reduce the extensive informal economy. Within the nation's economic landscape, MSMEs are vital, representing the vast majority of business operations and providing nearly two-thirds of total employment. Despite their importance, these smaller businesses often face significant barriers in accessing formal financing, highlighting a substantial financing gap. The Magna Carta for MSMEs legislation mandates that banks allocate 8% of their total loan portfolio to micro and small businesses and 2% to medium-sized businesses - a mandatory credit allocation provision for a period of 10 years. Among the major banks, MBT serves a small base of micro and small-business borrowers, thereby affecting its relevance as significant.

The overall magnitude is moderate, as financing will be directed towards MSMEs that meet the Magna Carta definition, thereby fostering employment generation. Within this category, medium-sized businesses are anticipated to receive the majority of the financing, primarily for business-related purposes, providing visibility into the end-use. However, this focus may overlook more vulnerable segments, such as micro and small businesses, which often face greater difficulties in accessing funding. Although the bank does not offer subsidized interest rates for all MSME transactions, lending rates are expected to be competitive and compliant with BSP regulations. While specific details on the financial literacy programs are not available, MBT mentioned that it may provide relevant capacity-building training as part of mentorship opportunities to reduce the risk of over indebtedness.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

The bank has a robust due diligence process to identify and manage E&S risks associated with the financed projects. MBT recognizes that environmental and social risks, including climate change, pose systemic threats to financial stability and has implemented an ESRM framework aligned with BSP regulations. The framework integrates sustainability risks into lending, investment, and operations, ensuring compliance, proactive monitoring, and resilience against emerging climate and social challenges. Key strategies include risk identification, regulatory compliance, enterprise-wide monitoring, and disaster risk planning to mitigate financial and reputational impacts from environmental and social disruptions.

The framework is coherent with the sustainability strategy of the bank. The projects that will be financed under MBT's Sustainable Finance Framework align with the bank's sustainability strategy. The bank defines sustainability as advancing national growth while balancing economic, environmental, and social goals for long-term prosperity. The bank aligns its strategies with national plans and global commitments, such as the Philippine Development Plan and the UN SDGs, while promoting responsible wealth creation. Its approach is guided by three principles: Do No Harm – reduce exposure to harmful activities, Do Good – support transition finance for high-risk sectors, and Do More – expand sustainable finance and products.

Appendix 1 - Alignment with principles scorecard for MBT's sustainable finance framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Aligned	Aligned
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	No		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Aligned	Aligned
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	No		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	Best practices
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Aligned	Aligned
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	No		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	No		
Overall alignment with principles score:					Aligned

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The eleven eligible categories included in MBT's sustainable finance framework are likely to contribute to twelve of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 2: Zero Hunger	Food Security	2.4: Ensure sustainable food production systems that improve productivity and support ecosystems and climate change adaptation
	Sustainable Agriculture	
GOAL 3: Good Health and Well-being	Access to Essential Services	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
GOAL 4: Quality Education	Access to Essential Services	4.1: Ensure that all children complete quality primary and secondary education leading to relevant and effective outcomes
		4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education
GOAL 5: Gender Equality	Microfinance and MSME Empowerment	5.A: Establish women's equal rights to economic resources, access to ownership and control over property and financial services
GOAL 6: Clean Water and Sanitation	Sustainable Water and Wastewater Management	6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing hazardous chemicals and materials
		6.5: Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
		6.A: Expand international cooperation and capacity-building to emerging markets in water- and sanitation-related activities and programmes
GOAL 7: Affordable and Clean Energy	Renewable Energy	7.2: Increase substantially the share of renewable energy in the global energy mix
	Energy Efficiency	7.3: Double the global rate of improvement in energy efficiency
	Energy Efficiency	7.A: Enhance international cooperation and promote investment for clean energy infrastructure, research and technology
	Green Buildings	
GOAL 8: Decent Work and Economic Growth	Microfinance and MSME Empowerment	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs
GOAL 9: Industry, Innovation and Infrastructure	Access to Essential Services	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
	Energy Efficiency	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
	Clean Transportation	
GOAL 11: Sustainable Cities and Communities	Affordable Housing	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	Clean Transportation	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
	Green Buildings	11.6: Reduce the adverse per capita environmental impact of cities, with special attention to air quality and waste management
		11.C: Support least developed countries, including through financial and technical assistance, in building sustainable buildings using local materials

