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SEC Registration Number

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(Company's Full Name)

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

ATTY. JANELLA MARIE R. PANLILIO-AMORANTO

(Contact Person)

8857-9723

(Company Telephone Number)

1	2	3	1
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Month Day
(Fiscal Year)

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(Form Type)

0	4
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Month Day
(Annual Meeting)

NONE

(Secondary License Type, If Applicable)

Markets and Securities Regulation
Department

Dept. Requiring this Doc.

Amended Articles Number/Section

2,905 as of
March 9, 2026
Record Date

Total No. of Stockholders

[illegible]

Domestic

of Borrowings

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC Number 20573
File Number_____

METROPOLITAN BANK & TRUST COMPANY

(Company's Full Name)

**GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air,
1227, Makati City**

(Company's Address)

8898-8000

(Telephone Number)

December 31

(Fiscal year ending)

FORM 20-IS

(Form Type)

(Amendment Designation, if applicable)

March 25, 2026

(Period Ended Date)

None

(Secondary License Type and File Number)

Notice of Annual Stockholders' Meeting

Notice is hereby given that the Annual Stockholders' Meeting (ASM or Meeting) of Metropolitan Bank & Trust Co. will be conducted virtually via the Cisco Webex Platform on Wednesday, April 22, 2026 at 2:00 P.M. The following items will be taken up:

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting Held on April 23, 2025
4. President's Report to the Stockholders
5. Ratification of All Acts and Resolutions of the Board of Directors, Management and All Committees from April 23, 2025 to April 21, 2026
6. Election of Directors for 2026-2027
7. Appointment of External Auditors for 2026-2027
8. Other Matters
9. Adjournment

Record Date. Stockholders of record as of March 09, 2026 shall be entitled to attend and vote at the Meeting.

Stockholders may attend the Meeting either through remote communication or by proxy. The Meeting will be recorded. All of the votes cast shall be validated by SGV & Co.

Registration, Joining and Voting Procedures for the ASM.

Pre-Registration. Stockholders who will participate by remote communication should pre-register by sending an e-mail to ASMregistration@metrobank.com.ph on or before April 13, 2026 together with the following requirements:

For Certificated Stockholders:

- (a) Individual Stockholders
 - i. A scanned copy of the Stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
 - ii. A valid and active e-mail address and contact number;
 - iii. Electronically-signed documents are accepted pursuant to relevant laws.
- (b) Corporate Stockholders
 - i. A Secretary's Certificate attesting to the authority of the representative to participate by remote communication for, and on behalf of the Corporation (in JPG format). The file size should be no larger than 2MB;
 - ii. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
 - iii. A valid and active e-mail address and contact number of the Stockholder's representative;
 - iv. All documentary requirements must be notarized.
- (c) Stockholders under Joint Accounts

In addition to the above requirements, a scanned copy of an authorization letter signed by all Stockholders jointly owning the shares designating who among them is authorized to cast the vote for the account, has to be submitted. The authorization letter must also be in a digital, JPG format with a file size no larger than 2MB.

For Stockholders under PCD Participant/Broker account or "Scripless Shares"

- i. A broker certification on the Stockholder's number of shareholdings (in JPG format). The file size should be no larger than 2MB;
- ii. A scanned copy of the Stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
- iii. A valid and active e-mail address and contact number.

Important Note: The Company shall continue to accept documents executed by individual stockholders via electronic signature, pursuant to relevant laws. However, documents required to be submitted by corporations (such as the Secretary's Certificate and Broker's Certification) must be notarized. The Company reserves the right to request additional information, including submission of original signed and notarized copies of these documents at a later time. Incomplete or inconsistent information may result in an unsuccessful event registration. As a result, such Stockholders who are unable to provide the foregoing may not be allowed to participate in the virtual ASM.

Successful registrants will receive email event information from the following addresses:

Email address	Information/Instructions to be received
ASMregistration@metrobank.com.ph	An electronic invitation with complete guide on how to join the Meeting. Note: you will be asked to click a link which will lead you to the WEBEX registration page. As in any streaming platform, only your name and email address will be asked. You are not required to give any other personal information.
Metrobank Corporate Affairs messenger@webex.com	Official WEBEX event link

For registration concerns and questions related to the meeting and about Metrobank, please get in touch with us through ASMregistration@metrobank.com.ph.

Proxy. Stockholders who are unable to join the virtual Meeting may appoint an authorized representative on their behalf, download, fill-up and sign the sample Proxy Form found on <https://www.metrobank.com.ph/annual-stockholders-meeting-2026> and send a copy to ASMregistration@metrobank.com.ph on or before Monday, April 13, 2026.

The submitted proxies are subject to the joint validation of the Company's Stock and Transfer Agent and SGV & Co.

Questions About the Meeting and the Company.

You may send your questions regarding the conduct of the Meeting and the Company to investor.relations@metrobank.com.ph.

Electronic Copies of Relevant Documents. Pursuant to SEC Notice dated February 22, 2024, copies of the Notice of Meeting, Definitive Information Statement and other related documents in connection with the Meeting may be accessed through the Company's website <https://www.metrobank.com.ph/annual-stockholders-meeting-2026> and through the PSE Edge Portal <https://edge.pse.com.ph>.


REGIS V. PUNO
Corporate Secretary

Annual Meeting of the Stockholders

April 22, 2026 at 2:00 P.M.

VIRTUAL MEETING

EXPLANATORY NOTES TO AGENDA ITEMS THAT WILL BE SUBMITTED FOR RATIFICATION/APPROVAL OF THE STOCKHOLDERS

Agenda Item 1

Call to order

At 2:00 in the afternoon on April 22, 2026, Mr. Arthur Ty, Chairman of the Metrobank Board of Directors, will call the Meeting to order.

Agenda Item 2

Certification of Notice and Quorum

The Corporate Secretary, Atty. Regis V. Puno, will certify that the Notice for the 2026 Annual Stockholders Meeting has been duly published and distributed to the Stockholders as of Record Date of March 09, 2026 pursuant to existing regulations of the Securities and Exchange Commission (SEC). He will also attest whether the required quorum is present for the transaction of the business included in the Agenda.

Agenda Item 3

1. Approval of the following Minutes of the Annual Meeting of Stockholders held on April 23, 2025:

- i. *Call to Order and Certification of Quorum. The meeting was called to order by Chairman Arthur Ty at 2:00 in the afternoon. The Corporate Secretary, Regis V. Puno, certified that there were 3,167,892,392 common shares actually present in person or by proxy, out of the 4,497,415,555 common shares outstanding. This constituted 70.44% of the outstanding capital stock.*

Voting Results Per Resolution

- ii. *Approval of the Minutes of the Annual Stockholders' Meeting held on April 24, 2024 via the following:*

99.96% of shareholders virtually present and represented voted in favor of the proposal, none voted against 0.04% abstained.

RESOLUTION NO. 001-MBTC-SH-2025

RESOLVED, that the Minutes of the Annual Stockholders' Meeting on April 24, 2024 are hereby approved.

- iii. *President's Report on the performance of Metrobank for 2024, as further detailed in the Annual Report for 2024.*

During the Meeting, the Host-Moderator Minda A. Olonan selected questions received via email and/or sent via the Q&A panel at ASMRegistration@metrobank.com.ph

1. *From Bea Olba, proxy for Ma. Soledad S. De Leon*

With impressive lending growth in 2024 outpacing the industry, what is your outlook moving forward and what can be the possible drivers of loan growth this year?

President Dee replied that Metrobank has been growing its portfolio at 1.5 to 2 times real GDP (9 to 12%), which is its base forecast for this year. He opined that potential upsides could come

from the power sector, telecoms and the housing industry, particularly in the countryside, as critical components in driving sector growth for this year.

2. *From Micah Alvarez proxy for Atty. Rizalino C. Vineza:*

What is Metrobank's strategy and will it open more branches?

President Dee discussed that branch expansion is part of the Bank's strategy to sustain business growth, primarily in servicing the needs of its commercial customers and high net worth clients. With the opening of 14 branches this year and the consolidation of 3 which were not in optimal areas, the net increase in branches totaled 11. He added that management is also investing highly on Information Technology, focusing predominantly on self-served and digital platforms to complement its corporate and retail customers' need for convenience coming off a traditional branch.

iv. *Ratification of All Acts and Resolutions of Management, Board and Management Committees including among others, the approval April 24, 2024 to April 22, 2025.*

99.80% of shareholders virtually present and represented voted in favor, 0.10% voted against while 0.10% abstained.

RESOLUTION NO. 002-MBTC-SH-2025

RESOLVED, that all acts, transactions and resolutions of Management, Board and Management Committees and the Board of Directors, including among others, the approval of loans, investments, new Bank products and services and related party transactions, from April 24, 2024 to April 22, 2025, are hereby ratified and confirmed.

v. *Election of Twelve (12) Directors for the Year 2025 - 2026*

Mr. Juan Miguel L. Escaler of the Nominations Committee, explained that the Nominations Committee and the Corporate Governance and Compensation Committee chaired by Atty. Angelica H. Lavares had jointly evaluated the qualifications of all nominees to the Board of Directors, and that the Committees found that the nominees had all the qualifications and none of the disqualifications prescribed by law and regulations, and that out of the twelve(12) nominees, five(5) were nominated as independent directors. Twelve (12) directors were elected for the year 2025-2026:

Each Director received at least 96.18% votes from shareholders present and represented.

RESOLUTION NO. 003-MBTC-SH-2025

RESOLVED, that the following are hereby elected as directors of Metrobank effective immediately and until the successors are elected and qualified:

1)	Mr. Arthur Ty	7)	Mr. Jose Vicente L. Alde
2)	Mr. Francisco C. Sebastian.	8)	Mr. Edgar O. Chua*
3)	Mr. Fabian S. Dee	9)	Ms. Angelica H. Lavares*
4)	Mr. Alfred V. Ty	10)	Mr. Philip G. Soliven*
5)	Mr. Vicente R. Cuna, Jr.	11)	Mr. Marcelo C. Fernando, Jr.*
6)	Mr. Solomon S. Cua	12)	Mr. Juan Miguel L. Escaler*

** Independent directors*

vi. *Appointment of Sycip Gorres Velayo & Co. as External Auditors via the following:*

97% of shareholders virtually present and represented voted in favor, 3% voted against while none abstained.

RESOLUTION NO. 004-MBTC-SH-2025

RESOLVED, that as recommended by the Audit Committee and approved by the Board of Directors, Sycip Gorres Velayo & Co. is hereby appointed as the External Auditors of Metrobank for the year 2025.

There being no other matters for discussion, the meeting was adjourned.

Agenda Item 4

President's Report to the Stockholders

The President will report the highlights of Metrobank's Performance for the year 2025.

Agenda Item 5

Ratification of Corporate Acts

The matters for ratification include all acts, transactions and resolutions of the Board of Directors, management and all Committees done in the ordinary course of business from April 23, 2025 until April 21, 2026, including, among others, the approval of loans, investments, new Bank products and services and significant related party transactions as reflected in the Definitive Information Statement.

Agenda Item 6

Election of Directors for 2026-2027

The persons listed in the table below have been nominated to become directors for 2026-2027. All directors are elected for a term of one year and until their successors shall have been elected and qualified. The table below indicates their current board position (Chairman, Vice-Chairman, President, Director, Independent Director) board committee assignments, age, academic qualification, date of first appointment, experience, and directorships in other listed companies.

Name	Experience
ARTHUR TY Chairman Chairman, Executive Committee Member, Anti-Money Laundering Committee Adviser, Corporate Governance and Compensation Committee Information Technology Steering Committee	Mr. Arthur Ty, Filipino, 59 years old, has been the Chairman of Metrobank since 2012. He was the Bank's President from 2006 to 2012. He has been the Director of GT Capital Holdings, Inc. (GTCAP) since 2007, Chairman of Metropolitan Bank China (Ltd.) (MBCL) since 2010 and Vice-Chairman of Philippine Savings Bank (PSBank) since 2001. He was the Chairman of GTCAP from 2016 to 2022 and Vice-Chairman of First Metro Investment Corporation (FMIC) from 2012 to 2020. He earned his Bachelor of Science degree in Economics from the University of California, Los Angeles and obtained his Masters of Business Administration degree from Columbia University, New York. He is married to Zandra M. Ty, Metrobank First Vice-President. His brother Alfred Ty is a Director of the Bank.

Name	Experience
FRANCISCO C. SEBASTIAN Vice-Chairman Chairman, Overseas Banking Committee Vice-Chairman, Executive Committee Adviser, Risk Oversight Committee	Mr. Francisco C. Sebastian, Filipino, 71 years old, has been the Vice-Chairman of the Bank since 2006. He has been the Chairman of GTCAP since May 2022. He joined the Metrobank Group in 1997 as FMIC President and held this position for 13 years until he was appointed as FMIC Chairman from 2011 to 2022. He was the Chairman of GTCAP from 2014 to April 2016 and Vice-Chairman from 2016 to May 2022. He earned his AB degree in Economics, Magna Cum Laude, from the Ateneo de Manila University in 1975.
FABIAN S. DEE President Member, Executive Committee Information Technology Steering Committee Trust Committee	Mr. Fabian S. Dee, Filipino, 63 years old, became President of Metrobank in 2012. Before becoming President, he headed the National Branch Banking Sector from 2006 to 2012, Account Management Group from 2002 to 2006 and Marketing Center from 2001 to 2002 of Metrobank. He has been a Trustee of Metrobank Foundation, Inc. (MBFI) since 2012; Director of Bancnet, Inc. since 2015, President of Bancnet, Inc. since April 16, 2021 and Vice Chairman and Director of FMIC since 2024. He has been the Director of Bankers Association of the Philippines from March 2024 to present, from March 2014 to March 2018 and from March 2019 to March 2023. He was the Chairman and Director of Metrobank Card Corporation (MCC) from 2006 to January 2020; Chairman of Metro Remittance Singapore PTE Ltd. from 2010 to 2019; Chairman of LGU Guarantee Corporation from 2017 to 2019 and Chairman of SMBC Metro Investment Corporation (SMBC Metro) from 2014 to 2017; He holds a degree in Management Engineering from the Ateneo de Manila University.
ALFRED V. TY Director Member, Overseas Banking Committee	Mr. Alfred V. Ty, Filipino, 58 years old, became a Director of Metrobank in September 2015. He has been the Chairman of Toyota Motor Philippines Group of Companies since 2019 and Federal Land Group of Companies since 2016. He has been the Vice-Chairman of Metro Pacific Investment Corporation since March 2018 and GTCAP since 2012. He graduated with a Bachelor of Science degree in Business Administration from the University of Southern California in 1989. His brother, Arthur Ty is the Chairman of the Bank. He is the brother-in-law of Zandra M. Ty, Metrobank First Vice-President.
VICENTE R. CUNA, JR. Director Chairman, Information Technology Steering Committee Member, Executive Committee Adviser, Risk Oversight Committee	Mr. Vicente R. Cuna, Jr., Filipino, 64 years old, became a Director of Metrobank in 2014. He has been the Head of the Enterprise Services Sector of Metrobank since 2018 and Chairman of PSBank since April 2023. Prior to this, he was the Vice-Chairman from April 2018 to 2023 and President from 2013 to 2018 of PSBank; Head of Institutional Banking Sector (2012-2013) and the Corporate Banking Group (2006-2012) of Metrobank. He was the Director of FMIC from 2011 to 2015 and Chairman of ORIX Metro Leasing and Finance Corporation (ORIX Metro) from 2016 to 2022. He graduated from De La Salle University with a degree in AB Economics.

Name	Experience
SOLOMON S. CUA Director Member, Audit Committee Overseas Banking Committee	Mr. Solomon S. Cua, Filipino, 70 years old, is a former Undersecretary of the Department of Finance. He became a Director of Metrobank in 2018. He has been the Chairman of Philippine AXA Life Insurance Corporation (AXA Philippines) since April 2010. He was the Chairman of Charter Ping An Insurance Corporation from April 2016 to December 2022. He has been the Vice-Chairman since June 2012 and Director since 2001 of Philippine Racing Club, Inc.; Adviser of MBCL since 2018 and Director of Grand Titan Capital Holdings, Inc. since 2011. He has been the President/Director of SC & SSC Holdings, Inc. since 2015 and Director/Treasurer of Palm Integrated Commodities, Inc. since 2011. He obtained his Bachelor of Arts (Mathematical Sciences and Economics) from the University of Melbourne, Australia; Bachelor of Laws from the University of Queensland, Australia and Master of Laws from the London School of Economics & Political Science, England.
JOSE VICENTE L. ALDE Director Member, Anti-Money Laundering Committee Information Technology Steering Committee Risk Oversight Committee Trust Committee	Mr. Jose Vicente L. Alde, Filipino, 59 years old, became a Director of Metrobank in 2022. He has been the Chairman of First Metro Insurance and Reinsurance Brokers, Inc (FMIRBI) since May 2024, President of PSBank since 2018 and Director of PSBank since 2016. He is also the Chairman of Sumisho Finance Corporation and a Trustee of Chamber of Thrift Banks. He also served as Director of MCC from 2015 to 2016 and held various executive positions in ABN AMRO Bank from 1995 to 2007. He holds a Bachelor's Degree, Cum Laude, in Computer Science from the University of the Philippines and a Master's Degree in Business Management from the Asian Institute of Management (AIM).
ANGELICA H. LAVARES Independent Director Chairman, Anti-Money Laundering Committee Corporate Governance and Compensation Committee Member, Audit Committee Related Party Transactions Committee	Atty. Angelica H. Lavares, Filipino, 72 years old, is a Teaching Fellow at the Institute of Corporate Directors (ICD). She became an Independent Director of Metrobank and Prulife in 2019. She was an adviser/consultant of the Bank of Commerce from 2015 to 2025. She was also the Head of Strategic Support Group of Bank of Commerce from 2009 to 2015. Prior to joining Bank of Commerce, she served as Chief Legal Counsel from 2003 to 2007, concurrent Chief Compliance Officer and Chief Legal Officer - Legal Services Department from 2007 to 2009 and Assistant Corporate Secretary from 2007 to 2009) of Metrobank. She was also the Chief Legal Counsel and Head of Legal Services Division for United Coconut Planters Bank (UCPB) from 1999 to 2002 acting concurrently as its Head for Human Resource Division. She obtained her degree in AB Psychology, Cum Laude, from St. Theresa's College, QC in 1973 and Bachelor of Laws, First Honorable Mention, from the University of the Philippines in 1981.

Name	Experience
PHILIP G. SOLIVEN Lead Independent Director Chairman, Related Party Transactions Committee Trust Committee Member, Nominations Committee Risk Oversight Committee	Mr. Philip G. Soliven, Filipino, 65 years old, is the Lead Independent Director of Metrobank. He became an Independent Director of Metrobank in 2020. He is also an Independent Director of Century Pacific Food, Inc. a PSE Index Company since 2023; Vice Chairman of Multico Prime Power Inc. and Treasurer and Director of The American Chamber of Commerce of the Philippines. He was the former President and Chairman of Cargill Philippines, Inc.; President of Philippine Bio-Industries; and Director of C-Joy Poultry Meats, Inc. He began his professional career with the First National Bank of Boston, in Manila, Philippines branch as foreign exchange trader. He moved to the Bank of Boston's corporate headquarters in Boston, Massachusetts in 1984 to assume a role within corporate banking. In 1985, he was assigned to Hong Kong as manager of the Bank's corporate banking business where he occupied a number of positions across Corporate Loan Recovery, Treasury Sales-Foreign Exchange, Debt Trading and Trade Services. He relocated to Singapore in 1991 as Vice-President for Corporate Banking covering corporate banking clients in Singapore, Indonesia and Thailand. Apart from his professional affiliations, he holds Directorships in non-profit institutions such as The Rotary Club of Makati and the Advancement for Rural Kids. He holds a degree in Business Management from the Ateneo de Manila University.
MARCELO C. FERNANDO, JR. Independent Director Chairman, Risk Oversight Committee Member, Corporate Governance and Compensation Committee Nominations Committee Trust Committee	Mr. Marcelo C. Fernando, Jr., Filipino, 65 years old, joined the Metrobank Board as an Independent Director in 2021. He has been an Independent Director of Singapore Life Philippines since 2025, Director of the AIC Group of Companies Holding Corp. since September 2018 and member of the Asian Institute of Management Board of Trustees since 2022. He was the Senior Vice President for Group Treasury of SM Investments Corporation from 2015 to 2020. He was the Managing Director of Citibank, N.A. Philippines from 1986 to 2015 and has also served as Country Treasurer in the Philippines and in Thailand. He was the Managing Director and had regional responsibilities as Citibank's Markets Head for the ASEAN cluster. He obtained his Bachelor of Arts Degree in Economics in 1982 from the University of the Philippines, Diliman (Cum Laude) and graduated with Distinction from the Asian Institute of Management's Master's in Business Management program in 1986. Mr. Fernando obtained his Fellowship from the ICD in 2015.

Name	Experience
JUAN MIGUEL L. ESCALER Independent Director Chairman, Nominations Committee Member, Corporate Governance and Compensation Committee Information Technology Steering Committee	Mr. Juan Miguel L. Escaler, Filipino, 59 years old, became an Independent Director of Metrobank in 2022. He is the Country CEO and Director of Trusting Social AI Philippines. He also holds several Directorship positions in other companies like PASUDECO, Pointwest Technologies, Inc. and M. De Leon Inc. He was a former Co-Head of Investment Banking at Credit Suisse Philippines from 2012 to 2017 and an Executive Director at Goldman Sachs Singapore from 2008 to 2012. His vast banking experience includes his previous roles in Merrill Lynch Singapore as Director, ING Bank Manila as Vice President, and ING Bank New York as trader. He holds a degree in BS Management, with Honors from the Ateneo de Manila University and an MBA from Columbia University.
ANTHONY PAUL C. YAP New Nominee as Director	Mr. Anthony Paul C. Yap, Filipino, 49 years old, has been the Head of Overseas Banking Group since March 2024. He also Co-Heads the Bank's Commercial Segment since November 2022. Prior to this, he was the Head of Corporate Banking Group from January 2023 to December 2024; Head of Branch Banking Sector from October 2020 to December 2022; Head of Strategy & Transformation from January to September 2020; Head of Treasury Group from 2018 to 2019; Head of Trading from July 2016 to December 2017; and Head of Rates and Foreign Exchange Division from December 2013 to July 2016 after serving as Deputy Head from August to December 2013. He has also been a Non-Executive Director of MBCL since July 2025 and the Group Chairman of ORIX METRO since December 2022. He was an Advisor to the Board from April to December 2022 and was also a Member of the Board of Director of First Metro Asset Management, Inc. from January 2016 to June 2023. He holds a Bachelor of Arts in Economics (1997) and a Master of Business Administration (2002) from Ateneo de Manila University and completed the Advanced Management Program at Harvard Business School in 2024.

The following were nominated as Independent Directors, namely, Atty. Angelica H. Lavares, Mr. Philip G. Soliven, Mr. Marcelo C. Fernando, Jr. and Mr. Juan Miguel L. Escaler. The corresponding Certificates that they have individually executed as independent director-nominees are attached as EXHIBITS 1, 2, 3 & 4 of the Information Statement.

Agenda Item 7

Appointment of External Auditors

SyCip Gorres Velayo & Co., CPAs (SGV) has been the external auditors of the Bank since 1962. Representatives of SGV are expected to be present at the Meeting and will have the opportunity to make a statement if they desire to do so, and will be available to answer appropriate questions from the stockholders.