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 12: Responsible Consumption and Production	Pollution Prevention and Control	12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil
	Sustainable Water and Wastewater Management	12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse
GOAL 13: Climate Action	Food Security	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
GOAL 14: Life Below Water	Pollution Prevention and Control	14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in MBT's sustainable finance framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable energy	<p>Expenditure in acquisition, construction, development, operation, manufacturing, maintenance of facilities, equipment / storage, systems, technologies, applications:</p> <ul style="list-style-type: none"> - Solar - Wind <p>- Bioenergy projects, whose lifecycle greenhouse gas emission intensity <100gCO₂e/kWh, including electricity generation from waste biomass such as agricultural residues, for example, rice husks, wood chips, sawdust straw, cane trash, sugarcane bagasse, corn cobs. Waste biomass will be procured sustainably and will not compete with food needs. Feedstock will be certified with credible schemes (such as RSB, International Sustainability and Carbon Certification Plus).</p> <p>- Geothermal whose lifecycle greenhouse gas emission intensity <100gCO₂e/kWh</p> <p>- Hydropower projects that commence operation</p> <p>> Before 2020, meet one of the following criteria:</p> <p>>> Lifecycle intensity <100gCO₂e/kWh, or</p> <p>>> Power density greater than 5 W/m²</p> <p>> In 2020 or after, meet one of the following criteria:</p> <p>>> Lifecycle intensity <50gCO₂e/kWh, or</p> <p>>> Power density greater than 10 W/m², or</p> <p>>> Run-of-river without an artificial reservoir or with low storage capacity</p> <p>Development, enhancement, maintenance, and expansion of electrical grids dedicated to connecting renewables to the power grid.</p>	Climate change mitigation	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tons of CO₂ equivalent (tCO₂e) - Annual renewable energy generation in MWh/GWh and GJ/TJ
Clean transportation	<p>Expenditure in low energy consumption or low emission transportation, such as:</p> <p><u>Road transport</u></p> <ul style="list-style-type: none"> - Electric or zero-direct emissions vehicles, and the technology and infrastructure required to utilize them including upgrading and retrofitting of existing facilities - Infrastructure and products for active mobility (bicycles, scooter, and other forms of self-propelled transportation, infrastructure to promote walking and cycling) <p><u>Rail transport</u></p> <ul style="list-style-type: none"> - Freight rail and urban or suburban metro rails that emit zero direct emissions (fully electric or hydrogen) <p><u>Air transport</u></p> <ul style="list-style-type: none"> - Airport infrastructure supporting zero-emission airport operations and intermodal freight transfer, including facilities for electric or hydrogen aircraft servicing, ground handling equipment with zero tailpipe emissions, airport electrification upgrades, and installations for rail and water-based transshipment of goods <p><u>Sea transport</u></p> <ul style="list-style-type: none"> - Port infrastructure dedicated to the operation of vessels with zero direct (tailpipe) CO₂ emissions including: > Electricity charging, hydrogen-based refuelling; > Infrastructure dedicated to the provision of shore-side electrical power to vessels at berth; > Infrastructure dedicated to the performance of the port's own operations with zero direct (tailpipe) CO₂ emissions; > Infrastructure and installations dedicated to transshipping freight between the modes including terminal infrastructure and superstructures for loading, unloading and transshipment of goods 	Climate change mitigation	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided in tCO₂e per annum
Energy efficiency	<p>Expenditures in projects and technologies that are designed to enable energy and emissions reductions/increasing energy efficiency (excluding fossil fuel activities) by at least 20%:</p> <ul style="list-style-type: none"> - Development, installation, or acquisition of energy efficiency technologies/projects - Facilities/factories in sectors such as industrial, utility, public services, and energy (Internet of Things and Artificial Intelligence, transmission and distribution, telecom towers, mobile network) - Energy equipment and technologies (appliances and fixtures – LED, chillers, high efficiency windows, cooling and heating solutions, farming solutions, ventilation) <p>Expenditure in energy storage systems, including battery energy storage systems and pumped hydropower storage</p> <p>For telecommunications, any investment and related infrastructure for fiber networks and for transition from 3G to 4G or from 4G to 5G</p>	Climate change mitigation	<ul style="list-style-type: none"> - Annual energy savings in MWh/GWh and GJ/TJ - Annual GHG emissions reduced/avoided in tCO₂e
Green buildings	<p>Expenditure in acquisition, construction, retrofit of commercial, public, industrial, and residential buildings as well as in green landscaping and area development:</p> <ul style="list-style-type: none"> - Construction of buildings and refurbishment/retrofitting of a building that have achieved at least one of the following minimum certification levels: > BREEAM (Excellent or above) > LEED (Gold or above) > Philippines Green Building Rating System (BERDE) (4 star or above) > IFC EDGE (Certified or above) > Other internationally recognized Green Building label that is equivalent to the above <p>Construction and renovation of new and existing data centers which will have a design and operational PUE of 1.4 or below.</p>	Climate change mitigation	<ul style="list-style-type: none"> - % of energy use reduced/avoided vs local baseline/building code - % of renewable energy generated on site - Annual GHG emissions avoided/reduced in tCO₂e versus local baseline or baseline certification levels

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Pollution prevention and control	<p>Expenditure in facilities with capital expenditure on pollution reduction, mitigation, such as:</p> <ul style="list-style-type: none"> - Industrial air pollution reduction and treatment technologies and soil remediation - Production, purchase, deployment, and resale of clean heating appliances and filters (i.e., filters or purifiers for exhaust emissions for households and MSMEs) - Facilities, products, and devices dedicated to Carbon Capture and Storage. Carbon capture technologies may include nature-based solutions, projects that naturally sequester carbon such as habitat restoration, conservation of coastal or marine habitats, afforestation or reforestation, etc. <p>Expenditure in projects or facilities that support circular economy, such as:</p> <ul style="list-style-type: none"> - Use of materials that are reusable, recyclable or compostable - Infrastructure to increase resource efficiency - Waste management facilities related to waste collection, processing, and recycling, including: <ul style="list-style-type: none"> > Waste management facilities relating to collection, recycling, transportation, sorting, storage/composting, and processing of waste > Industrial, commercial, and household waste (hazardous/non-hazardous) > Electronic waste and mining waste (excluding fossil fuel activities) > Recycling of decommissioned vehicle parts (excluding tire burning derived fuel) <p>Expenditure in equipment and Waste-to-Energy facilities that use alternative fuels and meet the following criteria:</p> <ul style="list-style-type: none"> > Use residual or pre-sorted waste; > Plant net energy efficiency is not less than 25%; > Bottom ash recovery to the extent permitted by national law. At least 75% of metal contained within the ash must be recovered. This could take place in an off-site location; > Based on the location of the plant, technology used and plant discharges, including emissions to air and emissions to waterways, shall comply with the relevant national regulations and emission standards 	Pollution prevention and control	<ul style="list-style-type: none"> - Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tons per annum - Annual absolute (gross) amount of waste that is separated and/or collected, and treated or disposed of, in tons per annum, and in % of total waste
Sustainable water and wastewater management	<p>Expenditure in construction, extension, upgrade, or maintenance of water and wastewater collection, treatment and management infrastructure including but not limited to:</p> <ul style="list-style-type: none"> - Water purification treatment and water filtration systems - Water recycling and reuse, storage and distribution technologies and systems, drainage and sewage facilities - Facilities, systems, or technologies that improve water access, water quality, enhance water security, and increase water-use efficiency - Projects resulting in reduction in water losses or leakage in water transfer and/or distribution 	Pollution prevention and control	<ul style="list-style-type: none"> - Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tons per annum - Reduction in water use in % - Annual water savings for example from reduction in water losses in water transfer and/or distribution
Sustainable agriculture	<p>Development of projects that improve resource efficiency in the production of food such as:</p> <ul style="list-style-type: none"> - Sustainable agriculture practices (i.e., climate smart agriculture methods, such as no-till farming systems, crop rotation, drip irrigation, interventions to eliminate synthetic fertilizers or minimize their use, precision agriculture, perennial crops, procurement and use of green organic fertilizers, composting - circular waste management, integrated pest management, etc.) - Value-adding farming methods that achieve input reduction (water, pesticides, fertilizers, energy, etc.) or improved yields/productivity - Introduction of regenerative agriculture, including management of soil health, water and biodiversity 	Zero hunger	<ul style="list-style-type: none"> - Hectares of land cultivated for which use has improved, i.e., replanted, reforested, landscaped - Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed) - Conversion of agricultural land to more diverse cropping systems (e.g. agroforestry) (ha and % of acreage farmed) - Reduction of inputs (e.g. water, fertilizer etc) used
Access to essential services	<p>Infrastructure</p> <ul style="list-style-type: none"> - Development of roads, railways and other transportation systems in areas with poor connectivity or inadequate infrastructure to improve access and mobility for target population. - Development of transmission and distribution infrastructure and facilities aimed at improving access to electricity for all households, including in rural areas. <p>Eligible projects including but not limited to:</p> <p>Roads projects</p> <ul style="list-style-type: none"> - In areas that are not classified as urban areas - Identified by the Department of Public Works and Highways (DPWH) using Volume Capacity Ratio (VCR) analysis ; or - Using roads with poor conditions like having potholes, cracked pavements, collapsing shoulders, no median strip and/or other hazardous elements <p>Rail projects</p> <ul style="list-style-type: none"> - Projects that increase the number of weekday passengers by more than 10% from pre-investment baseline <p>The target population will be the general population.</p> <p>Education</p> <p>Construction of educational infrastructure and equipment or financing related to primary, secondary, adult and vocational education, such as:</p> <ul style="list-style-type: none"> - Affordable/subsidized schools and training centers, campuses, student housing - Educational loans, scholarships targeting students from low-income background - Affordable/subsidized training for education and public healthcare professionals <p>The target population will be populations that experience at least one of the following:</p> <ul style="list-style-type: none"> - Individuals in the Philippines with incomes below the prevailing poverty threshold, as defined by the Philippine Statistics Authority <p>Healthcare Expansion</p> <p>Construction/operation of healthcare infrastructure, equipment, services that expand access:</p> <ul style="list-style-type: none"> - Public and private hospitals located in areas where the number of hospital beds per 1,000 people is below the regional (APAC) average of healthcare centers for affordable/subsidized services - Provision for medical treatment and services that require equipment, technology - Research and development, production, logistics and distribution of medical equipment & supplies essential to emergency medical response, support for natural disasters (including pandemics) <p>The target population will be general population.</p>	Industry, innovation, technology and infrastructure	<ul style="list-style-type: none"> - Length of sustainable road construction with equitable access - Increased # or % of rural areas/households with access to electricity