Ms. Janet A. Paraiso, SGV Partner, reviewed/audited the Group's financial statements as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025. In compliance with the amended SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002 (increased to seven years effective August 2019 per Professional Regulatory Board of Accountancy Resolution No. 53, Series of 2019).

The Bank intends to retain SGV as its external auditors for the year 2026 and is submitting the same to the stockholders for ratification as endorsed by the Audit Committee with the approval of the Board of Directors.

Agenda Item 8

Other Matters

The Stockholders may raise questions and comments as may be relevant to the Annual Stockholders Meeting.

Agenda Item 9

Adjournment

After consideration of all business in the Agenda, the Chairman will adjourn the 2026 Annual Stockholders Meeting.

P R O X Y ¹

The undersigned stockholder of Metropolitan Bank & Trust Company (Metrobank) hereby appoint/s _____ ² or in his absence, the Chairman of the meeting, as my/our proxy, to act for me/us and on my/our behalf at the Metrobank Annual Stockholders' Meeting to be held on April 22, 2026 (and as may be rescheduled and / or adjourned) and to vote for me/us as indicated below or, if no such indication is given, as my/our proxy thinks fit:

	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of the Minutes of the Annual Meeting held on April 23, 2025			
2	Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees from April 23, 2025 to April 21, 2026			
3	Election of Directors for 2026-2027 1. Arthur Ty 2. Francisco C. Sebastian 3. Fabian S. Dee 4. Alfred V. Ty 5. Vicente R. Cuna, Jr. 6. Solomon S. Cua 7. Jose Vicente L. Alde 8. Angelica H. Lavares 9. Philip G. Soliven 10. Marcelo C. Fernando, Jr. 11. Juan Miguel L. Escaler 12. Anthony Paul C. Yap			
4	Appointment of External Auditor (Sycip Gorres Velayo & Co.)			

Signature _____
 Print Name _____
 Contact Number _____
 Email Address _____

Date _____

¹ For proxy sent via email, to be valid, a scanned copy of this proxy must be emailed on or before **April 13, 2026** to ASMregistration@metrobank.com.ph

² If no name is provided, the Chairman of the Meeting will act as the proxy.

THIS PROXY NEED NOT BE NOTARIZED.

**SECURITIES AND EXCHANGE COMMISSION
SEC Form 20-IS**

**Information Statement Pursuant to Section 20
of the Securities Regulation Code**

1. Check the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter **METROPOLITAN BANK & TRUST COMPANY**
3. Province, country, or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
4. SEC Identification Number **20573**
5. BIR Tax Identification Code **000-477-863**
6. Address of principal office **GT Tower International
6813 Ayala Ave., corner H.V. Dela Costa St., Brgy.
Bel-Air, Makati City **1227**
Postal Code**
7. Registrant's telephone number, including area code **(632) 8898-8000; (632) 8857-9723**
8. Date, time and place of the meeting of security holders
April 22, 2026, 2:00 PM. There is no physical venue for the Meeting which will
be held on purely virtual mode.
9. Approximate date on which the Information Statement is first to be sent or given to security holders
March 27, 2026
10. Securities registered pursuant to Sections 4 and 8 of RSA (information on number of shares and amount of debt is applicable only to corporate registrant):

Title of Each Class	Number of Shares of Common Stock Outstanding
<u>Common Shares</u>	<u>4,497,415,555</u>

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?

Yes ☒ No ☐

12. If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

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

A. GENERAL INFORMATION

Item 1. Date, Time, and Place of Meeting of Security Holders

Date : April 22, 2026

Time : 2:00 P.M.

Place : There is no physical venue for the Meeting which will be held on purely virtual mode.

Mailing Address : GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, 1227, Makati City, Metro Manila

The approximate date on which the Information Statement is first to be sent or given to security holders is on March 27, 2026.

**WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY.**

Item 2. Dissenter's Right of Appraisal

There is no matter included in the Agenda of the Annual Stockholders' Meeting ("Meeting") which may give rise to the exercise by the stockholders of the right of appraisal.

In general, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. Appraisal right is also available in case of merger or consolidation, sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets of the corporation.

In the above instances, the appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the corporation for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

Item 3. Interests of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No director, officer or nominee for election as director, or any associate of the foregoing persons has any substantial interest, direct or indirect, by security holdings or otherwise, which needs to be acted upon during the Meeting, other than the election of the nominees to the 2026-2027 Board of Directors.
- (b) No director has informed Metrobank that he intends to oppose any action to be taken up at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of March 9, 2026	:	4,497,415,555 shares
Number of votes entitled	:	One (1) vote per share

(b) Record date to determine stockholders entitled to notice and to vote at the regular meeting : March 9, 2026

(c) Number of holders as of March 9, 2026 : 2,905 holders

All of the securities of the issuer are listed in the Philippine Stock Exchange (PSE).

(d) Election of Directors

Majority vote is required for the election of directors. Stockholders shall have the right to cumulative voting. Cumulative voting is allowed provided that the total number of votes cast by a stockholder does not exceed the number of shares registered in his name in the books of Metrobank as of the record date multiplied by the number of directors to be elected. There is no condition precedent to the exercise of the right to cumulative voting.

(e) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of March 9, 2026, the following stockholders own more than 5% of the common shares of stock:

	Class of Shares	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
1	Common	GT CAPITAL HOLDINGS, INC. Stockholder 43/F GT Tower International Ayala Avenue Corner H.V. Dela Costa Street, Makati City <i>Arthur Ty is authorized to vote the shares of GT Capital Holdings, Inc. (GTCAP) in Metrobank.</i>	Beneficial and Record Owner <i>The following persons own more than 5% of the outstanding voting shares of GTCAP as of March 9, 2026:</i> <i>Grand Titan Capital Holdings, Inc. – 55.93%</i> <i>PCD Nominee Corporation (Non-Filipino) – 24.50%</i> <i>PCD Nominee Corporation (Filipino) – 19.17%</i> <i>GTCAP is a publicly-listed company that is majority-owned and controlled by the family of the late George S.K. Ty through Grand Titan Capital Holdings, Inc.</i>	Filipino	1,791,611,010	39.836%

Class of Shares		Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
2	Common	PCD NOMINEE CORPORATION (Filipino) 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, 1226, Makati City	Various Scripless Stockholders <i>There is no participant of PCD who holds more than 5% of the common stock of Metrobank.</i>	Filipino	1,156,295,441	25.710%
3	Common	PCD NOMINEE CORPORATION (Non-Filipino) 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, 1226, Makati City	Various Scripless Stockholders <i>There is no participant of PCD who holds more than 5% of the common stock of Metrobank.</i>	Foreign	916,373,550	20.376%
TOTAL					3,864,280,001	85.922%

PCD Nominee Corporation (Filipino and Non-Filipino) (PNC) is a wholly-owned subsidiary of the Philippine Central Depository (PCD) and acts as trustee-nominee for all shares lodged in the PCD system where trades effected on the PSE are finally settled and lodged. Persons who opt to trade through the PCD do not receive stock certificates as an evidence of ownership as trading using the PCD is completely scripless. Beneficial ownership of shares lodged with the PCD remains with the lodging stockholder.

As of March 9, 2026, public ownership on the Bank was at 47.88%. Of the total shares issued, 20.418% represents foreign ownership.

(2) Security Ownership of Directors and Management

As of March 9, 2026, the registrant's directors and officers as a group held a total of 35,268,041 common voting shares, broken down as follows:

Class of Shares		Name of Beneficial Owner	Beneficial Ownership		Citizenship	Percent of Class
			No. of Shares	Nature		
Directors (12)						
1	Common	ARTHUR TY	15,937,456	Direct	Filipino	0.354
2	Common	FRANCISCO C. SEBASTIAN	1,445,283	Direct	Filipino	0.032
3	Common	FABIAN S. DEE (a)	734	Direct	Filipino	0.000
4	Common	ALFRED V. TY	17,397,665	Direct	Filipino	0.387
5	Common	VICENTE R. CUNA, JR. (b)	129	Direct	Filipino	0.000
6	Common	SOLOMON S. CUA	113	Direct	Filipino	0.000
7	Common	JOSE VICENTE L. ALDE	100	Direct	Filipino	0.000
8	Common	EDGAR O. CHUA (c)	113	Direct	Filipino	0.000
9	Common	ATTY. ANGELICA H. LAVARES (c)	113	Direct	Filipino	0.000
10	Common	PHILIP G. SOLIVEN (c)	30,100	Direct	Filipino	0.001
11	Common	MARCELO C. FERNANDO, JR. (c)	100	Direct	Filipino	0.000
12	Common	JUAN MIGUEL L. ESCALER (c)	100	Direct	Filipino	0.000
Sub-total			34,812,006			0.774

- (a) Director and President
- (b) Director and Senior Executive Vice-President
- (c) Independent Directors

Class of Shares		Name of Beneficial Owner	Beneficial Ownership		Citizenship	Percent of Class
			No. of Shares	Nature		
Officers-Sector and Group Heads (33)						
Senior Executive Vice-Presidents (1)						
1	Common	FERNAND ANTONIO A. TANSINGCO	300,084	Direct	Filipino	0.007
Executive Vice-Presidents (6)						
2		MARY MYLENE A. CAPARAS			Filipino	
3	Common	RENATO K. DE BORJA, JR.	100,000	Direct	Filipino	0.002
4		NELSON G. SEE			Filipino	
5		RAMON JAIME L.V. DEL ROSARIO			Filipino	
6	Common	ANGELICA S. REYES	11,000	Direct	Filipino	0.000
7	Common	ANTHONY PAUL C. YAP	43,551	Direct	Filipino	0.001
Senior Vice-Presidents (16)						
8		ADHUNIK			Indian	
9		KAREN SALVE L. ANGELES			Filipino	
10		CHARLOTTE T. BILONGILOT			Filipino	
11		CHRISTINE Y. CASTILLO			Filipino	
12		HIROKO M. CASTRO			Filipino	
13		BABYLYN A. CATA CUTAN			Filipino	
14		ANNA THERESE RITA D. CUENCO			Filipino	
15		HIERBERT A. DIMAGIBA			Filipino	
16		ROMMEL ENRICO C. DIONISIO			Filipino	
17		FRANCES GAIL E. MALE			Filipino	
18	Common	MARIA NELIA S. MEDALLA	900	Direct	Filipino	0.000
19		CHRISTIAN PAUL PHILIPPE L. ORLINO			Filipino	
20		RICARDO LEON N. PEDROSA			Filipino	
21		CHRISTOPHER HECTOR L. REYES			Filipino	
22		JOSE ANTONIO O. VASCO			Filipino	
23	Common	RANDELL D. VICTORIANO	500	Direct	Filipino	0.000
First Vice-President (10)						
24		MARIE CHORIE CANDICE R. CHAN			Filipino	
25		MA. VICTORIA C. DELOS SANTOS			Filipino	
26		KEN BRIAN P. LAMZON			Filipino	
27		HAPPY MAR S. LOMIGO			Filipino	
28		JOHN CHRISTOPHER C. LU			Filipino	
29		MARICEL L. MADRID			Filipino	
30		JANELLA MARIE R. PANLILIO			Filipino	
31		MIKAEL ANGELO S. PASIMIO			Filipino	
32		REYNALDO C. SIOCHI			Filipino	
33		NOEL PETER Z. YUSECO			Filipino	
Sub-total			456,035			0.010
Total (Directors and Officers)			35,268,041			0.784

(3) Voting Trust Holders of 5% or More

There is no person who holds more than 5% of the registrant's securities under a voting trust or similar agreement.

(4) Changes in Control

There is no arrangement that may result in a change in control of the registrant. There is no change in control that has occurred since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers

Incumbent Directors (12) - All directors are elected for a term of one year and until their successors shall have been elected and qualified. Below is a list of Metrobank's incumbent directors with their corresponding business affiliations and other qualifications.

Name	Experience
ARTHUR TY Chairman Chairman, Executive Committee Member, Anti-Money Laundering Committee Adviser, Corporate Governance and Compensation Committee Information Technology Steering Committee	Mr. Arthur Ty, Filipino, 59 years old, has been the Chairman of Metrobank since 2012. He was the Bank's President from 2006 to 2012. He has been the Director of GT Capital Holdings, Inc. (GTCAP) since 2007, Chairman of Metropolitan Bank China (Ltd.) (MBCL) since 2010 and Vice-Chairman of Philippine Savings Bank (PSBank) since 2001. He was the Chairman of GTCAP from 2016 to 2022 and Vice-Chairman of First Metro Investment Corporation (FMIC) from 2012 to 2020. He earned his Bachelor of Science degree in Economics from the University of California, Los Angeles and obtained his Masters of Business Administration degree from Columbia University, New York. He is married to Zandra M. Ty, Metrobank First Vice-President. His brother Alfred Ty is a Director of the Bank.
FRANCISCO C. SEBASTIAN Vice-Chairman Chairman, Overseas Banking Committee Vice-Chairman, Executive Committee Adviser, Risk Oversight Committee	Mr. Francisco C. Sebastian, Filipino, 71 years old, has been the Vice-Chairman of the Bank since 2006. He has been the Chairman of GTCAP since May 2022. He joined the Metrobank Group in 1997 as FMIC President and held this position for 13 years until he was appointed as FMIC Chairman from 2011 to 2022. He was the Chairman of GTCAP from 2014 to April 2016 and Vice-Chairman from 2016 to May 2022. He earned his AB degree in Economics, Magna Cum Laude, from the Ateneo de Manila University in 1975.
FABIAN S. DEE President Member, Executive Committee Information Technology Steering Committee Trust Committee	Mr. Fabian S. Dee, Filipino, 63 years old, became President of Metrobank in 2012. Before becoming President, he headed the National Branch Banking Sector from 2006 to 2012, Account Management Group from 2002 to 2006 and Marketing Center from 2001 to 2002 of Metrobank. He has been a Trustee of Metrobank Foundation, Inc. (MBFI) since 2012; Director of Bancnet, Inc. since 2015, President of Bancnet, Inc. since April 16, 2021 and Vice Chairman and Director of FMIC since 2024. He has been the Director of Bankers Association of the Philippines from March 2024 to present, from March 2014 to March 2018 and from March 2019 to March 2023. He was the Chairman and Director of Metrobank Card Corporation (MCC) from 2006 to January 2020; Chairman of Metro Remittance Singapore PTE Ltd. from 2010 to 2019; Chairman of LGU Guarantee Corporation from 2017 to 2019 and Chairman of SMBC Metro Investment Corporation (SMBC Metro) from 2014 to 2017; He holds a degree in Management Engineering from the Ateneo de Manila University.
ALFRED V. TY Director Member, Overseas Banking Committee	Mr. Alfred V. Ty, Filipino, 58 years old, became a Director of Metrobank in September 2015. He has been the Chairman of Toyota Motor Philippines Group of Companies since 2019 and Federal Land Group of Companies since 2016. He has been the Vice-Chairman of Metro Pacific Investment Corporation since March 2018 and GTCAP since 2012. He graduated with a Bachelor of Science degree in Business Administration from the University of Southern California in 1989. His brother, Arthur Ty is the Chairman of the Bank. He is the brother-in-law of Zandra M. Ty, Metrobank First Vice-President.

Name	Experience
VICENTE R. CUNA, JR. Director Chairman, Information Technology Steering Committee Member, Executive Committee Adviser, Risk Oversight Committee	Mr. Vicente R. Cuna, Jr., Filipino, 64 years old, became a Director of Metrobank in 2014. He has been the Head of the Enterprise Services Sector of Metrobank since 2018 and Chairman of PSBank since April 2023. Prior to this, he was the Vice-Chairman from April 2018 to 2023 and President from 2013 to 2018 of PSBank; Head of Institutional Banking Sector (2012- 2013) and the Corporate Banking Group (2006-2012) of Metrobank. He was the Director of FMIC from 2011 to 2015 and Chairman of ORIX Metro Leasing and Finance Corporation (ORIX Metro) from 2016 to 2022. He graduated from De La Salle University with a degree in AB Economics.
SOLOMON S. CUA Director Member, Audit Committee Overseas Banking Committee	Mr. Solomon S. Cua, Filipino, 70 years old, is a former Undersecretary of the Department of Finance. He became a Director of Metrobank in 2018. He has been the Chairman of Philippine AXA Life Insurance Corporation (AXA Philippines) since April 2010. He was the Chairman of Charter Ping An Insurance Corporation from April 2016 to December 2022. He has been the Vice-Chairman since June 2012 and Director since 2001 of Philippine Racing Club, Inc.; Adviser of MBCL since 2018 and Director of Grand Titan Capital Holdings, Inc. since 2011. He has been the President/Director of SC & SSC Holdings, Inc. since 2015 and Director/Treasurer of Palm Integrated Commodities, Inc. since 2011. He obtained his Bachelor of Arts (Mathematical Sciences and Economics) from the University of Melbourne, Australia; Bachelor of Laws from the University of Queensland, Australia and Master of Laws from the London School of Economics & Political Science, England.
JOSE VICENTE L. ALDE Director Member, Anti-Money Laundering Committee Information Technology Steering Committee Risk Oversight Committee Trust Committee	Mr. Jose Vicente L. Alde, Filipino, 59 years old, became a Director of Metrobank in 2022. He has been the Chairman of First Metro Insurance and Reinsurance Brokers, Inc (FMIRBI) since May 2024, President of PSBank since 2018 and Director of PSBank since 2016. He is also the Chairman of Sumisho Finance Corporation and a Trustee of Chamber of Thrift Banks. He also served as Director of MCC from 2015 to 2016 and held various executive positions in ABN AMRO Bank from 1995 to 2007. He holds a Bachelor's Degree, Cum Laude, in Computer Science from the University of the Philippines and a Master's Degree in Business Management from the Asian Institute of Management (AIM).
EDGAR O. CHUA Independent Director Chairman, Audit Committee Member, Anti-Money Laundering Committee Nominations Committee Related Party Transactions Committee	Mr. Edgar O. Chua, Filipino, 69 years old, became an Independent Director of Metrobank in 2017. He is currently an Independent Director of Shell Philippines Corporation since May 2024 and JG Summit Olefins Corporation since September 2022 and the Chief Executive Officer of Amber Kinetics, Inc. He has been an Independent Director of First Gen since 2021, PhilCement since 2019 and PHINMA . He is also the Chairman of Philippine Eagle Foundation and De La Salle Philippines since 2017 and Makati Business Club since 2016 and Ramon Magsaysay Award Foundation. He is also the Board Advisor of Mitsubishi Motors Phil. Corp. and Coca Cola Bottlers Philippines and was the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He holds a degree in BS Chemical Engineering from De La Salle University in 1978 and attended various international seminars and courses including the senior management course at INSEAD in Fontainebleau, France. He was also conferred a Doctor of Humanities Honoris Causa by De La Salle Araneta University in 2018.

Name	Experience
ANGELICA H. LAVARES Independent Director Chairman, Anti-Money Laundering Committee Corporate Governance and Compensation Committee Member, Audit Committee Related Party Transactions Committee	Atty. Angelica H. Lavares, Filipino, 72 years old, is a Teaching Fellow at the Institute of Corporate Directors (ICD). She became an Independent Director of Metrobank and Prulife in 2019. She was an adviser/consultant of the Bank of Commerce from 2015 to 2025. She was also the Head of Strategic Support Group of Bank of Commerce from 2009 to 2015. Prior to joining Bank of Commerce, she served as Chief Legal Counsel from 2003 to 2007, concurrent Chief Compliance Officer and Chief Legal Officer - Legal Services Department from 2007 to 2009 and Assistant Corporate Secretary from 2007 to 2009) of Metrobank. She was also the Chief Legal Counsel and Head of Legal Services Division for United Coconut Planters Bank (UCPB) from 1999 to 2002 acting concurrently as its Head for Human Resource Division. She obtained her degree in AB Psychology, Cum Laude, from St. Theresa's College, QC in 1973 and Bachelor of Laws, First Honorable Mention, from the University of the Philippines in 1981.
PHILIP G. SOLIVEN Lead Independent Director Chairman, Related Party Transactions Committee Trust Committee Member, Nominations Committee Risk Oversight Committee	Mr. Philip G. Soliven, Filipino, 65 years old, is the Lead Independent Director of Metrobank. He became an Independent Director of Metrobank in 2020. He is also an Independent Director of Century Pacific Food, Inc. a PSE Index Company since 2023; Vice Chairman of Multico Prime Power Inc. and Treasurer and Director of The American Chamber of Commerce of the Philippines. He was the former President and Chairman of Cargill Philippines, Inc.; President of Philippine Bio-Industries; and Director of C-Joy Poultry Meats, Inc. He began his professional career with the First National Bank of Boston, in Manila, Philippines branch as foreign exchange trader. He moved to the Bank of Boston's corporate headquarters in Boston, Massachusetts in 1984 to assume a role within corporate banking. In 1985, he was assigned to Hong Kong as manager of the Bank's corporate banking business where he occupied a number of positions across Corporate Loan Recovery, Treasury Sales-Foreign Exchange, Debt Trading and Trade Services. He relocated to Singapore in 1991 as Vice-President for Corporate Banking covering corporate banking clients in Singapore, Indonesia and Thailand. Apart from his professional affiliations, he holds Directorships in non-profit institutions such as The Rotary Club of Makati and the Advancement for Rural Kids. He holds a degree in Business Management from the Ateneo de Manila University.
MARCELO C. FERNANDO, JR. Independent Director Chairman, Risk Oversight Committee Member, Corporate Governance and Compensation Committee Nominations Committee Trust Committee	Mr. Marcelo C. Fernando, Jr., Filipino, 65 years old, joined the Metrobank Board as an Independent Director in 2021. He has been an Independent Director of Singapore Life Philippines since 2025, Director of the AIC Group of Companies Holding Corp. since September 2018 and member of the Asian Institute of Management Board of Trustees since 2022. He was the Senior Vice President for Group Treasury of SM Investments Corporation from 2015 to 2020. He was the Managing Director of Citibank, N.A. Philippines from 1986 to 2015 and has also served as Country Treasurer in the Philippines and in Thailand. He was the Managing Director and had regional responsibilities as Citibank's Markets Head for the ASEAN cluster. He obtained his Bachelor of Arts Degree in Economics in 1982 from the University of the Philippines, Diliman (Cum Laude) and graduated with Distinction from the Asian Institute of Management's Master's in Business Management program in 1986. Mr. Fernando obtained his Fellowship from the ICD in 2015.

Name	Experience
JUAN MIGUEL L. ESCALER Independent Director Chairman, Nominations Committee Member, Corporate Governance and Compensation Committee Information Technology Steering Committee	Mr. Juan Miguel L. Escaler, Filipino, 59 years old, became an Independent Director of Metrobank in 2022. He is the Country CEO and Director of Trusting Social AI Philippines. He also holds several Directorship positions in other companies like PASUDECO, Pointwest Technologies, Inc. and M. De Leon Inc. He was a former Co-Head of Investment Banking at Credit Suisse Philippines from 2012 to 2017 and an Executive Director at Goldman Sachs Singapore from 2008 to 2012. His vast banking experience includes his previous roles in Merrill Lynch Singapore as Director, ING Bank Manila as Vice President, and ING Bank New York as trader. He holds a degree in BS Management, with Honors from the Ateneo de Manila University and an MBA from Columbia University.

The five (5) Independent Directors, namely, Mr. Edgar O. Chua, Atty. Angelica H. Lavares, Mr. Philip G. Soliven, Mr. Marcelo C. Fernando, Jr. and Mr. Juan Miguel L. Escaler have always possessed the qualifications and none of the disqualifications of an independent director.

B. Executive Officers (33)

Name	Experience
Fernand Antonio A. Tansingco Senior Executive Vice-President	Mr. Fernand Antonio A. Tansingco, Filipino, 59 years old, has been the Head of Financial Markets Sector (FMS) since 2013, and Treasurer since 2007. He was a Director from 2012 to 2016 and adviser of MBCL since 2016, Chairman of Metrobank Bahamas from August 2010 to April 2019 and Vice-Chairman of AXA Philippines since 2010. He was the Adviser to the Board of FMIC from 2019 to 2024.
Mary Mylene A. Caparas Executive Vice-President	Ms. Mary Mylene A. Caparas, Filipino, 61 years old, has been the Head of the Institutional Banking Sector since 2014. She was the Vice-Chairman of FMIC from June 2020 until she was appointed as its Chairman in April 2022. She was the Director of ORIX Metro from 2015 to March 2020. From 2013 to 2014, she was the Managing Director, Regional Head of Client Delivery, Treasury and Trade Solutions of Citibank N.A., Hong Kong Branch. From 2011 to 2013, she was the Managing Director, Country Head of Citi Transaction Services of Citibank N.A., Manila Branch.
Renato K. De Borja, Jr. Executive Vice-President	Mr. Renato K. De Borja, Jr., Filipino, 54 years old, was appointed the Head of Financial and Control Sector effective July 1, 2025. He has been a Director of Metro Remittance (Hong Kong) Limited since June 20, 2022. He was the Bank's Contoller from November 16, 2020 until his appointment as Sector Head. He previously served as the Group Head of Remittance, Cards, and Contact Center of China Banking Corporation from 2016 to 2020 and as a Director of China Bank Insurance Brokers, Inc. from 2017 to 2019. He served as the Chief Financial Officer of EastWest Banking Corporation from 2009 to 2016.
Nelson G. See Executive Vice-President	Mr. Nelson G. See, Filipino, 54 years old, was appointed as the Head of Branch Banking Sector effective January 1, 2023. He held various positions in the Bank before his previous appointment as the Head of Commercial Banking Center Manila under Institutional Banking Sector from 2019 to 2022.

Name	Experience
Ramon Jaime L.V. Del Rosario Executive Vice-President	Mr. Ramon Jaime L.V. Del Rosario, Filipino, 49 years old, assumed the position of Head of Consumer Business Sector in September 2020 after serving as Head of Cards and Personal Credit Sector from January to August 2020. He is the Director of Vela Mayor Holdings, Inc. and Transunion Information Solutions. He was the director of AXA Philippines from April 2023 to April 2025. Prior to this, he was the President of MCC from July to December 2019 (before the merger with Metrobank in January 2020) and the Director of Cards and Loans Business of Citibank Indonesia from 2016 to June 2019.
Angelica S. Reyes Executive Vice-President	Ms. Angelica S. Reyes, Filipino, 52 years old, was appointed as Deputy Head of Financial Markets Sector effective January 1, 2026. Prior to her current role, she served as Head of Trust Banking Group from April 16, 2023 to December 31, 2025. She was also the Deputy Head of Trust Banking Group from January 1, 2023 to April 15, 2023; Head of Treasury Group from January 2020 to December 2022; Head of the Markets Sales Group from 2013 to 2019; Head of Sales and Structuring Division from 2010 to 2013; and Head of Investment Distribution Division from 2012 to 2013. Concurrent to her position, she served as Director of First Metro Investment Corporation from 2023 to 2024. She also functioned as Corporate Secretary of both AXA Philippines and Charter Ping An Insurance Corporation from 2016 to 2022.
Anthony Paul C. Yap Executive Vice-President	Mr. Anthony Paul C. Yap, Filipino, 49 years old, has been the Head of Overseas Banking Group since March 2024. He also Co-Heads the Bank's Commercial Segment since November 2022. Prior to this, he was the Head of Corporate Banking Group from January 2023 to December 2024; Head of Branch Banking Sector from October 2020 to December 2022; Head of Strategy & Transformation from January to September 2020; Head of Treasury Group from 2018 to 2019; Head of Trading from July 2016 to December 2017; and Head of Rates and Foreign Exchange Division from December 2013 to July 2016 after serving as Deputy Head from August to December 2013. He has been also a Non-Executive Director of MBCL since July 2025 and the Group Chairman of ORIX METRO since December 2022. He was an Advisor to the Board from April to December 2022 and was also a Member of the Board of Director of First Metro Asset Management, Inc. from January 2016 to June 2023.
Adhunik Senior Vice-President	Mr. Adhunik, Indian, 52 years old, has been the Head of Information Technology Group since June 2025. He was the Senior Director/Regional Vice-President of Salesforce from August 2024 to May 2025. He was the Managing Director from July 2023 to August 2024 and Head of Platform Engineering and Cloud from January 2018 to June 2023 of United Overseas Bank.
Karen Salve L. Angeles Senior Vice-President	Ms. Karen Salve L. Angeles, Filipino, 43 years old, assumed the position of Head of Human Resources Management Group effective February 1, 2025 after serving as Deputy Head from October 16, 2024 to January 31, 2025. Prior to joining Metrobank, she worked for Citibank for nine years in several Senior HR Generalist and Advisory roles. She was also the HR Site Head and Advisor for Citibank N.A. PH and Citibank Regional Operating Headquarters PH. Prior to Citibank, she was with BDO Unibank and HSBC.
Charlotte T. Bilongilot Senior Vice-President	Ms. Charlotte T. Bilongilot, Filipino, 46 years old, joined the Bank in April 2021. She assumed the position of Head of Credit Group effective July 2021 after serving as Deputy Head from April to June 2021. She previously served as the Business Unit Head and Credit Risk Officer of Global Institutional Credit Group Risk Analysis Unit – Manila, Citibank N.A. Regional Operating Head Quarters from November 2014 to March 2021.

Name	Experience
Christine Y. Castillo Senior Vice-President	Ms. Christine Y. Castillo, Filipino, 59 years old, has been the Head of General Services Group since June 2014 and was the Head of Acquired Assets Management and Disposition Group from May 2007 to December 2015. She is also the Chairman of Circa 2000 Homes, Inc. since 2022 after serving as President from 2009 to 2021.
Hiroko M. Castro Senior Vice-President	Ms. Hiroko M. Castro, Filipino, 56 years old, assumed the position of Head of Credit Operations Group under the Consumer Business Sector in January 2020. Prior to this, she was the Head of Credit Operations Group from April 2012 to December 2019, Credit Risk from 2008 to 2012 and Credit Acquisition from 2005 to 2008 of MCC (before the merger with Metrobank in January 2020).
Babylyn A. Catacutan Senior Vice-President	Ms. Babylyn A. Catacutan, Filipino, 50 years old, assumed the position of Head of Internal Audit Group effective January 16, 2026. She was the Country Chief Audit Executive of Maybank Philippines from April 2022 to October 2025; Regional Internal Auditor of ING Business Services Branch B.V. from July 2019 to April 2022 and Audit Manager of Citibank N.A. Philippines from August 2008 to July 2019.
Anna Therese Rita D. Cuenco Senior Vice-President	Ms. Anna Therese Rita D. Cuenco, Filipino, 52 years old, assumed the position of Head, Consumer Lending Group under the Consumer Business Sector in January 2020. She was previously seconded from MCC to Metrobank as Head of Consumer Lending Group from 2018 to 2019. She also served as the Deputy Cards Head, Marketing and Service Quality Group (2009 to 2018) and the Head of Sales, Marketing and Portfolio Management (2008 to 2009) of MCC.
Hierbert A. Dimagiba Senior Vice-President	Mr. Hierbert Dimagiba, Filipino, 48 years old, is the Chief Marketing Officer and Head of the Analytics, Brand, Communications & Marketing Technology Group (ABCMTG). He served as the 2022 President of the Internet & Mobile Marketing Association of the Philippines (IMMAP) industry group of which he has served as a Director and Executive Officer since 2018. He is also an incorporator and member of the board of directors of the H&D Group of Companies since 1999. He was the first Country Director of Facebook Philippines from 2016 to 2017 and the Country Director of the IT & Mobile Business Unit of Samsung Philippines from 2014 to 2016 and has also served with Unilever from 1999 to 2016 in international Senior Brand Marketing Director positions.
Rommel Enrico C. Dionisio Senior Vice-President	Mr. Rommel Enrico C. Dionisio, Filipino, 53 years old, assumed the position as Head of Corporate Banking Group effective January 1, 2025. He was previously the Head of Treasury Group from January 2023 to December 2024, Head of Markets Sales Group from January 1, 2020 to December 31, 2022, Head of Institutional Sales Division from February 2017 to December 2019 (after serving as Deputy Head from July 2016 to February 2017), Head of Corporate Sales Department under Sales and Structuring Division - Markets Sales Group from October 2014 to July 2016 and Head of Multinational Corporations and Financial Institutions from November 2011 to September 2014.
Frances Gail E. Male Senior Vice-President	Ms. Frances Gail E. Male, Filipino, 50 years old, assumed the position of Head of Credit Cards, Personal Loans and Retail Digital Channels Group under Consumer Business Sector in February 2022. She was the Head of Digital Lending and Insurance from May 1, 2020 to February 2, 2022. She was a Senior Vice-President for Digital Acquisition and Partnerships at Citibank PH.
Maria Nelia S. Medalla Senior Vice-President	Ms. Maria Nelia S. Medalla, Filipino, 58 years old, assumed the position of Head of Branch Banking – Metro Manila effective July 1, 2023. Prior to this, she was the Area Head of South Metro Manila Area II from 2017 to 2019 and Region Head of South Metro Manila from 2020 to 2023.

Name	Experience
Christian Paul Philippe L. Orlino Senior Vice-President	Mr. Christian Paul Philippe L. Orlino, Filipino, 49 years old, has been the Group Head of Institutional Transaction Banking Group since May 1, 2021. He was the Division Head of Institutional Transaction Banking Group (formerly Institutional Banking Division) under the Institutional Banking Sector from August 2017 to April 2021. He also served as the Head of Sales and Marketing Department under the same Division from July 2016 to July 2017. Before joining Metrobank, he was the Vice President, Philippine Solution Sales Officer, for the Treasury and Trade Solutions Group of Citibank N.A. from July 2010 to June 2016.
Ricardo Leon N. Pedrosa Senior Vice-President Christopher Hector L. Reyes Senior Vice-President	Mr. Ricardo Leon N. Pedrosa, Filipino, 55 years old, assumed the position of Head of Trust Banking Group under Financial Market Sector (FMS) in January 2023. Prior to his current role, he was the Head of Institutional Sales under FMS from 2023 to 2025, Head of Investment Distribution Metro Manila from 2019 to 2023; Client Solutions Division from 2017 to 2023; Sales and Structuring Division from 2013 to 2016 and Corporate Sales in 2012. Mr. Christopher Hector L. Reyes, Filipino, 51 years old, assumed the position of Head of Commercial Banking – Metro Manila effective April 1, 2023. He has been a Director of FMIC since April 2022. Prior to this, he was the Deputy Head of Metro Manila Commercial Banking Group from February 2022 to March 2023 and Sub-Group Head of Metro Manila Commercial Banking Group from January 2019 to January 2022.
Jose Antonio O. Vasco Senior Vice-President	Mr. Jose Antonio O. Vasco, Filipino, 56 years old, has been the Head of Operations Group under Enterprise Services Sector in May 2023 after serving as Deputy Head of Operations Group from February 2021 to April 2023.
Randell D. Victoriano Senior Vice-President	Mr. Randell D. Victoriano, Filipino, 58 years old, assumed the position as Head of Branch Banking – Countryside effective July 1, 2023. Prior to this, he was the Head of South Luzon Region from June 2019 to June 2023.
Marie Chorie Candice R. Chan First Vice-President	Ms. Marie Chorie Candice R. Chan, Filipino, 53 years old, has been the Head of Investment Distribution under Financial Markets Sector since January 2023. She was the Head of Investment Distribution-Countryside from 2017 to 2022; Head of Investment Distribution-Visayas & Mindanao from 2012-2017 and Head of Investment Distribution-Visayas from 2010 to 2012.
Ma. Victoria C. Delos Santos First Vice-President	Ms. Ma. Victoria C. Delos Santos, Filipino, 53 years old, has been the Head of Branch Operations Group under Branch Banking Sector since May 2025. She was the Area Head from 2018 to 2022 and Region Head from 2023 to 2025 of North Luzon.
Ken Brian P. Lamzon First Vice-President	Mr. Ken Brian P. Lamzon, Filipino, 52 years old, assumed the position of Head, Consumer Business Sector (CBS) – Operations Group in November 2025. He was the Deputy Head of CBS – Operations Group from August 2023 to November 2025. He was the Head of Customer Interaction Center Group of 2GO Group, Inc. from June 2021 to June 2023, Chief Operating Officer of Iconnect Convergence, Inc. from December 2017 to May 2021 and Head of Strategic Alliance and Synergies of SPI CRM, Inc. from November 2002 to December 2017.
Happy Mar S. Lomigo First Vice-President	Ms. Happy Mar S. Lomigo, Filipino, 49 years old, has been the Officer-in-Charge Head of Risk Management Group since September 16, 2025 and concurrently the Head of Enterprise and Quantitative Risk Division. She has been the Head of Enterprise and Quantitative Risk Division since May 7, 2018. She was the Head of Market and Liquidity Risk Division from April 16 to June 2020 and Product Structurer of Treasury Group from February 1 to April 15, 2016.

Name	Experience
John Christopher C. Lu First Vice-President	Mr. John Christopher C. Lu, Filipino, 43 years old, is the Head of Treasury Group effective January 1, 2025, concurrent with his role as the Head of Trading which he assumed last February 1, 2023. Prior to joining Metrobank, he was the Head of Product Engineering at Philippine National Bank from July 2019 to January 2023; Head of Global Markets at Maybank Philippines from March 2018 to June 2019 and served as Director for Rates Trading SEA at Standard Chartered Singapore from September 2012 to December 2018.
Maricel L. Madrid First Vice-President	Ms. Maricel L. Madrid, Filipino, 46 years old, has been the Controller since October 1, 2025 after serving as Deputy Controller from January 2024 to September 2025. She has been a Director of First Metro Securities Brokerage Corporation (FMSBC) since December 4, 2025; Chairman and Director of First Metro Insurance Brokers Corporation since June 2025 and PBC Capital Investment since June 2024; and Director of SBC Properties, Inc., Prima Ventures Development and Resiliency (SPC), Inc., since June 1, 2024. She was the Controller of FMIC from November 2017 to December 2023 and Controller of EastWest Banking Corporation from May 2011 to November 2017.
Janella Marie R. Panlilio First Vice-President	Atty. Janella Marie R. Panlilio, Filipino, 47 years old, assumed the position as Head of Legal & Remedial Services Group under the Financial and Control Sector effective January 1, 2024. She has been the Assistant Corporate Secretary of Metrobank since April 28, 2021 and was appointed Head of Legal Services Division (LSD) in September 2018.
Mikael Angelo S. Pasimio First Vice-President	Mr. Mikael Angelo S. Pasimio, Filipino, 44 years old, is the Officer-in-Charge of Institutional Sales under the Financial Markets Sector effective January 1, 2026. He was the Head of Corporates and Financial Institution Sales Division from January 2023 to December 2025 and Head of Institutional Sales Division from March 16, 2020 to January 1, 2023.
Reynaldo C. Siochi First Vice-President	Mr. Reynaldo C. Siochi, Filipino, 59 years old, assumed the position of Head of Operations Control Group (OCG) under the Financial and Control Sector effective January 1, 2025. He was the Deputy Head of OCG from January to December 2024 after serving as Branch Operations Control Division (BOCD) Head from June to December 2023 and BOCD Officer in Charge from December 2022 to May 2023. He was the South Luzon Control Center Head of Branch Supervision and Control Division from June 2018 to November 2022.
Noel Peter Z. Yuseco First Vice-President	Mr. Noel Peter Z. Yuseco, 57 years old, assumed the position of Head of Special Accounts Management Group (SAMG) under Institutional Banking Sector effective March 16, 2024. He was the Deputy Head of SAMG from August 16, 2023 to March 15, 2024. He was appointed as the Head of the Institutional Credit in 2022 and Head of the Credit Evaluation & Approval Division in 2019.

The above executive officers are not related to each other or to the directors either by consanguinity or affinity.

None of the Bank's directors and officers works with the government.

C. Significant Employee

Except for the above list of executive officers, there are no other significant employees as contemplated under the Securities Regulation Code (SRC).

Nomination Procedure

1. Any stockholder may submit nominations for directorial positions to the Nominations Committee.
2. The nominating stockholder is required to submit his proposed nomination to the Nominations Committee, together with the bio-data, acceptance and conformity of the would-be nominee. In the case of a nominee for the position of an independent director, the would-be nominee is also required to submit a Certification that he/she has all the qualifications and none of the disqualifications to become an independent director.
3. The Nominations Committee will screen the nominations of directors prior to the submission of the Definitive Information Statement and come up with a Final List of Candidates.

The Nominations Committee is composed of independent directors Juan Miguel L Escaler, Committee Chairman, with Edgar O. Chua, Philip G. Soliven and Marcelo C. Fernando, Jr. as Committee Members.

4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as director.

Nominee Directors - Final List of Candidates

Based on the Bank's Articles of Incorporation and By-laws, the total number of directors is twelve (12). Out of this number, existing regulations as well as the Bank's Corporate Governance Manual provide that at least twenty percent (20%) but not less than two (2) members of the Board shall be independent directors.

As of the date of this report, there are four (4) nominees for independent directors, namely, Atty. Angelica H. Lavares, Mr. Philip G. Soliven, Mr. Marcelo C. Fernando, Jr. and Mr. Juan Miguel L. Escaler. They were nominated by stockholders Maria Teresa Anna de Dios, June Uy Go, Maria Soledad S. De Leon, Margaret S. Gregorio, respectively. The nominees for independent directors are not related either by consanguinity or affinity to the persons who nominated them. Likewise, there are eight (8) nominees for non-independent director positions, namely, Messrs. Arthur Ty, Francisco C. Sebastian, Fabian S. Dee, Alfred Ty, Vicente R. Cuna Jr., Solomon S. Cua, Jose Vicente L. Alde and Anthony Paul C. Yap.

The nominees, with the exception of Anthony Paul C. Yap, are incumbent directors of the Bank. All twelve (12) nominees confirmed and accepted their nomination to become directors.

Mr. Anthony Paul C. Yap, Filipino, 49 years old, has been the Head of Overseas Banking Group since March 2024. He also Co-Heads the Bank's Commercial Segment since November 2022. Prior to this, he was the Head of Corporate Banking Group from January 2023 to December 2024; Head of Branch Banking Sector from October 2020 to December 2022; Head of Strategy & Transformation from January to September 2020; Head of Treasury Group from 2018 to 2019; Head of Trading from July 2016 to December 2017; and Head of Rates and Foreign Exchange Division from December 2013 to July 2016 after serving as Deputy Head from August to December 2013. He has also been a Non-Executive Director of MBCL since July 2025 and the Group Chairman of ORIX METRO since December 2022. He was an Advisor to the Board from April to December 2022 and was also a Member of the Board of Director of First Metro Asset Management, Inc. from January 2016 to June 2023. He holds a Bachelor of Arts in Economics (1997) and a Master of Business Administration (2002) from Ateneo de Manila University and completed the Advanced Management Program at Harvard Business School in 2024.

For a complete background information on the other nominee directors, please refer to item 5, Directors and Executive Officers.

Based on an evaluation made by the Nominations Committee, all nominees have the qualifications and none of the disqualifications provided by law. The evaluation was made following the requirements of the Securities Regulation Code, the applicable regulations of the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission (including SEC Memorandum Circular No. 4, series of 2017 on the term limit of independent directors), as well as the Bank's Corporate Governance Manual.

Pursuant to the requirements of SEC Circular No. 5, series of 2017, please refer to the attached certificates of qualification from the nominated independent directors as EXHIBITS "1", "2", "3" and "4".

Legal Proceedings

To the Bank's best knowledge and information, there are no material legal proceedings filed by or against Metrobank's directors and executive officers during the past five years such as:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Certain Relationships and Related Transactions

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 Bank 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 Bank 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. 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.

Moreover, 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, and ORIX Metro.

Transactions with related parties and with DOSRI are discussed in Note 32 and 37 of the audited financial statements of the Group as presented in Exhibit 5.

In 2026, none of the Bank's directors had self-dealing/related party transactions with the Bank directly by themselves that required disclosure.

Others

No director has resigned or declined to stand for re-election because of disagreement with Metrobank.

No director has informed Metrobank in writing that he intends to oppose any action to be taken up at the Annual Stockholders' Meeting.

Item 6. Compensation of Directors and Executive Officers

Name and Principal Position	2026 (Estimate)		
	Salary	Bonus	Other Annual Compensation *
Fabian S. Dee - President Vicente R. Cuna, Jr. - Senior Executive Vice President Fernand Antonio A. Tansingco - Senior Executive Vice President Mary Mylene A. Caparas - Executive Vice President Anthony Paul C. Yap - Executive Vice President			
Total for the President and four (4) other highest paid executive officers named above	₱287.85 million	₱36.66 million	
All executive officers as a group unnamed (except the President and four other highly compensated executive officers mentioned above)	₱484.28 million	₱54.49 million	
All Directors			₱71.00 million

Name and Principal Position	2025		
	Salary	Bonus	Other Annual Compensation *
Fabian S. Dee - President Vicente R. Cuna, Jr. - Senior Executive Vice President Fernand Antonio A. Tansingco - Senior Executive Vice President Mary Mylene A. Caparas - Executive Vice President Anthony Paul C. Yap - Executive Vice President			
Total for the President and four (4) other highest paid executive officers named above	₱271.55 million	₱34.58 million	
All executive officers as a group unnamed (except the President and four other highly compensated executive officers mentioned above)	₱456.87 million	₱51.41 million	
All Directors			₱70.76 million

Name and Principal Position	2024		
	Salary	Bonus	Other Annual Compensation *
Fabian S. Dee - President Vicente R. Cuna, Jr. - Senior Executive Vice President Joshua E. Naing - Senior Executive Vice President Fernand Antonio A. Tansingco - Senior Executive Vice President Mary Mylene A. Caparas - Executive Vice President			
Total for the President and four (4) other highest paid executive officers named above	₱271.28 million	₱50.79 million	
All executive officers as a group unnamed (except the President and four other highly compensated executive officers mentioned above)	₱503.34 million	₱92.09 million	
All Directors			₱70.76 million

* Each director receives a monthly professional fee for attending Board and committee meetings. In 2025 and 2024, the total per diem paid to the directors of the Bank is as follows (in millions):

Board Meetings	₱50.66
Board Committee Meetings	20.10
	₱70.76

The directors receive per diem, bonuses and allowances that are already included in the amounts stated above. Aside from said amounts, they have no other compensation plan or arrangement with the Bank. The directors receive compensation based on their banking or finance experience and their attendance in the meetings of the board and the

committees where they are members or chairs of. The directors receive a per diem of ₱308,333.33 for attending Board meetings and ₱38,500 for Committee meetings.

For the protection and security of its directors and officers, the Bank is unable to provide their individual compensation.

The executive officers receive salaries, bonuses and other usual cash benefits that are also already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with Metrobank.

None of the directors and officers holds any warrant or option related to Metrobank.

Item 7. Independent Public Accountants

SyCip Gorres Velayo & Co., CPAs (SGV) has been the external auditors of the Bank since 1962. Representatives of SGV are expected to be present at the Meeting and will have the opportunity to make a statement if they desire to do so, and will be available to answer appropriate questions from the stockholders.