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Food security	<p>Development of projects that provide ecologically sustainable production of food such as:</p> <ul style="list-style-type: none"> - Agroforestry, integrated cropland-livestock forestry systems, equipment and facilities - Natural hazard and climate resilience measures (e.g., storage barns for crops, flood-resistant irrigation systems, elevated drying facilities, cyclone-proof greenhouses, drought-resistant seed bank) <p>The target population will be smallholders, family farmers, and/or small-scale producers to prevent food loss/waste and increase access to market.</p>	Zero hunger	<ul style="list-style-type: none"> - Number of people provided with access to affordable, safe, nutritious and sufficient food - Farmers provided with training (climate smart training/organic, etc.) - Farmers provided with access to agricultural inputs (financial inputs, equipment, etc.) - Number of people benefitting from agricultural projects and using improved farming technology
Affordable housing	<p>- Development and/or provision of "Socialized Housing" and "Economic Housing" as defined by Department of Human Settlements and Urban Developments (DHSUD), shelters, halfway homes, community housing, student housing.</p> <p>- Providing and improving access to subsidized mortgages for individuals according to local government definitions.</p> <p>The target population will be low-income individuals or families (including minimum wage earners), or people experiencing homelessness.</p>	Sustainable cities and communities	<ul style="list-style-type: none"> - Number of people reached - Number of affordable units/houses/dwellings constructed, improved, rented, financed, or acquired - Number of outstanding affordable housing loans/grants/subsidies
Microfinance and MSME empowerment	<p>Microfinancing and empowering support for women entrepreneurs, social-oriented entrepreneurs and/or enterprises, MSMEs through programs that provide financing and mentorship opportunities to foster inclusive economic growth.</p> <p>Target population refer to MSMEs refer to those classified as such by the BSP Circular No. 625 (Magna Carta for Micro, Small, and Medium Enterprises)</p>	<p>Gender equality</p> <p>Decent work and economic growth</p>	<ul style="list-style-type: none"> - Number of loans to SMEs in low-income areas and/or microenterprises - Jobs created, supported, and/or retained - Number of low-income, rural or minority women provided with access to affordable credit - Number of women integrated into formal workforce or provided with sustainable livelihood opportunities