Ms. Janet A. Paraiso, SGV Partner, reviewed/audited the Group's financial statements as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025. In compliance with the amended SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002 (increased to seven years effective August 2019 per Professional Regulatory Board of Accountancy Resolution No. 53, Series of 2019).

The Bank intends to retain SGV as its external auditors for the year 2026 and is submitting the same to the stockholders for ratification as endorsed by the Audit Committee with the approval of the Board of Directors.

C. OTHER MATTERS

I. Proposed Action

1. Approval of the minutes of the annual meeting of stockholders held on April 23, 2025 (Annex A):

Stockholders in Attendance Either Electronically through Video Conference or by Proxy

NAME OF SHAREHOLDERS	NUMBER OF SHARES	% TO TOTAL
GT Capital Holdings, Inc. (Represented by Arthur Ty)	1,674,025,950	37.22%
Chairman Arthur Ty	15,627,513	0.35%
Vice-Chairman Francisco C. Sebastian	742,283	0.02%
Director Vicente R. Cuna, Jr.	32,899	0.00%
Director Fabian Sy Dee	734	0.00%
Director Alfred Vy Ty	17,087,722	0.38%
Director Solomon S. Cua	113	0.00%
Director Jose Vicente L. Alde	100	0.00%
Director Edgar O. Chua	113	0.00%
Director Angelica H. Lavares	113	0.00%
Director Marcelo C. Fernando, Jr.	100	0.00%
Director Philip G. Soliven	30,100	0.00%
Director Juan Miguel L. Escaler	100	0.00%
BPI Securities Corporation	583,461	0.01%
LBP-TBG Third Party Custodianship & Registry Dept. (tcrd1000000)	2,631,790	0.06%
HSBC MNL CNC NOM 25\0450	324,287,215	7.21%
HSBC MNL CNC NOM 25\0451	35,630,833	0.79%
BPI Asset Management and Trust Corporation	8,541,989	0.19%
Nove Ferum Holdings, Inc.	76,226,918	1.69%
Deutsche Bank Manila - Clients A/C	229,208,087	5.10%
82 Alpha Holdings Corporation	54,871,292	1.22%
Grand Titan Capital Holdings, Inc	203,246,909	4.52%
Neiman Rhodes Holdings, Inc.	28,607,046	0.64%
Philippine Geiko Holdings, Inc.	28,276,333	0.63%

NAME OF SHAREHOLDERS	NUMBER OF SHARES	% TO TOTAL
Citibank N.A For Various Clients	214,627,962	4.77%
SCB OBO For Various Clients	16,464,067	0.37%
MBTC – Trust Banking Group	33,410,932	0.74%
Mary V. Ty	41,165	0.00%
Anjanette Dy Buncio	7,377,216	0.16%
Alesandra Vy Ty	7,708,695	0.17%
Grand Estate Property Corporation	3,252,694	0.07%
Ausan Resources Corporation	5,000,000	0.11%
Inter-Par Philippines Resources Corporation	11,440,580	0.25%
Horizon Royale Holdings, Inc.	11,769,104	0.26%
Various MBTC Stockholders	34,727,005	0.77%
Various Non-Resident Foreign Corporation	101,091,419	2.25%
Various Non-Resident Foreign Corporation Clients	21,321,840	0.47%
TOTAL	3,167,892,392	70.44%

- i. *Call to Order and Certification of Quorum.* The meeting was called to order by Chairman Arthur Ty at 2:00 o'clock in the afternoon. The Corporate Secretary, Regis V. Puno, certified that there were 3,167,892,392 common shares actually present in person or by proxy, out of the 4,497,415,555 common shares outstanding. This constituted 70.44% of the outstanding capital stock.

Voting Results Per Resolution

- ii. *Approval of the Minutes of the Annual Stockholders' Meeting held on April 24, 2024 via the following:*

99.96% of shareholders virtually present and represented voted in favor of the proposal, none voted against and 0.04% abstained.

RESOLUTION NO. 001-MBTC-SH-2025

RESOLVED, that the Minutes of the Annual Stockholders' Meeting held on April 24, 2024 be, as they are hereby approved.

- iii. *President's Report on the performance of Metrobank for 2024, as further detailed in the Annual Report for 2024.*

During the Meeting, the Host-Moderator Minda A. Olonan selected questions received via email and/or sent via the Q & A panel at ASMregistration@metrobank.com.ph

1. *From Bea Olba, proxy for Ma. Soledad S. De Leon:*

With impressive lending growth in 2024 outpacing the industry, what is your outlook moving forward and what can be the possible drivers of loan growth this year?

President Dee replied that Metrobank has been growing its portfolio at 1.5 to 2 times real GDP (9 to 12%), which is its base forecast for this year. He opined that potential upsides could come from the power sector, telecoms and the housing industry, particularly in the countryside, as critical components in driving growth for this year.

2. *From Micah Alvarez proxy for Atty. Rizalino C. Vineza:*

What is Metrobank's strategy and will it open more branches?

President Dee discussed that branch expansion is part of the Bank's strategy to sustain business growth, primarily in servicing the needs of its commercial customers and high net worth clients. With the opening of 14 branches this year and the consolidation of 3 which were not in optimal areas, the net increase in branches totaled 11. He added that management is also investing highly on Information Technology, focusing predominantly on self-served and digital platforms to complement its corporate and retail customers' need for convenience coming off a traditional branch.

- iv. *Ratification of All Acts and Resolutions of Management, Board and Management Committees including among others, the approval from April 24, 2024 to April 22, 2025.*

99.80% of shareholders virtually present and represented voted in favor, 0.10% voted against while 0.10% abstained.

RESOLUTION NO. 002-MBTC-SH-2025

RESOLVED, that all acts, transactions and resolutions of Management, Board and Management Committees and the Board of Directors, including among others, the approval of loans, investments, new Bank products and services and related party transactions, from April 24, 2024 to April 22, 2025, are hereby ratified and confirmed.

- v. *Election of Twelve (12) Directors for the Year 2025 - 2026*

Mr. Juan Miguel L. Escaler of the Nominations Committee, explained that the Nominations Committee and the Corporate Governance and Compensation Committee chaired by Atty. Angelica H. Lavares had jointly evaluated the qualifications of all nominees to the Board of Directors, and that the Committees found that the nominees had all the qualifications and none of the disqualifications prescribed by law and regulations, and that out of the twelve (12) nominees, five (5) were nominated as independent directors. Twelve (12) directors were elected for the year 2025-2026:

Each Director received at least 96.18% votes from shareholders present and represented.

RESOLUTION NO. 003-MBTC-SH-2025

RESOLVED, that the following are hereby elected as directors of Metrobank effective immediately and until the successors are elected and qualified:

1)	Mr. Arthur Ty	7)	Mr. Jose Vicente L. Alde
2)	Mr. Francisco C. Sebastian	8)	Mr. Edgar O. Chua*
3)	Mr. Fabian S. Dee	9)	Ms. Angelica H. Lavares*
4)	Mr. Alfred V. Ty	10)	Mr. Philip G. Soliven*
5)	Mr. Vicente R. Cuna, Jr.	11)	Mr. Marcelo C. Fernando, Jr.*
6)	Mr. Solomon S. Cua	12)	Mr. Juan Miguel L. Escaler*

** Independent directors*

- vi. *Appointment of SyCip Gorres Velayo & Co. as External Auditors via the following:*

97% of shareholders virtually present and represented voted in favor, 3% voted against while none abstained.

RESOLUTION NO. 004-MBTC-SH-2025

RESOLVED, that as recommended by the Audit Committee and approved by the Board of Directors, SyCip Gorres Velayo & Co. is hereby appointed as the External Auditors of Metrobank for the year 2025.

There being no other matters for discussion, the meeting was adjourned.

Description of the Voting and Voting Tabulation Procedures during the 2025 Annual Stockholders' Meeting

- Stockholders were allowed to vote by submitting an accomplished proxy or electronically by registering to ASMregistration@metrobank.com.ph and joining the Meeting through an official WEBEX event link sent thereafter*
- Votes were counted by shares and not per capita. Each outstanding share of stock entitled the registered stockholder to one vote.*
- Majority vote was required for the following:*
 - Approval of the minutes of the annual meeting of the stockholders held on April 24, 2024*
 - Ratification of Corporate Acts*
 - Appointment of External Auditors*

- d. *For the purpose of the election of the directors, cumulative voting was allowed provided that the total votes cast by a stockholder did not exceed the number of shares registered in the stockholders' name as of the record date multiplied by the number of directors to be elected.*
- e. *Votes received via the validated proxy and through the Official Webex Event Link were tabulated by the Company's Stock and Transfer Agent.*
- f. *The voting results were validated by SGV & Co.*

2. President's Report to the Stockholders

The President will report the highlights of Metrobank's Performance for the year 2025.

3. Ratification of Corporate Acts

The matters for ratification include all acts, transactions and resolutions of the Board of Directors, management and all Committees done in the ordinary course of business from April 23, 2025 until April 21, 2026, including, among others, the approval of loans, investments, new Bank products and services and significant related party transactions as reflected in the Information Statement.

- 4. Election of Directors - Please refer to the list of nominees under Item 5 - "Directors and Executive Officers - Nominee Directors" for the details.
- 5. Appointment of SyCip Gorres Velayo & Co. (SGV) as External Auditors – Please refer to the write-up under Item 7 – "Independent Public Accountants" for the details.

Votes Required for Approval or Election

1. Majority vote is required for the following:

- a) Approval of the minutes of the annual meeting of the stockholders held on April 23, 2025
- b) Ratification of Corporate Acts
- c) Appointment of External Auditors

On the election of directors, nominees receiving the highest number of votes shall be declared elected following the provisions of the Revised Corporation Code of the Philippines.

- 2. Every stockholder entitled to vote on a particular question or matter involved shall be entitled to one (1) vote for each share of stock in his name. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name as of the record date multiplied by the number of directors to be elected. Matters submitted to stockholders for ratification shall be decided by the required vote of stockholders present in person or by proxy.
- 3. Metrobank has not solicited any discretionary authority to cumulative voting.
- 4. Votes cast at the meeting shall be counted by the Bank's Stock Transfer Agent and validated by SGV & Co.

Please refer below to the detailed procedures for the registration, viewing of the Meeting, and voting during the Meeting.

Registration, Joining and Voting Procedures for the Meeting

Record Date. Stockholders of record as of March 9, 2026 shall be entitled to attend and vote at the Meeting.

Stockholders may attend the Meeting either through remote communication or by proxy. The Meeting will be recorded. All of the votes cast shall be validated by SGV & Co.

Pre-Registration. Stockholders who will participate remote communication should pre-register by sending an e-mail to ASMregistration@metrobank.com.ph on or before April 13, 2026 together with the following requirements:

For Certificated Stockholders:

(a) Individual Stockholders

- i. A scanned copy of the Stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
- ii. A valid and active e-mail address and contact number.
- iii. Electronically-signed documents are accepted pursuant to relevant laws.

(b) Corporate Stockholders

- i. A Secretary's Certificate attesting to the authority of the representative to participate by remote communication for and on behalf of the Corporation (in JPG format). The file size should be no larger than 2MB;
- ii. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
- iii. A valid and active e-mail address and contact number of the Stockholder's representative.
- iv. All documentary requirements must be notarized.

(c) Stockholders under Joint Accounts

In addition to the above requirements, a scanned copy of an authorization letter signed by all Stockholders jointly owning the shares designating who among them is authorized to cast the vote for the account has to be submitted. The authorization letter must also be in a digital, JPG format with a file size no larger than 2MB.

For Stockholders under PCD Participant/Broker account or "Scripless Shares"

- i. A broker certification on the Stockholder's number of shareholdings (in JPG format). The file size should be no larger than 2MB;
- ii. A scanned copy of the Stockholder's valid government-issued ID showing photo, signature and personal details, preferably with residential address (in JPG format). The file size should be no larger than 2MB;
- iii. A valid and active e-mail address and contact number.

Important Note: The Company shall continue to accept documents executed by individual stockholders via electronic signature pursuant to relevant laws. However, documents required to be submitted by corporations (such as the Secretary's Certificate and Broker's Certification) must be notarized. The Company reserves the right to request additional information, including submission of original signed and notarized copies of these documents at a later time. Incomplete or inconsistent information may result in an unsuccessful event registration. As a result, such Stockholders who are unable to provide the foregoing may not be allowed to participate in the virtual ASM.

Successful registrants will receive email event information from the following addresses:

Email address	Information/Instructions to be received
ASMregistration@metrobank.com.ph	An electronic invitation with complete guide on how to join the Meeting. Note: You will be asked to click a link which will lead you to the WEBEX registration page. As in any streaming platform, only your name and email address will be asked. You are not required to give any other personal information.
Metrobank Corporate Affairs messenger@webex.com	Official WEBEX event link

For registration concerns and questions related to the meeting and about Metrobank, please get in touch with us through ASMregistration@metrobank.com.ph.

Proxy. Stockholders who are unable to join the virtual Meeting may appoint an authorized representative on their behalf, download, fill-up and sign the sample Proxy Form found on <https://www.metrobank.com.ph/annual-stockholders-meeting-2026> and send a copy to ASMregistration@metrobank.com.ph on or before Monday, April 13, 2026.

The submitted proxies are subject to the joint validation of the Company's Stock and Transfer Agent and SGV & Co.

Questions About the Meeting and the Company.

You may send your questions regarding the conduct of the Meeting and the Company to investor.relations@metrobank.com.ph.

Electronic Copies of Relevant Documents. Pursuant to SEC Notice dated February 22, 2024, copies of the Notice of Meeting, Definitive Information Statement and other related documents in connection with the Meeting may be accessed through the Company's website <https://www.metrobank.com.ph/annual-stockholders-meeting-2026> and through the PSE Edge Portal <https://edge.pse.com.ph>.

Metrobank's Dividend Policy Statement

The Bank's dividend policy is part of its capital management process that ensures the Bank has sufficient resources to support long term growth. At the same time, it aims to improve the returns to shareholders.

In February 2026, the Board approved the following:

- The annual regular cash dividend of Php3.00 per common share, which is equivalent to 15% of par value. The regular cash dividend will be paid in two (2) equal semi-annual tranches of Php1.50 per common share, in March and in September 2026.
- A special cash dividend of Php2.00 per common share, payable in March 2026.

The Board determines according to laws and regulations how the dividends are declared and paid out of the Bank's unrestricted retained earnings.

The majority of the Board approves the declaration of cash dividends. The record date should not be earlier than ten trading days from the declaration, while payment date should not be later than eighteen trading days from the record date. Meanwhile, stock dividends require prior clearance from the BSP, the SEC, and the PSE.

The Board may also approve special cash dividends in addition to the regular cash dividends from time to time. The cash dividend payout depends on the Bank's earnings, cash flows, financial condition, and regulatory requirements for capital, among other factors.

On the other hand, payout may be restricted should the Bank undertake major projects and developments that will require substantial cash outflow, among other circumstances. In these cases, the Board may change the dividend ratio based on results of its operations, plans, and projects.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in **TAGUIG CITY** on March 25, 2026.

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this statement to be signed on its behalf by the undersigned hereunto duly authorized.

METROPOLITAN BANK & TRUST COMPANY

By:



REGIS V. PUNO
Corporate Secretary

SUBSCRIBED AND SWORN to before me at **TAGUIG CITY**, Metro Manila this **MAR 25 2026**, affiants exhibiting to me his Passport with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
REGIS V. PUNO			

Doc. No. 53 ;
Page No. 12 ;
Book No. 10 ;
Series of 2026

ATTY. FENNA MARIE A. TILOS-ATIGA
NOTARY PUBLIC, CITY OF TAGUIG
APPOINTMENT NO. 30 - UNTIL DECEMBER 31, 2027
2/F THE SHOPS, GRAND CENTRAL PARK,
7TH AVE. COR. 36TH AND 38TH ST. NORTH BONIFACIO
DISTRICT, BGC, TAGUIG CITY



METROPOLITAN BANK & TRUST COMPANY

PART I – BUSINESS

DESCRIPTION OF BUSINESS

1. Business Development

Metropolitan Bank & Trust Company (“Metrobank” or “the Bank”) was incorporated on April 6, 1962 by a group of Filipino businessmen to provide financial services to the Filipino-Chinese community. Since its formation, the Bank has diversified its business, and to date provides a broad range of banking and collateral services to all sectors of the Philippine economy. The original Certification of Incorporation of the Bank was issued by the Securities and Exchange Commission (SEC) for a 50-year corporate term. The SEC approved the renewal on November 19, 2007.

The Bank opened its first office in Binondo, Manila on September 5, 1962. Within a year, the Bank opened its second branch in Divisoria, Manila. Soon after, the Bank started expanding outside Manila with the opening of its first provincial branch in Davao. In 1975, the Bank rolled out its first international branch in Taipei, followed by offices in New York, Guam, Hong Kong, and Tokyo towards the early 1980s. Initially, the role of the Bank’s foreign offices was to tap into the expanding Overseas Filipino Workers (OFW) remittance business and to complement its corresponding branch network. This strategy proved successful as the OFW market grew strongly and the political turbulence in the Philippines made access to foreign exchange difficult. It was during this period that the Bank started its Foreign Currency Deposit Unit (FCDU) operations. The Philippine Central Bank authorized Metrobank to operate its FCDU on April 15, 1977.

In November 1980, the SEC approved and certified the listing of 500,000 common shares of Metrobank’s capital stock. On February 26, 1981, Metrobank’s common shares were listed on the Makati Stock Exchange Inc. and the Manila Stock Exchange (which have since unified to become The Philippine Stock Exchange, Inc. or PSE), with the trading symbol of **MBT**.

On August 21, 1981, Metrobank became one of the first to be granted a universal banking license by the Philippine Central Bank, now Bangko Sentral ng Pilipinas (BSP). This license allowed the Bank to engage in “non-allied undertakings” which include automobile manufacturing, travel services and real estate, as well as finance-related businesses such as insurance, savings and retail banking, credit card services and leasing.

On August 13, 2013, the SEC approved the amendment of the Articles of Incorporation of the Bank increasing its authorized capital stock from ₱50 billion to ₱100 billion composed of 4.0 billion common shares and 1.0 billion non-voting preferred shares, each with a par value of ₱20 per share. The Bank declared a 30% stock dividend equivalent to 633.4 million common shares (approved for listing by PSE on September 10, 2013) which was applied as payment for the required minimum 25% subscription to the increase in authorized capital stock. Total outstanding shares increased to 2,744,801,066 after the stock dividend.

On February 24, 2015, the SEC confirmed the exemption of a rights offer for up to ₱32.0 billion worth of common shares from the registration requirements under Section 8 of the Securities Regulation Code. Subsequently, in April 2015, the Bank completed a rights offer for 435,371,720 common shares with par value of ₱20.00. Total outstanding shares increased to 3,180,172,786 after the transaction. On April 12, 2018, the Bank completed another stock rights offer for 799,842,250 common shares with par value of ₱20.00. Total outstanding shares increased to 3,980,015,036 after the transaction.

On October 4, 2019, the SEC approved the amendment of the Articles of Incorporation of the Bank increasing its authorized capital stock from ₱100 billion to ₱140 billion composed of 6.0 billion common shares and 1.0 billion non-voting preferred shares, each with a par value of ₱20 per share. The Bank declared a 13% stock dividend equivalent to 517.4 million common shares (approved for listing by PSE on November 19, 2019) which was applied as payment for the required minimum 25% subscription to the increase in authorized capital stock. Total outstanding shares increased to 4,497,415,555 after the stock dividend.

On March 13, 2019, the respective BODs of the Bank and Metrobank Card Corporation (MCC) approved the proposal to merge MCC into the Bank which will unlock the value of MCC and help realize the following objectives: (1) improve synergy and cross-sell; (2) increase the profitability and improve capital efficiency; and (3) enable the Bank to be more competitive in the credit card business. The proposed merger was ratified by the stockholders of the Bank on April 24, 2019, approved by the BSP on October 23, 2019, and approved by the SEC on January 3, 2020.

2. Business of Registrant

Services/Customers/Clients

Metrobank offers a complete range of commercial and investment banking services. The Bank's customer base covers a cross section of the top Philippine corporate market. The Bank has always been particularly strong in the middle market corporate sector, a significant proportion of which consists of Filipino-Chinese business.

Metrobank and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, stock brokering, real estate and insurance brokering. As a bank, Metrobank, which is the ultimate parent of the Group, provides products and services such as deposits, loans and trade finance, credit card products, programs and facilities, electronic banking facilities, cash management, domestic and foreign fund transfers, treasury products, remittances, institutional fund-management, private banking and trust services. The Bank is also a major participant in the Philippine foreign exchange market. It is accredited as a Government Securities Eligible Dealer (GSED) and has played an active role in the development of the domestic capital markets.

The Bank provides investment banking services through FMIC and retail banking through the Bank and its subsidiary Philippine Savings Bank (PSBank).

Contribution to Sales/Revenues

The net interest income derived from lending, investment and borrowing activities represents 78.84%, 79.19% and 78.13% of the Group's revenue net of interest and finance charges in 2025, 2024 and 2023, respectively. Other operating income (consisting of service charges, fees and commissions; net trading and securities gain/(loss); net foreign exchange gain/(loss); leasing income; profit from assets sold; income from trust operations; dividend income and miscellaneous income) and share in net income of associates and a joint venture account for 21.16%, 20.81% and 21.87% of the Group's revenue net of interest and finance charges in 2025, 2024 and 2023, respectively.

Contribution of Foreign Offices

The percentage contributions of the Group's offices in Asia, the United States and Europe to the Group's revenue, net of interest and finance charges, and external net operating income for the years 2025, 2024 and 2023 are as follows:

Offices in	Year	Percentage Contribution to	
		Revenue, Net	External Net Operating Income
Asia (Other than Philippines)	2025	3.29	3.27
	2024	3.37	3.34
	2023	3.81	3.86
United States	2025	0.35	0.38
	2024	0.39	0.41
	2023	0.49	0.52
Europe	2025	0.03	0.03
	2024	0.03	0.03
	2023	0.03	0.03

Significant Subsidiaries

1. First Metro Investment Corporation (FMIC)

FMIC is an investment house incorporated on June 25, 1963, with principal place of business at 45th Floor, GT Tower International, Ayala Avenue corner H.V. dela Costa Street, Makati City. On September 22, 2000, FMIC was merged with Solidbank Corporation (Solidbank) with Solidbank as the surviving entity and subsequently renamed as First Metro Investment Corporation. The Parent Company's shares of stock (originally Solidbank) were listed in the PSE on October 25, 1963 and were subsequently delisted effective December 21, 2012. FMIC is a 99.3%-owned subsidiary of Metrobank.

On March 25, 2021, FMIC's application to return its quasi-banking (QB) license was approved by the BSP. The return of the company's QB license was part of its transformation plan to strengthen its core business of investment banking and forge greater synergy with its Parent Company, Metrobank and subsidiary, First Metro Securities. This new strategy will allow the company to better serve the needs of its clients, respond aptly to the changing demands of the market and contribute more effectively in the development of the Philippine capital markets.

FMIC is primarily engaged in the business of investment banking. The company and its subsidiary offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, equity brokering, online trading, and research. It operates through its main strategic unit, the Investment Banking Group (IBG). IBG manages the investment banking business of the company. FMIC stands at the forefront of the Philippine capital markets as the investment bank of choice for prominent corporations and government agencies. Its track record in debt and equity underwriting rests on its key strength in origination, structuring and execution. The investment bank perennially engages in the lion's share of transactions in the debt and equities markets.

FMIC is widely recognized as a leader in debt capital market issuances. The company provides debt financing solutions to help achieve client objectives that normally include expansion plans, refinancing, strategic acquisitions or buy-outs, or complex project financing. For years, it has been actively involved in originating and underwriting Philippines equity issuances, whether private placement or public offering. IBG integrates its expertise and experience in structuring, execution, and distribution to provide optimal solutions for its clients' capital requirements. FMIC is also a PSE-accredited financial advisor providing strategic advice on enhancing corporate value, selecting optimal fundraising structure, and addressing valuation issues.

On October 30, 2024, the Board of First Metro Investment Corporation ("FMIC") signed the Share Purchase Agreement for the sale of its 70% stake in First Metro Asset Management, Inc (FAMI) to MET Holdings, Inc. of the ATRAM Group. On December 18, 2024, FMIC executed a Deed of Absolute Sale with ATR Financial Holdings, Inc., following MET Holdings Inc.'s execution of an Accession Agreement transferring its rights to ATR. The sale was part of FMIC's strategy to focus on the investment banking business.

2. Philippine Savings Bank (PSBank)

PSBank was incorporated on June 30, 1959 to primarily engage in savings and mortgage banking. PSBank is the country's first publicly listed thrift bank. Its principal office is located at the PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City. PSBank is 88.38%-owned subsidiary of Metrobank.

It has outpaced some of its key competitors and is now the country's leading thrift bank in terms of assets. It mainly caters the retail and consumer markets and offers a wide range of products and services such as deposits, loans, treasury and trust functions. PSBank's network comprises 250 branches and 509 ATMs in strategic locations nationwide.

PSBank has a 30% interest in Sumisho Motor Finance Corporation (SMFC), a joint venture with Sumitomo Corporation of Japan. SMFC is not listed in the stock exchange.

3. ORIX METRO Leasing and Finance Corporation (ORIX METRO)

ORIX METRO was incorporated in the Philippines and was registered with the SEC on June 28, 1977. Its primary purpose is to engage in financing by leasing all kinds of real and personal property; to extend credit facilities to consumers and enterprises by discounting commercial papers or accounts receivable, or by buying or selling evidence of indebtedness. On August 24, 2007, ORIX METRO was authorized by the BSP to engage in quasi-banking functions. ORIX METRO was engaged in quasi-banking functions effective January 1, 2008.

ORIX METRO is owned by Orix Corporation, Metrobank and FMIC, with shareholdings of 40%, 40%, and 20%, respectively. Metrobank is the Parent Company of ORIX METRO and its subsidiaries. The registered office address of ORIX METRO is at 21st Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, Makati City.

On April 20, 2022, the BOD of ORIX METRO approved the voluntary surrender of its quasi-banking license. On June 23, 2022, ORIX METRO's application to return its quasi-banking license was approved by the BSP.

4. Metropolitan Bank (China) Ltd. (MBCL)

MBCL is a wholly-owned subsidiary of Metrobank established in the People's Republic of China with the approval of China Banking Regulatory Commission (CBRC) (now China Banking Regulatory and Insurance Commission) on January 14, 2010. Within the territory of China, MBCL may engage in provision of all kinds of foreign exchange services to all types of customers and except for PRC citizens, provide all kinds of Renminbi services to all types of customers, with the business scope to include: accepting deposits; granting short-term, medium-term and long-term loans; handling acceptance and discount of negotiable instruments; buying and selling treasury bonds, financial bonds and other foreign exchange securities (other than stocks); offering L/C services and guarantees; arranging settlements of both domestic and overseas accounts; buying and selling foreign exchange either for itself or on behalf of its clients; handling insurance business as an agent; undertaking inter-bank borrowing or lending; providing service of safety deposit box; providing credit standing investigation and consultation service; and other business activities as approved by CBRC.

MBCL started its operations on March 2, 2010. Its headquarters is located in Nanjing, Jiangsu Province. It is the first wholly foreign-owned bank incorporated in Jiangsu Province, China. The former Metrobank Shanghai Branch and Pudong Sub-Branch were absorbed by MBCL. At present, aside from its Head Office, MBCL has nine (9) branches/sub-branches as follows: Nanjing Branch, Shanghai Branch, Shanghai-Pudong Sub-Branch, Changzhou Branch, Quanzhou Branch, Changzhou Wujin Sub-Branch, Xiamen Branch, Suzhou Branch and Ningbo Branch.

5. First Metro International Investment Company Limited (FMIIC)

FMIIC is a Hong Kong-registered company incorporated in 1972. It was engaged mainly in deposit-taking, loans, and remittances. However, since 2008, its activity have been limited to investments; non-operating entity. Metrobank acquired majority shares in FMIIC in 1978. FMIIC is 100% owned by Metrobank.

6. Metro Remittance (Hong Kong) Limited (MRHKL)

A wholly-owned subsidiary of Metrobank incorporated in October 1994 to provide money transmission services in Hong Kong. At present, MRHKL has two (2) branches located in United Centre and Worldwide House.

7. Metro Remittance (Singapore) Pte. Ltd.

A wholly-owned remittance subsidiary of Metrobank established in April 2004 to conduct money-changing businesses and provide remittance services to Filipinos and other nationals in Singapore. The Company started commercial operations on November 12, 2004.

8. First Metro Holdings USA Inc. (FMHUSAI)

A wholly-owned remittance subsidiary of Metrobank was initially established to pursue the plan of expanding its remittance operations in California, U.S.A. On December 28, 2017, Metro Remittance (USA), Inc. (MRUSAI) was merged with Metro Remittance Center, Inc. (a wholly-owned subsidiary of Metrobank incorporated under the General Corporation Law of the State of Delaware on November 12, 1992). MRUSAI, as a surviving company, reclassified its business type from a money service business to a holding company effective August 1, 2019. MRUSAI changed its name to First Metro Holdings USA, Inc. effective August 30, 2024. Its subsidiaries are:

- Metro Remittance (Canada), Inc. (MRCI)

The Company was established to further strengthen the Bank's presence and address the remittance needs of the growing number of Filipinos in Canada. Its branches are located in Vancouver and Toronto which opened on August 1 and November 6, 2006, respectively.

- MB Remittance Center Hawaii, Ltd.
The Company, established in 2002 and acquired by MRCI in 2005, provides money transmission services to Filipinos in Hawaii.

9. Metro Remittance (UK) Limited (MRUK)

Metrobank acquired all of the outstanding shares of MRUK in May 2004. It was incorporated on September 24, 2002 in England as a private limited company and commenced trading at its premises at Kensington Church Street in London on June 4, 2003. The Company provides fast, secure and affordable money transmission services to the Philippines. It utilizes on-line, real-time computerized links with Metrobank which completes the funds delivery processes to named beneficiaries.

10. Metro Remittance (Japan) Co. Ltd. (MR Japan)

A wholly-owned subsidiary of Metrobank incorporated in Yokohama, Japan on May 8, 2013. It started its remittance operations on October 31, 2013. The Company was established to expand the Bank's presence as well as to strengthen its remittance business in Japan.

11. First Metro Insurance and Reinsurance Brokers, Inc. (FMIRBI)

FMIRBI is a wholly owned subsidiary of Metrobank that was incorporated on April 11, 2024. The Company was established to act as an insurance/reinsurance/HMO broker and to offer general and special management and advisory services.

Distribution Methods of Products and Services

To remain strongly positioned and retain its leadership, Metrobank continued to upgrade and expand its distribution channels:

1. Branches

Metrobank ended the year 2025 with 717 branches. The Bank believes that it has reached its optimal state in terms of its branch network and is confident that it has the size and scale to pursue its growth plans.

2. Remittance Centers

To further expand the remittance business of the Bank and its presence in the international market, remittance alliances were established between the Bank and several well-established businesses in the country.

2025 - New International Remittance Tie-Ups

- a. Remitech Finance International Co. Ltd.
- b. National Bank of Oman
- c. AlfaNow Payment Services LLC
- d. Eastern Union Interactive Corp.
- e. Maxitransfers, LLC
- f. Lotus Group Ent. Sdn Bhd
- g. Transfast Financial Services, S.A

3. ATMs

Metrobank operates a nationwide network of 1,734 Automated Teller Machines (ATMs), providing a broad range of financial and non-financial transactions to its clients, as well as to BancNet member banks and international cardholders of Mastercard, Visa, JCB, UPI, and KFTC. As the first bank in the Philippines to secure EMV-chip (Euro MasterCard VISA) certification and to further enhance customer convenience, the Bank operates 50 Cash Accept Machines (CAMs) for real-time cash deposits, and 10 Withdrawal and Deposit Machines (WDMs) in select branches to support both withdrawal and deposit transactions. All machines are equipped with advanced security features and support both card-present and cardless transactions, ensuring safe, reliable, and convenient banking services that meet the evolving needs of our clients. These self-service channels constitute a critical component of the Bank's branch transformation initiative, which seeks to migrate over-the-counter (OTC) transactions to efficient self-service solutions.

4. Mobile Banking App

The Metrobank App is Metrobank's mobile banking channel which allows clients to do various banking transactions through the convenience of their mobile phone anytime, anywhere.

5. Metrobank Online

Metrobank Online is Metrobank's internet banking service that features a mobile-optimized user interface, allowing customers to do various banking transactions conveniently, 24/7.

6. Metrobank Business Online Solution (MBOS) is a web-based application that provides real-time access to client account statement and transaction history. Corporate enrolled in the facility can likewise initiate transactions at their own convenience. A fully integrated platform that supports latest technology that the market needs. MBOS embodies new functionalities for Cash and Trade solution for corporate clients.

7. E-Government Facilities

- Tax Direct facility is a web based payment facility of Metrobank that allows both retail and corporate clients to pay their tax dues on tax returns filed through the BIR EFPS website.
- Bancnet's eGov Payment facility is a highly convenient online service that allows clients to electronically remit their monthly SSS, Philhealth and PAG-IBIG contributions and loan payments.

8. Direct Sales and Telesales for Credit Card Products and Services

- Branch Sales - These are the stand-alone bank branches of the banks where both existing and new-to-bank customers are tapped by the Bank for credit card cross-sell.
- Direct Sales - This is a combination of internal and third-party channel used by the Bank to market and sell its credit card products outside of its physical locations and offer services to open market segment.
- Telesales - The Bank's channel is a dedicated team of accredited third-party telesales agents and representatives facilitating credit card applications and promotions of the Bank. It involves contacting potential customers by phone to offer them products and services and operates during specified hours and is staffed by trained professionals who are dedicated to providing excellent customer service.
- Digital – Several digital channels provide easy access for our customers wherever they are, whenever they need to get in touch with Metrobank:
 - a) Online Credit Card Application via metrobank.com.ph – is the bank's exclusive page for credit card applications online.
 - b) Metrobank Interactive Assistant (MIA) – is the bank's chatbot, designed for credit card services, is accessible 24/7 via Facebook Messenger. The MIA Chatbot assists customers with new credit card applications, provides access to exclusive and special card promotions, connects users to the AXA insurance website, and enables transactions such as checking credit card balances, viewing recent transactions, checking rewards points and catalogs, redeeming rewards, and using PayNow services.
 - c) Metrobank Card Page Facebook Messenger – is the bank's live chat facility available from 8am to 4pm on business days which cater credit card application by providing the link to Online Credit Card Application and MIA. Social media community managers and the bank's customer service representatives provide the necessary assistance to customers for their promo inquiries, credit card applications and other services.
 - d) Mobile Banking Online Application (MBOA) – is the bank's newly launched app available in iOS and Android where customers can enjoy enhanced features available for their debit and credit card accounts with Metrobank. Customers can check their detailed transactions, credit card utilization and availment of other services such as bills payments, PayNow via Send Money, Balance Transfer, Cash2Go and Balance Conversion.

- Contact Center – is the bank’s customer service team facilitating credit card applications received from customers who contacted the bank’s customer hotline and email.

Competition

The Bank faces competition from both domestic and foreign banks. Currently, there are about six foreign universal banks and eighteen branches of foreign commercial banks operating in the country since the liberalization of the banking industry by the Government in 1994 and in 2014, that compete with local banks, including Metrobank, for deposits, loans and related products.

As of February 19, 2026, the Philippine universal/commercial banking sector consisted of 44 banks, including 26 foreign bank entities. In terms of classification, there are 22 universal banks and 22 commercial banks. Of the 22 universal banks, 13 are private domestic banks, three (3) are government banks and six (6) are branches of foreign banks. Of the 22 commercial banks, 2 are private domestic banks, two (2) are subsidiaries of foreign banks, and 18 are branches of foreign banks. The ten (10) largest universal/commercial banks in the country accounted for over 85% of total assets, loans and total deposits of the universal/commercial banking system based on published statements of condition as of September 30, 2025.

Products and services offered by the larger commercial banks are fairly similar, and banks have used competitive pricing and greater accessibility through branch and digital channels to attract clients. Aside from customer coverage and accessibility, customer experience and security of transactions are also among the key differentiating factors. The smaller domestic banks and foreign banks, on the other hand usually operate in smaller niche markets. The BSP has been encouraging consolidation among banks in order to strengthen the Philippine banking system. Mergers and consolidations may result in greater competition as it strengthens the financial capabilities of a smaller group of “top tier” banks. In December 2016, the BSP issued a memorandum providing regulatory incentives for mergers, consolidations and acquisition of majority or all outstanding shares of stock of a bank or quasi bank.

Innovations and Promotions

In 2025, the Metrobank Group continued to introduce campaigns and promotions to address the market’s needs.

- The NEW Metrobank App achieved 48% retail digital user penetration as of end-2025 with active user base itself rising 14% to almost 1.4 million active users out of over 2.3 million total retail digital users.
- Metrobank’s consumer banking segment launched its digital e-Savings deposit product and further enhanced its existing Visa Travel Signature Card and its Card Value Proposition (CVP) in general. Ongoing process improvements resulted in faster credit decision turnaround times and superior customer experience.
- Metrobank Wealth Manager (WM) and Metrobank Operations Support Engine (MOSE) platforms posted robust growth, reinforcing their roles as the primary financial education and investment research and strategy execution tool, through Order Management System, and multi-segment digital operations platform.
- PSBank enhanced several of its digital, customer-facing platforms to make them more user-friendly and convenient for customers to use. These include:
 1. PSBank Mobile
 - Online account opening with eKYC: Fully digital process thru MBOA eliminating manual steps like video calls for customer verification.
 2. Facebook Messenger Chatbot (ISSA)
 - Customers are now able to request documents about their loan thru PSBank’s FB Messenger and to schedule of release and claiming of original loan documents.
 3. PSBank Online
 - New Geo-location feature that identifies user’s location based on where they log in.

Meanwhile, PSBank has also been improving back-end processes such as employing AI to make searching for and sharing information internally through our intranet more efficient. PSBank SME loan processing is now fully automated from encoding up to credit decision.

- AXA Philippines updated and enhanced several existing products like AXA Equity Income Paying Fund, AXA Variable Income Fund, Asset Master with Top-Up Feature, AllShield, MSME Secure and Group Personal Accident. These products fulfill various customer needs like life and non-life protection for both group and individuals, accrual income, business insurance for large companies and SMEs.
- FMIC facilitated the project financing for the development of the world's largest integrated solar farm and battery storage facility and for the construction of a pumped storage hydroelectric power plant by a local conglomerate. Also, three of FMIC's deals in 2025 were recognized for excellence, namely Alpha Southeast Asia 19th Annual Deal & Solution Awards Best Local Currency Bond (SM Prime Holdings), Best IPO for Retail Investors in Asia (Maynilad) and Best Equity/IPO Deal of the Year in the Philippines (Maynilad).
- In 2025, FirstMetroSec continued to strengthen its trading ecosystem and investment access capabilities. Complementing the broader Metrobank Group distribution network, the company enhanced its ability to facilitate access to fixed-income investment opportunities, helping make this asset class more accessible to retail and emerging investors seeking diversification and income-generating options.

In parallel, the company advanced its digital transformation with the launch of Active Trader, an advanced trading interface designed for more market-active investors. Featuring real-time market data, enhanced charting tools, and integrated order execution, Active Trader enables users to respond more efficiently to market movements while maintaining clarity and ease of use.

Throughout the year, the company conducted 680 financial literacy events, including webinars, on-site events, and podcast episodes, reaching over 165,000 Filipinos nationwide.

Transactions with and/or Dependence on Related Parties

Transactions with related parties and with certain directors, officers, stockholders and related interests (DOSRI) are discussed in Notes 32 and 37 of the audited financial statements of the Group as presented in Exhibit 5.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements Held

The Bank's major products and service lines are sold through Metrobank the following trade names or trademarks, among others:

1. For ATMs: Metrobank Prime Debit Card, Metrobank Debit Card and Metrobank Prepaid Card
2. For credit cards: Metrobank Rewards Plus Visa; Metrobank Titanium Mastercard; Metrobank Cashback Visa; Metrobank Travel Signature Visa; Metrobank Peso Platinum Mastercard; Metrobank World Mastercard; Metrobank MFree Mastercard; Toyota Mastercard; PSBank Credit Mastercard; Metrobank Dollar Mastercard and Metrobank Corporate Mastercard.
Features: Cash2Go; Balance Transfer; Bills2Pay; M Here (Shopping Perks & Privileges); Rewards and PayNow.
Prepaid Card: YAZZ Reloadable Prepaid Visa; Victory Liner Premiere Visa; PisoPay Prepaid Visa; AXA Rewards Card; Ardeur Bonus Card; JAC Liner My Ride Prepaid VISA; WeEvolve Prepaid VISA; UniPrint Elite Prepaid VISA; IAM Worldwide Prepaid VISA; GMBT Premier Prepaid VISA; Synergreens Prepaid Visa; Rusty Lopez Rewards Prepaid VISA; Metrobank Prepaid Mastercard; Metrobank PayCard; Sta. Ana Multipurpose Cooperative Prepaid Mastercard and STI Alumni Association Prepaid Mastercard.
3. For internet banking: Metrobank Online and MBOS
4. For mobile banking: Metrobank Online App
5. For remittance services: MetroRemit and PayStation
6. For consumer lending: Metrobank Personal Loan, Metrobank Home Loan and Metrobank Car Loan
7. For special current account: AccountOne
8. For special savings account for kids below 17 years old.: Fun Savers Club
9. For Trust products: Metro Money Market Fund; Metro Short Term Bond Fund; Metro Max-3 Bond Fund; Metro Max-5 Bond Fund; Metro Corporate Bond Fund; Metro Balanced Fund; Metro Unit Paying Fund; Metro Equity Fund; Metro Philippine Equity Index Tracker Fund; Metro High Dividend Yield Unit Paying Fund; Metro Multi-Themed Equity Fund of Funds; Metro Clean Energy Equity Feeder Fund; Metro\$ Money Market Fund; Metro\$ Short Term Bond Fund; Metro\$ Max-3 Bond Fund; Metro\$ Max-5 Bond Fund; Metro\$ Asian Investment Grade Bond Fund; Metro\$ World Equity Feeder Fund; Metro\$ Eurozone Equity Feeder Fund; Metro\$ US Equity Feeder Fund; Metro\$ Japan Equity Feeder Fund; Metro\$ US Investment Grade

Corporate Bond Feeder Fund; Metro Aspire Bond Feeder Fund, Metro Aspire Balanced Feeder Fund, Metro Aspire Equity Feeder Fund; Metrobank PERA Money Market Fund, Metrobank PERA Bond Fund, Metrobank PERA Equity Fund and Metro\$ China Equity Feeder Fund.

Corporate licenses include the following:

1. For Metrobank: expanded commercial banking license, FCDU license, license for trust operations, type 2 limited dealer authority, government securities eligible dealer (GSED) with broker-dealer of securities functions and type 1 expanded dealer authority for derivatives
2. For PSBank: thrift banking license, FCDU license, license for trust operations, GSED (non-market maker) as dealer-broker, type 3 limited user authority and quasi-banking license
3. For FMIC: investment house engaged in dealing government securities
4. For ORIX Metro: financing company
5. For MBCL: financial license to expire on January 13, 2040
6. For FMIRBI: insurance and reinsurance broker from January 1, 2025 to December 31, 2027 and HMO broker from March 5, 2025 to December 31, 2027

All the Bank's trademark registrations are valid for 10 years. The Bank closely monitors the renewal dates of registrations to protect and secure its rights to these trademarks. Corporate licenses issued by different regulatory bodies have no specific expiration dates except for the GSED licenses of Metrobank, FMIC and PSBank which is renewable annually every November.

Government Approval of Principal Products or Services

The Group regularly obtains approvals and permits from regulatory bodies and agencies, as applicable, prior to the offering of its products and services to the public.

Effect of Existing or Probable Government Regulations

BSP Reporting

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the compliance with regulatory requirements and ratios is based on the amount of the "unimpaired capital" (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that differ from PFRS in some respects.

The Group complied with BSP Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements, which provides the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. BSP Circular No. 781 sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00%, Tier 1 capital ratio of 7.50% and total Capital Adequacy Ratio (CAR) of 10.00%, and requires capital conservation buffer of 2.50% of CET1 capital. These ratios shall be maintained at all times. Further, BSP Circular No. 856 covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer (CCB) and countercyclical capital buffer (CCYB).

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations. The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

The Internal Capital Adequacy Assessment Process (ICAAP) supplements the BSP's risk-based capital adequacy framework. In compliance with this, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget as well as regulatory edicts.

Basel III Leverage Ratio (BLR)

BSP Circular Nos. 881 and 990 (which were issued by BSP on June 9, 2015 and January 22, 2018, respectively) cover the implementing guidelines on the BLR framework designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%.

Liquidity Coverage Ratio (LCR)

BSP Circular No. 905 (which was issued by BSP on March 10, 2016) provides the implementing guidelines on LCR and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows which should not be lower than 100.00%.

Net Stable Funding Ratio (NSFR)

On June 6, 2018, the BSP issued BSP Circular No.1007 covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards – NSFR. The NSFR is aimed to promote long-term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short term resilience of a bank's liquidity profile. Banks shall maintain an NSFR of at least 100 percent (100.00%) at all times.

The details of CAR, BLR, LCR and NSFR of the Group and the Bank, as reported to the BSP, are discussed in Note 4 of the Audited Financial Statements as presented in Exhibit 5.

Applicable Tax Regulations

Under Philippine tax laws, the Bank and its domestic subsidiaries are subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include regular corporate income tax (RCIT) and final taxes paid on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate for large corporations from 30% to 25% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20% of the interest income subjected to final tax.

The regulations also provide for Minimum Corporate Income Tax (MCIT) of 2.00% (provided that effective July 1, 2020 until June 30, 2023, the rate shall be 1%) on modified gross income and allow a Net Operating Loss carry-over (NOLCO). The MCIT and NOLCO may be applied against the Bank and its domestic subsidiaries' income tax liability and taxable income, respectively, over a three-year period from the year of inception. RA No. 11494 or the Bayanihan to Recover as One Act (Bayanihan Act) extended the allowable carry-over period of NOLCO to the next five (5) consecutive years following the year of loss for losses incurred during the taxable years 2020 and 2021. The NOLCO for such can be carried over as a deduction even after the expiration of the Bayanihan Act, provided that same are claimed within the next five (5) consecutive taxable years immediately following the year of the loss.

Current tax regulations also provide for the ceiling on the amount of Entertainment, Amusement and Representation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Bank and its domestic subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

Income derived by the FCDU from foreign currency-denominated transactions with non-residents, OBUs, local commercial banks including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 15.00%.

The applicable taxes and tax rates for the foreign branches of the Bank are discussed in Note 28 of the Audited Financial Statements as presented in Exhibit 5.