Appendix 4 - Alignment with the ASEAN Sustainability Bond Standards

We have provided a supplementary opinion on the framework's alignment with the ASEAN SUS, as defined in the Scope section of this report. This Appendix covers requirements in the ASEAN SUS that extend beyond the requirements in ICMA's GBP 2025 and SBP 2025 (the "Requirements"). Commensurate requirements that exist in both the abovementioned ICMA principles and ASEAN standards have been assessed in the Alignment with Principles section of this report. As detailed in this Appendix, we consider the framework to align with the ASEAN SUS.

Issuer and issuance

- » In line with the Requirements, the issuer is based in an ASEAN member country, and the instruments issued under this framework will originate from an ASEAN member country.

Use of proceeds

- » In line with the Requirements, fossil fuel power generation projects and projects which involve activities that pose a negative social impact related to alcohol, gambling, tobacco, and weaponry are excluded from financing under the framework.

Process for project evaluation and selection

- » In line with the Requirements, the framework requires the process for project evaluation, the use of proceeds and the external review report on the process to be made publicly available through a website designated by the issuer at the time of issuance and throughout the tenure of the instruments.

Reporting

- » In line with the Requirements, the framework requires the issuer to provide annual reporting on the use of proceeds until full allocation and the external review on the annual reporting to investors through a website designated by the issuer throughout the tenure of the instruments issued under this framework.

Endnotes

- ¹ Point-in-time assessment is applicable only on date of assignment or update.
- ² [IEA: Philippines](#), accessed on 1 December 2025.
- ³ [Philippine Energy Plan 2030-2050](#), accessed on 1 December 2025.
- ⁴ [Philippines - Country Climate and Development Report: Background Paper PH-5 - Transport](#), 6 October 2023.
- ⁵ [IEA: Philippines - sources of electricity generation](#), accessed on 2 December 2025.
- ⁶ [Assessing the potential impact of infrastructure projects in the Philippines](#), 15 May 2024
- ⁷ [PH Spending per Student 9 Times Lower Than Global Average](#), 8 December 2023
- ⁸ [Government Expenditure on Education, Total \(% of GDP\) - Philippines, OECD members](#), accessed on 1 December 2025
- ⁹ [Philippines Needs to Triple Hospital Bed Capacity — DOH](#), 16 January 2025
- ¹⁰ [Metrobank Home Loan](#), accessed on 2 December 2025.

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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