Research and Development Costs

For the last three fiscal years, the Bank has not incurred any expenses for research and development.

Employees

Metrobank had 15,910 employees (including foreign branches) as of December 31, 2025. By year-end 2026, the Bank projects to have 16,425 employees.

	Officers	Rank and File	Total
As of year-end 2025:			
AVPs and up	859		859
Senior Managers and down	7,767	7,284	15,051
	8,626	7,284	15,910
By year-end 2026 (projected):			
AVPs and up	893		893
Senior Managers and down	8,342	7,190	15,532
	9,235	7,190	16,425

Majority of the registrant's rank and file employees are members of the employees' union. Benefits or incentive arrangements of the rank and file employees are covered by the Collective Bargaining Agreement (CBA) that is effective for three years. The Bank continues to ensure that its employees are properly compensated. The latest CBA that is effective for three years beginning January 2025 and will end in December 2027. The Bank has not experienced any labor strikes and the management of the Bank considers its relations with its employees and the Union to be harmonious.

Risk Management

The Group has exposure to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks. Detailed discussions and analysis on Risk Management of the Group are disclosed in Note 4 of the Audited Financial Statements as presented in Exhibit 5.

Risk management framework

The Board of Directors (BOD) has overall responsibility for the oversight of the Bank'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), Executive Committee (EXCOM) and senior management committees through the Asset and Liability Committee (ALCO) among others.

The ROC, which is composed primarily of independent members of the BOD, is responsible for overseeing the Bank'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 Bank's Risk Management framework which involves the identification, assessment, control, monitoring and reporting of risks.

The Bank 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 Bank. 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 Bank's risk policies. To further promote compliance with PFRS and Basel III, the Bank created a Risk Management Coordinating Council (RMCC) composed of risk officers of the Bank 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 monitoring

and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by the 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 and 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 Group'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 Bank 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 Bank'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, that is, 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 Bank 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 Bank, 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 Bank 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 Bank 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. 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 vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the Group and the Bank, even before the VaR limit is hit.

Stress testing is performed by the Bank 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 Bank'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 Bank'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) 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 (for example, current and savings account) and items with actual maturities that could vary from contractual maturities (for example, securities with embedded options) are assigned to repricing tenor buckets based on an analysis of historical patterns, past experience and/or expert judgment.

The Group calculates EaR using Historical Simulations (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.

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.

PART II – SECURITIES OF THE REGISTRANT

MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

In November 1980, the SEC approved and certified the listing of 500,000 common shares of Metrobank's capital stock with par value of ₱100.00 each. On February 26, 1981, the listing and trading of Metrobank's common shares with the Makati Stock Exchange Inc. and Manila Stock Exchange (which unified) took effect with the trading symbol of **MBT**. Today, the Bank's common shares are all listed at the PSE.

Average market prices per share for each quarter within the last two years and subsequent interim period were as follows:

YEAR	QUARTER/ PERIOD ENDED	MARKET PRICES			
		HIGH	LOW	CLOSE	AVERAGE
2026	February 28	78.00	68.50	77.00	72.52
2025	March 31	75.30	67.10	73.00	72.24
	June 30	80.50	67.50	72.50	74.19
	September 30	74.50	67.50	68.00	71.09
	December 31	70.50	62.05	68.50	67.60
2024	March 31	66.50	51.30	65.15	59.25
	June 30	71.95	62.05	67.55	68.46
	September 30	82.00	65.00	78.60	70.98
	December 31	81.50	70.90	72.00	76.85

Holders

The Bank has a total of 2,905 stockholders as of March 9, 2026, all of whom have the same voting rights. Due to the huge number of certificated stockholders (2,905) and an even bigger number of scripless stockholders, the Company shall provide herein the list of the Top 20 stockholders. Stockholdings of the members of the majority owners (Ty Family and their related companies) were aggregated so as to include both the certificated and scripless shares.

Stockholdings held by the PCD Nominee Corporation are broken down into nationality. All in all, the list of stockholders provided here represents approximately 98.294% of the total outstanding capital stock.

Pursuant to Article III, Section 4 of the Bank's By-Laws, at each meeting of the stockholders, every stockholder entitled to vote on the particular question or matter involved shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Bank at the time of the closing of the transfer books for each meeting.

Top Twenty Stockholders

Following are the top 20 stockholders as of March 9, 2026:

	NAME OF STOCKHOLDER	TOTAL NO. OF COMMON SHARES HELD	PERCENT TO TOTAL NO. OF OUTSTANDING COMMON SHARES
1	GT Capital Holdings, Inc.	1,791,611,010	39.836
2	PCD Nominee Corporation (Filipino) ^a	1,156,295,441	25.710
3	PCD Nominee Corporation (Non-Filipino)	916,373,550	20.376
4	Grand Titan Capital Holdings, Inc.	203,246,909	4.519
5	Nove Ferum Holdings, Inc.	76,226,918	1.695
6	82 Alpha Holdings Corporation	54,871,292	1.220
7	Neiman Rhodes Holdings, Inc.	28,607,046	0.636
8	Philippine Geiko Holdings, Inc.	28,276,333	0.629
9	Metrobank Foundation, Inc. ^b	25,379,981	0.564
10	Go, James	20,192,545	0.449
11	Ty, Alfred	17,397,665	0.387
12	Ty, Arthur ^c	15,937,456	0.354
13	Bloomingdale Enterprises, Inc.	15,037,844	0.334
14	Ty, Mary Vy	14,177,403	0.315
15	Asia Pacific Capital Equities and Securities Corp	10,914,927	0.243
16	Solid State Multi-Products Corporation	10,547,559	0.235
17	Ty, Alesandra Vy ^d	10,189,540	0.227
18	Dy Buncio, Anjanette	9,858,061	0.219
19	Daruma Holdings Corporation	8,000,000	0.178
20	Grand Asia Realty Investment Corp.	7,546,152	0.168

a Net of 7,465,361 shares owned by Metrobank Foundation; 645,036 shares owned by Arthur Ty; and 259,900 shares owned by Alesandra V. Ty.

b. Inclusive of 7,465,361 shares lodged with PCD Nominee Corporation

c. Inclusive of 645,036 shares lodged with PCD Nominee Corporation

d. Inclusive of 259,900 shares lodged with PCD Nominee Corporation

As of March 9, 2026, public ownership on the Bank was at 47.88%. Of the total shares issued, 20.418% represents foreign ownership.

Dividends

There are no restrictions that limit the ability of the Bank to pay cash dividends. Details of cash dividend distribution from 2023 to 2025 follow:

Date of Declaration	Per Share	Amount (In Millions)	Record Date	Payment Date
February 19, 2025	₱1.50 (regular)	₱6,746	September 8, 2025	September 23, 2025
February 19, 2025	1.50 (regular)	6,746	March 6, 2025	March 28, 2025
February 19, 2025	2.00 (special)	8,995	March 6, 2025	March 28, 2025
February 21, 2024	1.50 (regular)	6,746	September 5, 2024	September 20, 2024
February 21, 2024	1.50 (regular)	6,746	March 8, 2024	March 25, 2024
February 21, 2024	2.00 (special)	8,995	March 8, 2024	March 25, 2024
February 22, 2023	0.80 (regular)	3,598	September 8, 2023	September 22, 2023
February 22, 2023	0.80 (regular)	3,598	March 17, 2023	March 31, 2023
February 22, 2023	1.40 (special)	6,296	March 17, 2023	March 31, 2023

On February 19, 2025, the BOD of the Bank approved the declaration of regular cash dividend of ₱3.00 per share for the year, payable on semi-annual basis at ₱1.50 per share. In addition, a special cash dividend of P2.00 per share was also declared.

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 16 issued in September 2023 differs to a certain extent from the computation following BSP guidelines.

Recent Sales of Unregistered or Exempt Securities

The information required under Part II paragraph (A) (4) of Annex C of the Securities Regulation Code (SRC) under SRC Rule 12 is not applicable to the Bank.

Compliance with Lead Practice on Corporate Governance

Metrobank upholds the value of strong corporate governance as a cornerstone of sustainable growth and as a means of strengthening stakeholder trust. The Bank remains committed to governance practices grounded in accountability, fairness, and transparency across all the Bank's operations. The banking practices, robust risk management and compliance culture, and sound internal controls are anchored on the core principles of ethical leadership and stakeholder accountability as governed by the SEC Code of Corporate Governance for Publicly-Listed Companies and with the Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions. These processes and values go beyond regulatory compliance. They reflect the Bank's commitment to global best practices as set forth in the ASEAN Corporate Governance Scorecard (ACGS) and OECD Principles of Corporate Governance.

As a responsible and well-governed financial institution, Metrobank continues to set a high benchmark in the banking industry. The diverse expertise of the Board of Directors ("Board") supports prudent, effective, and equitable oversight of the Bank's operations, always with due regard for the best interests of the stakeholders. This steadfast governance approach reinforces the purpose of growing alongside the nation, serving the customers with excellence, and driving forward through long-term value creation.

The Bank's dedication to corporate governance has been recognized through the Institute of Corporate Directors' 4-Golden Arrow distinction, awarded to Metrobank based on the performance in the latest ACGS assessment. Receiving this recognition for the second consecutive year underscores the sustained efforts to uphold and advance strong corporate governance standards. Please refer to the Bank's ACGS published on the website.

I. Board Governance

Board of Directors. The Board plays a pivotal role in guiding the Bank's long-term strategic direction and ensuring its alignment with the Bank's vision and mission. The Board exercises oversight through regular deliberations and engagement with the Senior Management, providing strategic guidance and monitoring the effective implementation of approved plans. In the interest of shareholders and stakeholders, the Board conducts a periodic review, exercises ongoing oversight, and approves management's implementation of the following, among others:

- The Bank's corporate culture and long-term vision and mission
- Strategic objectives, business plans, and capital and debt structure
- Appointment and selection of senior management and heads of control functions
- Sound remuneration and other incentives policies
- Corporate governance framework, including risk management, internal control systems, business continuity, and consumer protection
- Governance processes for interlocking director and officer positions
- Adoption and integration of sustainability and ESG principles

Periodic competency assessments are undertaken to identify potential gaps and to ensure that the Board's collective expertise remains aligned with Bank's evolving strategic requirements.

Board Composition and Diversity. Metrobank's unwavering commitment to board diversity continues to be a key contributor to the Bank's sustained success. In 2025, the Bank benefited from the breadth and depth of expertise represented within its Board which is composed of sufficient mix of individuals with extensive industry and global experience, tenure, gender, ethnicity, independence, as well as professional backgrounds in finance, investments, technology, marketing, anti-money laundering, internal controls, accounting, credit, sustainability, and resiliency. This diverse mix ensures a comprehensive understanding of the evolving financial landscape and supports well-informed governance and strategic decision-making. Female representation on the Board and within the Board of Advisors

further enhances the range of perspectives, experiences, and competencies. This diversity strengthens Board effectiveness and contributes to outcomes that benefit the Bank and all its stakeholders.

During the 2025 Annual Stockholders' Meeting (ASM), the Board of Directors (BOD) was re-elected with the continued support of shareholders. The Board is composed of twelve (12) directors, ten (10) of whom are Non-Executive Directors (NEDs) providing objective and independent oversight, and two (2) of whom are Executive Directors offering operational and strategic insight. Of the ten (10) NEDs, five (5) serve as Independent Directors, including female representation, further reinforcing the Board's independence, objectivity, and diversity of thought. All current directors possess the required qualifications and are free from any disqualifications to serve on the Board. The Board of Advisors has likewise been retained, ensuring continuity of expertise, leadership, and institutional knowledge.

Chairman of the Board and the President. The Chairman of the Board and the President exercise distinct and clearly defined roles and responsibilities, as provided under the Bank's By-Laws and Corporate Governance Manual (CGM). This delineation ensures the independence of their functions and reinforces effective oversight, sound governance, and the protection of the Bank's interests. The Chairman, **Mr. Arthur Ty**, provides overall leadership to the Board and oversees its effective performance of duties. He ensures that the Board fulfills its responsibilities to the Bank and its stakeholders, facilitates open and constructive discussion among directors, and promotes collective decision-making in the best interest of the Bank. The President, **Mr. Fabian S. Dee**, manages the Bank's business and operations in accordance with Board-approved strategies and policies. He is responsible for communicating and cascading the Bank's vision and mission throughout the organization. As set out in the CGM, the President is accountable to the Board for promoting the desired corporate culture and conduct, executing strategic initiatives, and safeguarding the long-term interests of the Bank.

Lead Independent Director. The Bank's CGM provides for the designation of a Lead Independent Director (LID). The Board ensures that the LID is able to effectively challenge the President when warranted. Since his appointment in August 2021, Director Philip G. Soliven, has strengthened Board effectiveness by facilitating constructive discussions, encouraging open dialogue among directors, and promoting balanced, well-considered decision-making in the interest of the Bank and its stakeholders.

Corporate Secretary. The BOD is supported by a dedicated and professionally qualified Corporate Secretary, Atty. Regis V. Puno, who is not a member of the Board and a separate individual from the Compliance Officer. He possesses the requisite training and experience in legal, accountancy, and/or corporate secretarial practice, and is fully qualified to discharge these responsibilities. The Corporate Secretary ensures the Board's adherence to corporate governance best practices and facilitates the efficient and effective conduct of Board and committee meetings. The Board has independent and unrestricted access to the Corporate Secretary, as well as to all company records and information. Directors and Board committees regularly receive comprehensive financial and operational reports from the Senior Management.

Board Nomination and Election. The Board nomination process emphasizes transparency and stakeholder engagement. Any shareholder, whether controlling or non-controlling, has the right to submit nominations for directorial positions to the Nominations Committee. The Nominations Committee screens the nominations of directors based on its pre-defined criteria, taking into consideration the age, ethnicity, gender, skills, experience, integrity and independence. Additionally, the Bank seeks inputs from various stakeholders, such as referrals from existing directors and officers, established external databases, and professional search firms. Only nominees who reached the Final List of Candidates shall be eligible for election as director. No other nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. This approach allows the Bank to attract the most qualified individuals to serve on the Board, who embody the values and culture, and firmly believe in the company's strategic directions. The profiles of the nominated directors are provided in the Definitive Information Statement, which is distributed to shareholders and posted on the Bank's website at least 28 days before the annual stockholders' meeting.

Board Meetings. Per By-laws, the regular Board meetings are held every second Wednesday of each month. Special meetings may be convened at any time by the Chairman or, in his absence, the Vice Chairman, or upon written request from at least four (4) directors. Board committees meet in accordance with their respective charters and approved schedules. Throughout the year, the Board and its committees continued to adopt a hybrid meeting setup, providing both in-person and virtual participation options. This approach supports flexibility and ensures that all directors can meaningfully participate in deliberations. Directors attending remotely through electronic means are fully integrated into the proceedings, allowing real-time engagement in discussions and decision-making. A director's absence or non-participation for whatever reason in more than 50% of all meetings, both regular and special, may be a ground for temporary disqualification in the succeeding election. The directors shall act only as Board, and the individual directors shall have no power as such. The Bank requires a majority of the Board to constitute a quorum for the transaction of business, and the vote of a majority of the quorum of the Board is also needed to decide on any action. The Corporate Secretary and committee secretaries ensure that the agenda and meeting materials are accessible through the Company's intranet at least five (5) banking days before each meeting, whenever practicable.

Board	Name	Board Meetings Attendance
Chairman (NED)	Arthur Ty	13/13
Vice Chairman (NED)	Francisco C. Sebastian	13/13
President/Director (ED)	Fabian S. Dee	13/13
Director (NED)	Alfred V. Ty	12/13
Director (ED)	Vicente R. Cuna, Jr	13/13
Director (NED)	Solomon S. Cua	13/13
Independent	Edgar O. Chua	13/13
Independent	Angelica H. Lavares	13/13
Independent	Philip G. Soliven	13/13
Independent	Marcelo C. Fernando, Jr.	13/13
Director (NED)	Jose Vicente L. Alde	13/13
Independent	Juan Miguel L. Escaler	13/13

Board Committees. The Board employs a robust committee structure to ensure effective oversight of key governance areas. For 2025, the Board resolved to maintain the existing composition and membership of all Board-level committees. This approach preserves continuity and reflects the committees' demonstrated effectiveness in fulfilling their oversight mandates. Seven (7) committees are chaired by Independent Directors (IDs) who possess the appropriate skills and expertise, enabling them to provide focused guidance and thorough evaluation within their respective areas of responsibility. Each committee operates under a Board-approved charter that outlines its purpose, duties and responsibilities, composition, reporting protocols, and other relevant governance provisions. These charters are reviewed annually by the committee secretaries and are fully disclosed in the Bank's CGM and published on the Bank's website. Committee meetings are conducted either in person or through remote communication facilities, in accordance with the processes and requirements set forth in their respective charters.

- 1. Anti-Money Laundering Committee.** The committee helps the Board fulfill its oversight responsibility over the Anti-Money Laundering Compliance Management, the Anti-Money Laundering Act (AMLA) and its revised Implementing Rules and Regulations, and other related orders. The committee is composed entirely of four (4) Non-Executive Directors (NEDs), two (2) of whom are IDs, including the Chairperson. It meets every other month or as often as necessary.

Members	Committee Membership	Attendance
Angelica H. Lavares (ID)	Chairman	6/6
Arthur V. Ty, Chairman (NED)	Regular Member	5/6
Edgar O. Chua (ID)	Regular Member	6/6
Jose Vicente L. Alde (NED)	Regular Member	6/6

- 2. Audit Committee.** The committee serves as the Board's arm in fulfilling statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest. It oversees the internal and external audit functions and controls, transparent and proper reporting, compliance with laws and the Code of Conduct, and implementation of adequate and effective internal controls. It is also responsible for selecting, appointing or re-appointing, and dismissing the internal auditor and independent external auditor, following fair and transparent criteria. The committee is composed of three (3) NEDs, two (2) of whom are IDs, including the Chairperson. All members have relevant financial/accounting expertise. The committee meets monthly or as often as necessary.

Members	Committee Membership	Attendance
Edgar O. Chua (ID)	Chairman	14/14
Solomon S. Cua (NED)	Regular Member	13/14
Angelica H. Lavares (ID)	Regular Member	14/14

- 3. Corporate Governance and Compensation Committee.** The committee ensures that the Bank fulfill its corporate governance responsibilities and effectively implement the Compliance System. It is primarily responsible for creating a formal and transparent process in determining the remuneration of directors and officers based on the culture, strategy, business environment, and industry practice. It is run by three (3) IDs, including the Chairperson.

Members	Committee Membership	Attendance
Angelica H. Lavares (ID)	Chairman	5/5
Marcelo C. Fernando Jr. (ID)	Regular Member	5/5
Juan Miguel L. Escaler (ID)	Regular Member	5/5
Arnulfo B. Pascioles Jr.	Corporate Governance Officer	5/5

- 4. Executive Committee.** The committee is mainly tasked to review and approve credit proposals and policies within its authority and limitations, as well as provide sound recommendations or conditions on lending. It also sets the direction and does oversight for the Bank's Sustainability Framework and Strategy. It may also attend to matters delegated by the Board and/or stockholders within its capability and following the Bank's By- Laws.

Members	Committee Membership	Attendance
Arthur V. Ty, Chairman (NED)	Chairman	39/49
Francisco C. Sebastian, Vice-Chairman (NED)	Vice Chairman	43/49
Fabian S. Dee, President (ED)	Regular Member	47/49
Vicente R. Cuna Jr. (ED)	Regular Member	46/49
Mary Mylene A. Caparas, Head, Institutional Banking Sector	Regular Member	40/49
Charlotte T. Bilongilot, Head, Credit Group	Regular Member	49/49

- 5. Information Technology Steering Committee.** The committee is chiefly responsible for governing and overseeing the information technology (IT) resources and ensures the alignment of the Bank's IT strategies with the business objectives. It also supervises the IT Risk Management Program and lends its competence by helping develop policies, controls, and specific accountabilities in line with the IT Risk Management Framework. The Board delegated to the committee the approval of IT-related requests and services/arrangements, including outsourcing/ insourcing activities. The committee submits periodic reports about the IT performance, status of major IT projects, and other significant issues on IT risk matters. The committee is composed of four (4) directors, the Head of Financial and Control Sector, and the Head of the Information Technology Group.

Members	Committee Membership	Attendance
Vicente R. Cuna Jr. (ED)	Chairman	10/10
Jose Vicente L. Alde (NED)	Regular Member	9/10
Fabian S. Dee, President (ED)	Regular Member	10/10
Juan Miguel L. Escaler (ID)	Regular Member	8/10
Renato K. De Borja Jr., Head, Financial and Control Sector	Regular Member	10/10
Adhunik Head, Information Technology Group (ITG)	Regular Member	7/7*

* Former ITG Head, Bernardino D. Ramos attended 3/3

- 6. Nominations Committee.** The committee reviews and evaluates the qualifications of all persons nominated to the Board. It also scrutinizes the eligibility of persons nominated to other positions that require the Board's approval. It is also composed entirely of IDs, including the Chairperson.

Members	Committee Membership	Attendance
Juan Miguel L. Escaler (ID)	Chairman	12/12
Marcelo C. Fernando Jr. (ID)	Regular Member	12/12
Edgar O. Chua (ID)	Regular Member	12/12
Philip G. Soliven (ID)	Regular Member	12/12

- 7. Overseas Banking Committee.** The committee oversees the operational conduct and financial performance of the overseas branches and subsidiaries. It also serves as the Board's oversight on Metrobank expatriates assigned to countries without a foreign office, but with remittance tie-up arrangements. It also helps the Board ensure the overseas branches and subsidiaries' compliance with the rules and regulations in their host countries and their adherence to the business and corporate governance policies. The committee is composed of three (3) NEDs.

Members	Committee Membership	Attendance
Francisco C. Sebastian, Vice Chairman (NED)	Chairman	2//2
Alfred V. Ty (NED)	Regular Member	2/2
Solomon S. Cua (NED)	Regular Member	2/2

- 8. Related Party Transactions Committee.** The committee helps the Board in ensuring that transactions with related parties are reviewed to minimize and mitigate risks, and that appropriate actions are enforced. It also makes sure that related party transactions (RPT) are conducted at arm's length basis and misappropriation of resources is avoided. Three (3) IDs, including the Chairperson, compose the committee, which meets monthly and is supported by the Compliance Officer.

Members	Committee Membership	Attendance
Philip G. Soliven (ID)	Chairman	13/13
Edgar O. Chua (ID)	Regular Member	13/13
Angelica H. Lavares (ID)	Regular Member	13/13

9. **Risk Oversight Committee.** The committee develops and oversees the Bank, and its subsidiaries and affiliates, and trust-banking arm to strictly follow the risk management framework. It is steered by three (3) NEDs, majority of whom are IDs, including the Chairperson. The committee members are experts in risk management and have a deep understanding of risk exposures.

Members	Committee Membership	Attendance
Marcelo C. Fernando Jr. (ID)	Chairman	12/12
Philip G. Soliven (ID)	Regular Member	12/12
Jose Vicente L. Alde (NED)	Regular Member	12/12

10. **Trust Committee.** The committee has oversight control over the trust and fiduciary activities. Its mandate follows BSP rules, as laid down in the Manual of Regulations for Banks, which outline the guidelines for strengthening corporate governance and risk management on trust, other fiduciary business, and investment management activities. The committee is run by three (3) NEDs, the President, and a Trust Officer. The Chairperson is an ID and is not a member of the Audit Committee.

Members	Committee Membership	Attendance
Philip G. Soliven (ID)	Chairman	12/12
Marcelo C. Fernando Jr. (ID)	Regular Member	12/12
Fabian S. Dee, President (ED)	Regular Member	12/12
Jose Vicente L. Alde (NED)	Regular Member	12/12
Angelica S. Reyes, Head, Trust Banking Group	Regular Member	12/12

Executive Session of Non-Executive Directors. Demonstrating their commitment to proactive and independent oversight, the Board's Non-Executive Directors (NEDs), led by Lead Independent Director Mr. Philip G. Soliven, convened with the Heads of Compliance, Audit, and Risk, together with representatives from SGV & Co., on 30 October 2025. The session centered on key developments and strategic updates, including emerging industry trends and best practices in artificial intelligence; the accomplishments and ongoing initiatives of the Risk Management Group; the Internal Audit Group's action plans; and updates on the ASEAN Corporate Governance Scorecard (ACGS).

Term Limit and Policies on Directorship. The Bank's CGM sets forth the guidelines governing the prescribed maximum term for Independent Directors, as well as the policies on interlocking directorships and officerships. The Corporate Governance and Compensation Committee (CGCCOM) is tasked to perform periodic evaluation of directors with interlocking positions to guard against any conflict of interest and adverse effect on the Bank. The Bank affirms its continued adherence to the regulations of the BSP and SEC, which mandate: (i) a maximum cumulative term of nine (9) years for Independent Directors; (ii) a maximum of five (5) board seats for Non-Executive Directors; and a maximum of two (2) board seats for Executive Directors in other publicly listed companies. For the year 2025, the Bank confirms that no director exceeded any of the prescribed regulatory limits.

Board Succession. The Bank's By-Laws provide that any vacancy in the Board may be filled by the vote of a majority of the directors constituting a quorum. Through a regular or special meeting, stockholders can also fill a vacant director's post that may result from their removal by stockholders, term expiration, or an increase in the number of directors.

President and Senior Management Selection and Succession. As the banking environment continues to evolve, robust succession management underpins the Bank's strong position to sustain performance, manage risk, and future-proof its leadership through a forward-looking pipeline. Senior leaders are selected and appointed through a rigorous assessment of leadership potential, identified current and future-critical capabilities, anchored in clearly defined behavioral and performance criteria. All appointments are reviewed and approved by the Manpower Committee, the Nominations Committee, and the Board, ensuring disciplined governance, transparency, and continuity of leadership. Moreover, the Bank continues to identify and develop high-performing and high-potential talent through regular talent reviews, supported by multiple data points, including performance metrics, leadership capability assessment, and 360-degree feedback. These inputs provide structured behavioral insights to support objective readiness assessments and focused development discussions. To strengthen the depth and quality of the leadership pipeline, the Bank reinforced the use of Individual Development Plans (IDPs) for all priority talents. In 2025, all identified successors and priority talents were covered by more intentional and targeted development plans. To accelerate readiness for critical roles, the

Bank implemented Development Advisories in partnership with Human Resources, providing focused guidance to leaders and talents on development priorities and actions. These efforts were complemented by a blended suite of developmental interventions, including special project assignments, cross-postings, mentoring, and leadership immersions. These initiatives enabled high-potential talents to gain exposure to critical roles and complex business environments, while supporting leadership continuity, including the anticipation of planned retirement of incumbent leaders. This strengthens leadership continuity and builds a future-ready pipeline to support the Bank's long-term success.

Retirement Age. As a rule, no director may be reelected following the calendar year in which they turn 75 years old. However, the Nominations Committee may recommend a waiver of the age requirement to the Board if it is deemed in the best interests of the Bank. Retirement is compulsory for employees who either reach the age of 55 years or complete 30 years of continuous service, whichever comes first.

Orientation Program. The Bank developed a robust orientation program to equip new directors with the knowledge and insights needed to contribute meaningfully from the outset of their appointment. New directors are required to attend an orientation session facilitated by the Compliance Officer, in line with applicable SEC rules and as stated in the Bank's CGM. First-time directors are given an orientation kit that contains a copy of the Bank's Articles of Incorporation, By-Laws, Code of Conduct, CGM, applicable Board Committee Charters, and company policies such as Insider Trading Policy and Related Party Transactions Policies, among others. During the orientation, directors learn about the general responsibilities and specific duties of the Board and as an individual director. To hold them to account, first-time directors certify under oath that they have received copies of, fully understood, and wholeheartedly accepted their general responsibilities and specific duties. New directors also have the opportunity to engage with senior executives and operational/functional heads to gain insights into current business challenges and the regulatory landscape. There was no new director who required the orientation program in 2025.

Continuing Education. Directors and key officers must continually learn about the organization, the industry, and the operating environment to be effective supervisors of the Bank. With shareholders holding high expectations, directors and key officers are required to undergo and complete their annual corporate governance training. Compliance Division, supported by the Organization Development and Learning Division, rolls out a four-hour training program for directors and principal officers every year. On October 24 and November 13, 2025, the Bank conducted an annual groupwide corporate governance training for its directors and key officers, together with the directors and key officers of subsidiaries and selected affiliates, facilitated by Reyes Tacandong & Co. via Zoom. The training covered various topics, including Board Oversight into a Converging Risk Landscape, Cyber Resilience and Third-Party Risk, Financial Crime and Anti-Money Laundering, BASEL IV, Emerging Risk Governance, Digitalization, and AI Adoption.

Performance Evaluation. The BOD conducts a comprehensive self-evaluation to assess its performance in fulfilling its fiduciary duties and contributing to the Bank's strategic objectives. The evaluation is focused on the Board's effectiveness in providing strategic leadership, overseeing risk management, and ensuring sound financial stewardship. The Board, through the CGCCOM, conducts performance assessment across five levels: the Board as a whole, Individual Directors, Chairman, President, and Board committees. A combination of quantitative data and qualitative assessments were used to gain a holistic understanding of performance across key areas. The CGCCOM designs the Board-approved rating system/template. A five-point rating system is used for self-assessment. The applicable questionnaires are also found in the Bank's CGM posted on the website.

Rating	Description
5	Strong – Exceeds what is considered necessary given the size, risk profile, and complexity of operations of the Bank. Deficiencies/weaknesses are considered to be minor and insignificant.
4	Satisfactory – Meets what is considered necessary given the size, risk profile, and complexity of operations of the Bank. Deficiencies/weaknesses are considered to be minor and insignificant.
3	Less than Satisfactory – Does not meet what is considered necessary given the size, risk profile, and complexity of operations of the Bank. However, the Board is committed (with ability and willingness) to correct the situation in a timely manner.
2	Deficient – Deficient, in a material way, to meet what is considered necessary given the size, risk profile, and complexity of operations of the Bank. Moreover, the ability of the Board to correct the situation in a timely manner is doubtful.
1	Critically deficient – Critically deficient to meet what is considered necessary given the size, risk profile, and complexity of operations of the Bank. The deficiencies/weaknesses pose an imminent threat to the safety and soundness of the Bank.

For 2025, the Board and its committees completed self-assessments via a cloud-based online survey form and printed questionnaires in February. Based on the evaluation, the Board identified key strengths and areas for improvement with a particular focus on continuing engagement with management, deeper knowledge of artificial intelligence, and involvement in the development of key staff. The overall results were presented to the CGCCOM at its meeting in March. In compliance with SEC rules, an external facilitator also conducted an independent assessment of the Bank's corporate governance performance in 2024. The latest assessment as conducted by Reyes Tacandong & Co. revealed that the Bank effectively complies with all applicable regulatory requirements. Results, including recommendations, were presented to the Board on 19 June 2024. The next round of external assessment will be done in 2027.

The Board, through the Audit Committee, CGCCOM, and Risk Oversight Committee, conducts a performance assessment of the respective heads of control units - Internal Audit, Compliance, and Risk Management. The assessment is integrated into the overall bank's performance evaluation framework. The results of the evaluation indicate that these key personnel are operating in the best interest of the Bank and meeting the established performance expectations in mitigating risks, ensuring compliance, and safeguarding the Bank's assets.

Employee performance is evaluated regularly. Assessments are conducted through one-on-one meetings between employees and their supervisors, followed by a leader-led review of evidence-based performance metrics. In 2025, the Bank maintained the performance management framework and processes to monitor employee productivity.

Remuneration Structure. The Board receives a fixed package, which includes a per diem, transportation allowance, and other fees. Their pay is based on their banking or finance experience, professional background, level of responsibilities, attendance in Board and committee meetings, and market conditions. Executive Directors receive compensation as full-time Executive Officers while Non-Executive Directors receive a per diem and other fees for attending Board and committee meetings. No directors shall participate in discussions of their remuneration scheme. Executive officers and employees receive salaries reflective of their qualifications and experience, job nature, position, and level of responsibility. Composed of fixed pay and variable bonus, individual compensation is reviewed regularly and benchmarked against competition through annual industry compensation and benefit surveys. Adjustments are made commensurate with adherence to individual and company-wide scorecards as well as salary scales. The CGCCOM oversees the compensation strategy. Labor laws and requirements guide the compensation package for non-officers or rank-and-file employees, whose salaries are linked to both their performance and mutually agreed upon obligations under the Bank's Collective Bargaining Agreement (CBA). These structures are designed to improve retention, enhance performance in line with the company's long-term goals and safeguard its long-term health and viability.

In 2025, the BOD, as a whole, received a total of Php70.76 million fees and other compensation for the board and board committee meetings. The summary of directors' and executive officers' compensation was disclosed in the Compensation of Directors and Executive Officers section of 2026 Bank's Definitive Information Statement.

II. Investor Relations/Disclosure and Transparency

Investor Relations. The Investor Relations Department (IRD) is responsible for promoting transparency and maintaining open communication channels with the Bank's stakeholders. The IRD ensures the timely, accurate, and consistent dissemination of material information to shareholders, equity and financial analysts, rating agencies, regulators, and the media. Through these efforts, the Bank aims to strengthen investor confidence and support long-term value creation.

The Bank maintains active engagement with its shareholders and other stakeholders through various channels, including:

- Participation in regular investor conferences and roadshows
- One-on-one meetings with institutional investors and analysts
- Quarterly earnings briefings
- A dedicated Investor Relations website and social media platforms, which are regularly updated with the latest news and information about the Metrobank Group

In 2025, the IRD, together with senior officers of the Bank, participated in over seventy-seven (77) investors-related events and engagements beyond the general meeting, consisting of the following:

- 56 direct individual meetings
- 16 investor conferences
- 1 non-deal roadshow, and

- 4 quarterly earnings briefings

In addition to these engagements, the Bank conducted its Annual Shareholders' Meeting in April. Overall, the IRD team and senior management met with two hundred sixty-three (263) individual stakeholders, representing one hundred seventy (170) institutional investors, during the year. Official disclosures, quarterly and annual financial reports, shareholder lists, and other regulatory and company reports are posted on the Philippine Stock Exchange Electronic Disclosure Generation Technology (PSE EDGE) or the Bank's website to provide the general public with a balanced and well-informed assessment of the Bank's performance and prospects.

Annual Stockholders Meeting. Notices of the Annual Stockholders Meeting (ASM) are disseminated at least twenty-one (21) days prior to the meeting date, ensuring shareholders receive complete and timely information on the agenda items and matters requiring their decision. For the 2025 ASM, the Notice of the Meeting – together with the key materials – was released and distributed to all shareholders on March 14, ahead of the April 23 meeting held via Cisco Webex. To further broader access, the Notice was also published in three (3) widely circulated newspapers on March 18 and 19, in both print and digital formats. These publications provided comprehensive and relevant information designed to encourage informed and active shareholder participation. To ensure that all shareholder queries and concerns are properly addressed during the ASM, the Chairperson of the Board, the BOD, the President, the Corporate Secretary, and the Investor Relations Officer and External Auditors are present at the meeting.

Voting Procedures. Metrobank facilitates shareholder participation and voting through secure electronic platforms, enabling online attendance as well as real time voting in poll, absentia or by proxy. The rules and procedures governing the electronic voting system and proxy documents are fully described in the Notice of ASM. All stockholders are entitled to one share, one vote. Cumulative voting is allowed as long as the total votes cast by a stockholder shall not exceed the number of shares in their name as of the record date, multiplied by the number of directors to be elected. Matters submitted to stockholders for ratification shall be decided by the required vote of stockholders present in person or by proxy. A majority vote is required for the approval of the minutes of the annual meeting of the stockholders; ratification of corporate acts; election of a member of the BOD; and election of external auditors.

For the 2025 ASM, the Metrobank Trust Banking Group, acting as Stock Transfer Agent, tabulated all proxies, attendance records, and votes cast, while SGV & Co. served as the independent third-party validator to ensure accuracy and integrity of the results. The result of the votes taken during the ASM for all resolutions was publicly available on April 24, 2025, while Minutes of the ASM were disclosed on April 28, 2025. All materials were posted on the Bank's website and the PSE EDGE portal for the general public.

Shareholder Participation. Shareholders are duly informed of, and accorded the right to approve, major corporate actions such as the disposition of corporate assets, inspection of corporate records, declaration of dividends, and the exercise of appraisal rights. Shareholders were also given the opportunity to propose agenda items for regular or special stockholders' meetings, to ask questions during the ASM, and to submit resolutions, subject to reasonable limits on time, cost, and relevance. Shareholders may exercise their appraisal right, which allows them to dissent and demand payment of the fair value of their shares. Procedures for exercising this right are detailed in the Definitive Information Statement.

Contact Mechanism. The Bank ensures that all shareholders, including minority shareholders, have defined mechanisms through which they may seek redress for corporate acts viewed as abusive or oppressive. To support transparency and accessibility, the Bank's Investor Relations Office is mandated to respond promptly and appropriately to shareholder inquiries and concerns at any time, not limited to the ASM. The contact information of the Investor Relations Office is publicly disclosed on the corporate website.

Investor Relations Department

Email Address: investor.relations@metrobank.com.ph

Telephone no: (02) 8857 5348

Address: 31/F Metrobank Centre, Bonifacio Global City, Taguig, Philippines

III. Governance Policies and Standards

Corporate Governance Manual. The Board Charter serves as the cornerstone of effective Board functioning and is embedded in the Bank's CGM, which is reviewed and approved by the BOD on an annual basis. In line with the Bank's commitment to uphold the highest standards of corporate governance, the CGM underwent a comprehensive revision in March 2025 and was subsequently approved by the Board. The updated Manual is publicly disclosed on the Bank's website. The Bank's Compliance/Corporate Governance Officer plays a vital role in leading and overseeing the Bank's compliance program, including the continuous monitoring of adherence to the CGM. The Bank confirms that it complied with all material provisions of the Manual for the year 2025.

Managing Compliance Risks. Given the scope of its operations, Metrobank is exposed to various risks, including compliance risks, which may impact its business activities and financial performance. The Bank remains committed to effectively managing and mitigating these risks across its business, industry, and regulatory environment. The Compliance Policy Manual (CPM) serves as the foundation of the Bank's compliance framework, outlining the policies, procedures, and controls applicable across the Group. The Manual is periodically reviewed and updated to ensure alignment with evolving regulatory requirements and industry best practices, and fosters a culture in which compliance is embedded in Metrobank's values and daily operations. Consistent with the CGM, the CPM was revised and approved by the Board in March. The Compliance Officer, Mr. Arnulfo B. Pascioles, Jr., who reports to the Board through the CGCCOM, plays a critical role in strengthening accountability and ensuring the independence of the compliance function. He provides leadership by: (i) overseeing regulatory risk management; (ii) supervising compliance personnel and coordinators across both domestic and overseas branches; and (iii) ensuring oversight of BSP-supervised institutions within the Metrobank Group.

Sustainability Oversight. Metrobank recognizes the financial sector's pivotal role in supporting the Philippines' transition toward a resilient and inclusive economy. Sustainability considerations are integrated into the Bank's core strategy, governance processes, and enterprise risk management framework. Sustainable finance is an integral component of how risks are identified and managed, how long-term stakeholder value is generated, and how national development priorities are supported. Central to this approach is the Bank's Sustainable Finance Framework (SFF), which defines eligible green and social financing categories and provides a structured mechanism for directing capital toward activities with measurable sustainability outcomes. Complementing the SFF is Metrobank's broader sustainability strategy, anchored on its priority Sustainable Development Goals (SDGs): No Poverty (SDG 1), Zero Hunger (SDG 2), Quality Education (SDG 4), Decent Work and Economic Growth (SDG 8), and Industry, Innovation, and Infrastructure (SDG 9). Together, the SFF and priority SDGs form a coherent framework that aligns sustainable finance activities with long-term development objectives and disciplined risk management. The BOD oversees the sustainability agenda, supported by senior management, through defined mandates, regular reporting, and structured decision-making. Oversight is exercised primarily through the Executive Committee (EXCOM) and the Risk Oversight Committee (ROC), whose complementary roles are set out in their respective charters and reinforced by Board-approved policies embedding environmental and social considerations into governance processes. The Executive Committee oversees how sustainability-related risks and opportunities are integrated into strategy and execution, including oversight of the SFF, regulatory alignment, and progress against short-, medium-, and long-term objectives. The Risk Oversight Committee provides focused oversight of environmental and social risks and their potential impact on the Bank's overall risk profile. Both Committees are provided with quarterly updates on portfolio-level risk exposures, closely monitored industries, and developments in sustainable financing activities. Material matters are assessed through structured evaluations, with key findings elevated to the Board for guidance and action.

Code of Conduct and Ethics for Directors. The Bank's Code of Conduct for Directors, established in 2013, remains a cornerstone of the Bank's corporate governance framework. In 2024, the Board reviewed and affirmed the Code, underscoring the unwavering commitment to ethical leadership and responsible stewardship. This Code strictly prohibits directors from using their position for personal gain, prioritizing self-interest over the Bank's interests, or engaging in activities that could compromise their independence and impartiality. As part of the onboarding process, new directors receive an orientation kit that includes the Code of Conduct to ensure a clear understanding of the standards governing their professional and ethical behavior. All directors are expected to uphold these principles at all times. The latest version of the Code is accessible through the Bank's intranet and the corporate governance webpage.

Code of Conduct for Employees. The Bank maintains a Code of Conduct that defines expected behavior and ethical standards for all employees. First adopted in November 2017 and reaffirmed by the Board in June 2024, the Code underscores the Bank's commitment to its PITCH values: Passionate for Results, Integrity, Teamwork, Customer Service, and Heart for Community. All employees participated in an e-learning session conducted by Metrobank Academy in June 2024, which reinforced their understanding of the Code and formally attested their commitment to upholding its principles. Another e-learning session and attestation are in the pipeline for 2026. The Code's latest version is accessible on the Bank's intranet and corporate governance webpage.

Anti-Bribery and Corruption Policy. Metrobank strengthened its commitment to ethical business conduct through the implementation of a comprehensive Anti-Bribery and Corruption (ABC) Policy. This Policy, which upholds the highest standards of integrity, applies to all directors and employees in their dealings with clients, service providers, counterparties, and other relevant parties, regardless of location. The ABC Policy forms part of the mandatory onboarding training program for new employees, while existing employees receive regular training on its application through the Code of Conduct e-learning program. A clear reporting mechanism, aligned with the Bank's Whistleblowing Policy, enables employees to report suspected incidents of bribery or corruption. Any breach of the Policy is subject to appropriate administrative sanctions. Throughout 2025, the Compliance Division continued to reinforce ABC-related guidelines through its various training programs.

Anti-Money Laundering. Metrobank considers compliance with the Anti-Money Laundering Act (AMLA) essential to its operations. As a financial institution built on public trust, the Bank recognizes that money laundering, terrorist financing, and proliferation financing pose material reputational and operational risks. Accordingly, the Bank prioritizes robust customer due diligence and maintains strong systems to prevent and detect financial crime.

The Bank continues to enhance its AML/CTF/PF compliance framework by implementing end-to-end risk management practices and fostering a culture of adherence across the organization. Oversight is exercised by the BOD and the Senior Management, supported by clearly documented policies and procedures, effective monitoring tools, reliable management information systems, internal controls, independent audits, and regular, risk-based compliance testing. Employees receive appropriate and ongoing AML-related training. For 2025, an e-learning session was conducted in August, and this measure among others, enables Metrobank to effectively manage financial crime risks and ensure consistent compliance with AMLA and other applicable laws and regulations.

Conflict of Interest. The Bank's BOD exercises care, diligence, and good faith in fulfilling its fiduciary duties and making informed decisions in the Bank's best interest. Material facts and conflicts of interest are promptly disclosed and addressed. Employees are expected as well to manage personal affairs to avoid conflicts and report any unethical behavior or potential conflicts through the Whistleblowing Policy.

Related Party Transactions. The Bank's Related Party Transactions (RPT) Framework ensures fair transactions with related parties, conducted in the ordinary course of business and on an arm's length basis. The policy is reviewed annually to comply with regulations and best practices. The latest update was approved by the Board in September 2025. All related parties are identified, and transactions are evaluated and approved by either the RPT Management Committee (management-level committee) or the RPT Committee (board-level committee), depending on the set thresholds. Directors and officers also abstain from the discussion, approval, and management of any transaction in which they or any member of their close family or related interests are involved. This includes transactions involving subordinates, except for providing material information on the transaction. Material RPTs amounting to 10% or more of the Bank's consolidated assets, individually or aggregated within 12 months if any, are assessed by an appointed external independent party. To uphold transparency and fairness, all actions of the Board, including material RPTs, were ratified by the majority of non-related party shareholders at the ASM in 2025. For 2025, all RPTs were conducted fairly and at arm's length basis. Full discussion on these can be found under Note 32 of the Audited Financial Statements (AFS).

Customers' Interest First. Metrobank is committed to ensuring the protection of its customers' interests. Customer protection is a responsibility shared by the Board of Directors, Senior Management, and all employees across the organization. The Bank maintains high standards of conduct when dealing with customers and creditors, guided by the following five pillars of customer protection:

- Equitable and Fair Treatment
- Disclosure and Transparency of Financial Products and Services
- Protection of Customer Assets Against Fraud and Misuse
- Data Privacy and Protection
- Timely Handling and Redress of Complaints

These principles are embedded in the Bank's Customer Protection Policy, which promotes a customer-centric approach in day-to-day operations. Oversight of customer protection practices forms part of the Board's responsibilities through the CGCCOM and the Customer Governance Committee. To meet regulatory requirements and evolving customer expectations, the Bank continually enhances its policies and processes, including the standardization of customer complaint handling and the refinement of turnaround times for incident resolution. The Bank has also adopted a Social Media Risk Management Policy, which guides covered personnel on the proper use of social media and the associated business and legal risks. These policies support the protection of customer and employee privacy, safeguard the confidentiality and security of personal information, and ensure the proper handling of the Bank's information and assets.

Creditors Rights. Metrobank is committed to treating all creditors fairly and transparently and adheres to all applicable laws and regulations governing creditors' rights. Creditors are entitled to timely payment, access to relevant financial information, and the ability to resolve disputes through established internal processes or available external mechanisms. Required disclosures are made in a timely and accessible manner through the Bank's corporate website, PSE Edge portal and PDEX. To fulfill its contractual commitments to depositors, subordinated debt noteholders, and service providers, the Bank conducts its operations in an ethical, prudent, and efficient manner. The Bank's Annual Report also outlines the procedures through which creditors may raise concerns or complaints relating to potential violations of their rights.

Policy on Suppliers and Contractors. Metrobank conducts its dealings with suppliers and business partners in a fair, responsible, and transparent manner. Through its local procurement practices, the Bank contributes to economic activity and promotes inclusion within its supply chain. All suppliers and contractors undergo a structured accreditation and reaccreditation process in accordance with applicable BSP regulations. The General Services Group (GSG) works closely with relevant business units in the accreditation, contracting, selection, bidding, and performance evaluation of vendors. The Bank's canvassing and bidding policies ensure that the procurement of goods and services secures the most advantageous terms in terms of price, quality, delivery timelines, and other pertinent conditions. The Bank's Outsourcing Policy provides guidance to business units when outsourcing activities or functions and is aligned with BSP outsourcing regulations to ensure full compliance with applicable standards. As part of the vendor accreditation process, the Bank requires the submission of an Environmental Compliance Certificate for projects with potential environmental impact. Certifications from relevant government agencies are also required to confirm that manpower service providers are legitimate and independent contractors and that they are in good standing with the Social Security System, Pag-IBIG Fund, and PhilHealth with respect to statutory payments and contributions.

Insider Trading Policy. The Bank's Insider Trading Policy, which forms part of the CGM and is available on the Bank's website, provides clear rules prohibiting insider trading and abusive self-dealing by Directors, Officers, and employees. The Policy restricts trading during designated blackout periods when access to material non-public information may be present. These restrictions apply to all directors, covered employees across the Metrobank Group, and their immediate family members residing in the same household, as well as corporate entities, other organizations, and funds under their influence or control. Covered persons and reporting insiders are required to disclose their beneficial ownership of Metrobank shares, if applicable, and to report any changes in such ownership to the Bank by the next trading day, in accordance with the rules of the SEC and the PSE.

Dividend Policy. The Bank's Dividend Policy forms part of its capital management strategy, ensuring the availability of sufficient resources to support long-term growth while enhancing shareholder returns.

In February 2025, the Board approved the following:

- Annual regular cash dividends of ₱3.00 per common share, equivalent to 15% of par value, payable on a semi-annual basis of ₱1.50 per common share (paid on March 28 and September 23, 2025).
- A special cash dividend of ₱2.00 per common share (paid on March 28, 2025).

In accordance with applicable laws and regulations, the Board determines the declaration and payment of dividends based on the Bank's unrestricted retained earnings. A majority vote of the Board is required for the declaration of dividends. The record date must be set no earlier than 10 trading days from the date of declaration, while the payment date must be no later than 18 trading days from the record date. In all cases, cash dividends must be paid within 30 calendar days from the date of declaration and must be distributed to all shareholders at the same time. The declaration of stock dividends requires prior clearance from the BSP, SEC, and the PSE. The Board may declare special cash dividends in addition to regular dividends when financial conditions and regulatory requirements permit. Dividend payments depend on the Bank's earnings performance, cash flows, financial position, and compliance with capital adequacy standards, among other considerations. Dividend payments may be restricted during periods when the Bank undertakes major projects or strategic initiatives requiring substantial capital outlay. In such cases, the Board may adjust the dividend ratio based on operational results, capital plans, and overall financial requirements.

Whistleblowing Policy. The Bank's Whistleblowing Policy serves as an important mechanism to help prevent corruption, policy violations, and other forms of misconduct. The Policy provides a safe and confidential process through which individuals may report concerns without fear of retaliation. Reports may be submitted through the Bank's website, via email at whistleblowing@metrobank.com.ph, or through the text hotline at (+63) 942 747 1359. Employees and other stakeholders may file complaints with the Chief Audit Executive/Head of Internal Audit, while exceptional cases may be elevated directly to the Chairman of the Board. In 2025, a total of 25 concerns were reported across multiple categories, with employee misconduct accounting for 40% and customer-related complaints for 32%. These submissions provided meaningful visibility into organizational risk areas. A number of reports involved alleged violations of company policies, professional conduct issues, and matters such as suspected gambling involvement, misappropriation of bank funds, and forgery. Some cases resulted in employee dismissals, while others were not substantiated after investigation. All reports are handled with strict confidentiality, and investigation results are submitted to the Board. Overall, the active use of the whistleblowing channels indicates employees' awareness of organizational standards and their responsibility to report violations, as well as continued trust in the Bank's culture of transparency and accountability.

Employee Training and Development. Building the Bank's capabilities remains central to sustaining long-term performance. The Bank continues to invest in developing an agile and future-ready workforce that can effectively navigate an evolving business and regulatory environment. The Learning and Development (L&D) strategy ensures that employees receive the right learning solutions at the right time, with access to curated content aligned with the Bank's business priorities and strategic direction. In 2025, the Learning and Development Department (LDD) further

strengthened and expanded its learning portfolio, anchored on Foundational, Functional, and Leadership capabilities, while introducing role-based training plans that identify critical learning interventions for key roles across the Bank. The Foundational learning portfolio continues to deliver essential knowledge areas covering the Bank's core values, key policies, and regulatory requirements that all employees must understand and comply with to uphold a culture of governance and integrity. The Functional learning portfolio builds role-specific expertise through targeted programs and certifications. Beginning 2025, this portfolio is enhanced through structured role-based training plans that outline mandatory and developmental learning pathways for high-impact and business-critical roles. LDD has initiated the rollout of these plans to the most populous functional groups, with broader role coverage scheduled for 2026. Leadership Development portfolio focuses on developing leaders in alignment with the Bank's leadership framework, DAMA—*Diskarte, Aspirasyon, Malasakit, Aksyon*. Programs are designed to translate DAMA competencies into observable leadership behaviors that strengthen execution, drive performance, and enhance employee engagement across all levels of the organization. Investing in employee capability building strengthens the foundation of the Bank's transformation journey and supports a resilient, high-performing workforce capable of delivering sustainable results and strategic value.

Employees' Health, Safety, and Well-being. Metrobank is committed to maintaining a safe and healthy work environment. The Bank continuously enhances preventive measures, promotes employee awareness of health and wellness, and ensures compliance with applicable labor regulations and emergency/disaster preparedness protocols. In 2025, the Bank continued to implement the Metrobank CARES Program, the organization's comprehensive health and wellness initiative. Metrobank CARES supports various dimensions of employee well-being, including physical, emotional/mental, social, spiritual, financial, and occupational wellness.

The program aims to:

1. Provide employees with resources and support to achieve overall well-being;
2. Enable employees to maintain productivity; and
3. Enhance the overall employee experience.

In 2025, the Bank engaged employees in managing their health through (i) annual physical examinations and executive checkups; (ii) access to health and wellness resources through webinars and informational materials; and (iii) health and wellness caravans conducted at various Metrobank sites.

Integrated Annual Corporate Governance Report (I-ACGR). The Bank affirms its submission of the I-ACGR to the SEC via e-fast on May 26, 2025, in accordance with SEC Memorandum Circular No. 15, Series of 2017, covering all relevant governance information for the reporting period. The Bank's submission includes the required notarized copy duly signed by the Chairman of the Board, Chief Executive Officer, all Independent Directors, the Compliance Officer, and the Corporate Secretary. The Bank's timely submission reinforces its commitment to high standards of corporate governance, ensuring transparent disclosure of board oversight, ethical conduct, internal controls, and risk management practices. By providing clear and comprehensive information to regulators, shareholders, and other stakeholders, the Bank continues to strengthen confidence in its governance framework and supports its long-term institutional credibility.

Plans for Improvement of Corporate Governance. While the Bank has established a strong foundation through its SFF, Environmental and Social Risk Management (ESRM) Framework, and Board-level oversight mechanisms, the adoption of International Financial Reporting Standards (IFRS) S1 and S2-aligned reporting standards presents opportunities to further enhance governance, controls, and data capabilities. The Bank confirms broad alignment with the governance, risk management, and qualitative strategy elements of the new standards. However, it remains at the development stages of climate metrics, targets, and scenario analysis capabilities, where additional enhancements are required to achieve full alignment in future reporting cycles.

Metrobank is implementing a phased improvement plan to strengthen disclosure quality and analysis. Enhancements include reinforcing Board oversight of sustainability- and climate-related risks and opportunities, improving visibility over transition planning considerations for identified high risk sectors, and advancing monitoring of relevant vulnerability indicator and methodologies for quantifying financed emissions.

Management initiatives to address identified IFRS S1 and S2 gaps include:

1. More granular value chain assessments to identify sustainability- and climate-related risks and opportunities across business lines;
2. Strengthening data governance and phased rollout of an ESG Data Management System to improve data availability, traceability, and comparability;
3. Progressive development of methodologies for assessing potential financial impacts of sustainability- and climate-related risks, including initial application of scenario analysis and integration into financial planning processes; and

4. Advancing work on Scope 3 emissions, including development of a financed emissions baseline and prioritization of relevant categories.

These improvements are supported by enhanced internal controls, clearer delineation of responsibilities across the three lines of defense, and continued capacity building across leadership, business units, and risk functions. Metrobank remains committed to aligning with regulatory expectations as it transitions to the Philippine Financial Reporting Standards (PFRS) on sustainability disclosures. Ongoing enhancements are intended to improve the transparency and reliability of sustainability- and climate-related financial information towards reinforcing disciplined risk management and long-term value creation.

AWARDS

- The Strongest Bank in the Philippines by Balance Sheet, The Asian Banker 2025
- Best Managed Bank in the Philippines, The Asian Banker – Leadership Achievement Award 2025
- Best Bank CEO in the Philippines – Fabian S. Dee, The Asian Banker – Leadership Achievement Award 2025
- Philippines’ Best for Ultra High-Net-Worth, Euromoney Global Private Banking Awards 2025
- Cesar E.A. Virata Award - Best Securities House
- Top Corporate Securities Market Maker, 2025 PDS Awards PDS Group
- Top Fixed-Income Dealing Participant (Rank 1st), 2025 PDS Awards PDS Group
- Top Dealing Participant for Corporate Securities, 2025 PDS Awards PDS Group
- Top 5 Fixed-Income Cash Settlement Bank (Rank 3rd), 2025 PDS Awards PDS Group
- Top 5 Fixed-Income Brokering Participant (Rank 5th), 2025 PDS Awards PDS Group
- Top Investment House (Bank Category), The Asset Benchmark Research 2025
- Best CIO Office Award, Citywire ASEAN Awards
- Best Investment Services Award, Citywire ASEAN Awards
- 4-Golden Arrow award, ASEAN Corporate Governance Scorecard (ACGS) by the Institute of Corporate Directors
- Best Managed Funds of the Year Awards for 2025, CFA Society Philippines (Metro High Dividend Yield Unit Paying Fund, Metro\$ US Investment Grade Corporate Bond Feeder Fund, Metro\$ Short Term Bond Fund)
- 2025 Top Government Securities Eligible Dealer (GSED), Bureau of the Treasury (BTr)
- GSED with the Highest Auction Share in Treasury Bills, Bureau of the Treasury (BTr)
- Top Retail GSED, Bureau of the Treasury (BTr)
- Best Domestic Broker, Finance Asia
- Best Online Trading Platform, International Finance Awards
- Best Online Broker, International Finance Awards
- Excellence in Investor Education for Brokerage Services, Annual Global Economics Awards

Deviations

This is not applicable to the Bank.

PART III - MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Audited Financial Statements

The audited financial statements of the Group and the Bank are presented in Exhibit 5 as an attachment to this report, together with the notarized Statement of Management Responsibility for Financial Statements which was signed by the Chairman, President, Head of Financial and Control Sector, Treasurer and Controller of the registrant.

Statements of Financial Position (Amounts in millions)

	December 31				Increase (Decrease) 2025 vs. 2024		Increase (Decrease) 2024 vs. 2023		Increase (Decrease) 2023 vs. 2022	
	2025	2024	2023	2022	Amount	%	Amount	%	Amount	%
Assets										
Cash and Other Cash Items	₱34,577	₱33,726	₱39,431	₱40,683	₱851	2.52	(₱5,705)	(14.47)	(₱1,252)	(3.08)
Due from Bangko Sentral ng Pilipinas (BSP)	106,042	150,128	207,807	252,628	(44,086)	(29.37)	(57,679)	(27.76)	(44,821)	(17.74)
Due from Other Banks	64,338	82,068	90,535	75,472	(17,730)	(21.60)	(8,467)	(9.35)	15,063	19.96
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA)	72,590	81,287	72,979	73,744	(8,697)	(10.70)	8,308	11.38	(765)	(1.04)
Investment Securities at Fair Value Through Profit or Loss (FVTPL)	113,841	226,302	74,856	63,599	(112,461)	(49.70)	151,446	202.32	11,257	17.70
Fair Value Through Other Comprehensive Income (FVOCI)	954,460	573,001	536,623	530,464	381,459	66.57	36,378	6.78	6,159	1.16
Amortized Cost	473,274	475,024	470,638	317,776	(1,750)	(0.37)	4,386	0.93	152,862	48.10
Loans and Receivables	1,976,438	1,816,010	1,537,166	1,418,382	160,428	8.83	278,844	18.14	118,784	8.37
Property and Equipment	30,876	28,116	27,243	27,153	2,760	9.82	873	3.20	90	0.33
Investments in Associates and a Joint Venture	7,648	6,359	6,241	5,877	1,289	20.27	118	1.89	364	6.19
Goodwill	4,543	4,543	4,720	5,194	-	0.00	(177)	(3.75)	(474)	(9.13)
Investment Properties	8,115	7,805	8,107	7,901	310	3.97	(302)	(3.73)	206	2.61
Deferred Tax Assets	15,307	18,037	14,171	13,362	(2,730)	(15.14)	3,866	27.28	809	6.05
Other Assets	18,268	17,949	14,385	10,855	319	1.78	3,564	24.78	3,530	32.52
Total Assets	₱3,880,317	₱3,520,355	₱3,104,902	₱2,843,090	₱359,962	10.23	₱415,453	13.38	₱261,812	9.21
Liabilities and Equity										
Liabilities										
Deposit Liabilities										
CASA	₱1,575,108	₱1,487,938	₱1,439,373	₱1,479,551	₱87,170	5.86	₱48,565	3.37	(₱40,178)	(2.72)
Demand	642,415	608,370	586,345	581,473	34,045	5.60	22,025	3.76	4,872	0.84
Savings	932,693	879,568	853,028	898,078	53,125	6.04	26,540	3.11	(45,050)	(5.02)
Time	1,085,848	1,085,940	925,885	715,415	(92)	(0.01)	160,055	17.29	210,470	29.42
Long-Term Negotiable Certificates	-	-	17,514	26,158	-	0.00	(17,514)	(100.00)	(8,644)	(33.05)
	2,660,956	2,573,878	2,382,772	2,221,124	87,078	3.38	191,106	8.02	161,648	7.28
Bills Payable and Securities Sold Under Repurchase Agreements (SSURA)	530,734	300,652	156,896	91,322	230,082	76.53	143,756	91.63	65,574	71.81
Derivative Liabilities	13,502	13,370	16,865	16,865	132	0.99	(3,495)	(20.72)	-	-
Manager's Checks and Demand Drafts Outstanding	7,293	6,901	7,048	6,501	392	5.68	(147)	(2.09)	547	8.41
Income Taxes Payable	4,792	4,219	3,601	1,478	573	13.58	618	17.16	2,123	143.64
Accrued Interest and Other Expenses	18,780	23,544	19,785	13,956	(4,764)	(20.23)	3,759	19.00	5,829	41.77
Bonds Payable	114,013	107,236	70,089	88,409	6,777	6.32	37,147	53.00	(18,320)	(20.72)
Subordinated Debts	-	-	-	1,169	-	0.00	-	0.00	(1,169)	(100.00)
Non-equity Non-controlling Interest	-	-	10,260	10,139	-	0.00	(10,260)	(100.00)	121	1.19
Other Liabilities	98,080	94,150	70,848	64,037	3,930	4.17	23,302	32.89	6,811	10.64
Total Liabilities	3,448,150	3,123,950	2,738,164	2,515,000	324,200	10.38	385,786	14.09	223,164	8.87

	December 31				Increase (Decrease) 2025 vs. 2024		Increase (Decrease) 2024 vs. 2023		Increase (Decrease) 2023 vs. 2022	
	2025	2024	2023	2022	Amount	%	Amount	%	Amount	%
Equity										
Equity Attributable to Equity Holders of the Bank										
Common stock	₱89,948	₱89,948	₱89,948	₱89,948	₱-	-	₱-	-	₱-	-
Capital paid in excess of par value	85,252	85,252	85,252	85,252	-	-	-	-	-	-
Treasury stock	-	-	(70)	(72)	-	-	70	100.00	2	2.78
Surplus reserves	3,037	2,888	2,752	2,613	149	5.16	136	4.94	139	5.32
Surplus	257,469	230,314	204,896	176,374	27,155	11.79	25,418	12.41	28,522	16.17
Net unrealized loss on investment securities at FVOCI	(1,483)	(8,185)	(10,065)	(23,076)	6,702	81.88	1,880	18.68	13,011	56.38
Remeasurement losses on retirement plan	(5,502)	(6,436)	(7,491)	(4,404)	934	14.51	1,055	14.08	(3,087)	(70.10)
Equity in other comprehensive income (losses) of investees	163	80	116	(145)	83	103.75	(36)	(31.03)	261	180.00
Translation adjustment and others	(7,179)	(8,359)	(8,673)	(7,982)	1,180	14.12	314	3.62	(691)	(8.66)
	421,705	385,502	356,665	318,508	36,203	9.39	28,837	8.09	38,157	11.98
Non-controlling Interest	10,462	10,903	10,073	9,582	(441)	(4.04)	830	8.24	491	5.12
Total Equity	432,167	396,405	366,738	328,090	35,762	9.02	29,667	8.09	38,648	11.78
Total Liabilities and Equity	₱3,880,317	₱3,520,355	₱3,104,902	₱2,843,090	₱359,962	10.23	₱415,453	13.38	₱261,812	9.21

Statements of Income

Interest Income	₱186,039	₱177,664	₱153,612	₱102,370	₱8,375	4.71	₱24,052	15.66	₱51,242	50.06
Interest and Finance Charges	61,411	63,549	48,642	16,841	(2,138)	(3.36)	14,907	30.65	31,801	188.83
Net Interest Income	124,628	114,115	104,970	85,529	10,513	9.21	9,145	8.71	19,441	22.73
Provision for Credit and Impairment Losses	11,919	6,360	8,978	8,112	5,559	87.41	(2,618)	(29.16)	866	10.68
Net Interest Income After Provision for Credit and Impairment Losses	112,709	107,755	95,992	77,417	4,954	4.60	11,763	12.25	18,575	23.99
Other Operating Income	32,536	29,219	28,504	26,793	3,317	11.35	715	2.51	1,711	6.39
Other Operating Expenses	79,707	77,161	69,522	60,996	2,546	3.30	7,639	10.99	8,526	13.98
Income Before Share in Net Income of Associates and a Joint Venture	65,538	59,813	54,974	43,214	5,725	9.57	4,839	8.80	11,760	27.21
Share in Net Income of Associates and a Joint Venture	915	765	875	704	150	19.61	(110)	(12.57)	171	24.29
Income Before Income Tax	66,453	60,578	55,849	43,918	5,875	9.70	4,729	8.47	11,931	27.17
Provision for Income Tax	15,829	11,345	12,890	10,620	4,484	39.52	(1,545)	(11.99)	2,270	21.37
Net Income	₱50,624	₱49,233	₱42,959	₱33,298	₱1,391	2.83	₱6,274	14.60	₱9,661	29.01
Attributable to:										
Equity holders of the Bank	₱49,720	₱48,137	₱42,238	₱32,776	₱1,583	3.29	₱5,899	13.97	₱9,462	28.87
Non-controlling interest	904	1,096	721	522	(192)	(17.52)	375	52.01	199	38.12
	₱50,624	₱49,233	₱42,959	₱33,298	₱1,391	2.83	₱6,274	14.60	₱9,661	29.01

Statements of Comprehensive Income

	December 31				Increase (Decrease) 2025 vs. 2024		Increase (Decrease) 2024 vs. 2023		Increase (Decrease) 2023 vs. 2022	
	2025	2024	2023	2022	Amount	%	Amount	%	Amount	%
Net Income	₱50,620	₱49,233	₱42,959	₱33,298	₱1,387	2.82	₱6,274	14.60	₱9,661	29.01
Other Comprehensive Income for the Year, net of tax										
Items that may not be reclassified to profit or loss:										
Change in net unrealized gain (loss) on equity securities at FVOCI	110	394	256	(62)	(284)	(72.08)	138	53.91	318	512.90
Change in remeasurement gain (loss) on retirement plan	981	1,026	(3,157)	318	(45)	(4.39)	4,183	132.50	(3,475)	(1,092.77)
Items that may be reclassified to profit or loss:										
Change in net unrealized gain (loss) on investment on debt securities at FVOCI	6,642	1,385	12,685	(19,270)	5,257	379.57	(11,300)	(89.08)	31,955	165.83
Change in equity in other comprehensive income (loss) of investees	84	(37)	263	(26)	121	327.03	(300)	(114.07)	289	1,111.54
Translation adjustment and others	1,183	243	(719)	(257)	940	386.83	962	133.80	(462)	(179.77)
	7,909	1,591	12,229	(19,553)	6,318	397.11	(10,638)	(86.99)	31,782	162.54
Total Comprehensive Income for the Year	₱59,620	₱52,244	₱52,287	₱14,001	₱7,376	14.12	(₱43)	(0.08)	₱38,286	273.45
Attributable to:										
Equity holders of the Bank	₱58,686	₱51,254	₱51,647	₱13,497	₱7,432	14.50	(₱393)	(0.76)	₱38,150	282.66
Non-controlling Interest	934	990	640	504	(56)	(5.66)	350	54.69	136	26.98
	₱59,620	₱52,244	₱52,287	₱14,001	₱7,376	14.12	(₱43)	(0.08)	₱38,286	273.45

Key Performance Indicators

The performance of the Bank and its significant majority-owned subsidiaries are measured by the following key indicators:

Company Name	Performance Indicators				
	Book Value Per Share	Basic/ Diluted Earnings Per Share	Return on Average Equity	Return on Average Assets	Net Interest Margin on Average Earning Assets

For the Year 2025

Metrobank Group	₱93.77	₱11.06	12.32%	1.34%	3.64%
FMIC (a)	2,012.94	271.42	13.17%	9.29%	5.56%
ORIX METRO	132.82	16.80	11.63%	6.06%	9.66%
PSBank	108.00	8.20	7.76%	1.54%	6.51%

For the Year 2024

Metrobank Group	₱85.72	₱10.71	12.97%	1.45%	3.77%
FMIC (a)	2,107.98	114.75	5.33%	3.23%	5.66%
ORIX METRO	156.24	16.84	11.34%	6.59%	8.76%
PSBank	103.33	12.20	12.36%	2.29%	6.00%

(a) FMIC and Subsidiaries

A separate schedule showing financial soundness indicators of the Group as of December 31, 2025 and 2024 is presented in Exhibit “6” as an attachment to this report.

2025 Performance

Financial Position

The audited consolidated total assets of the Metrobank Group as of December 31, 2025 stood at ₱3.88 trillion and grew by ₱359.96 billion or 10.23% from ₱3.52 trillion as of December 31, 2024. On the other hand, the audited consolidated liabilities amounted to ₱3.45 trillion as of December 31, 2025 and higher by ₱324.20 billion or 10.38% from ₱3.12 trillion as of December 31, 2024.

Due from BSP decreased by ₱44.09 billion or 29.37%. The reduced reserve requirement ratio this year allowed the bank to re-invest those funds into interest-bearing assets. Due from Other Banks decreased by ₱17.73 billion or 21.60% as a result of the net movements in the balances maintained with various local and foreign banks. Interbank Loans Receivable and SPURA went down by ₱8.70 billion or 10.70% on account of lower balance of interbank loans.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost amounted to ₱1.54 trillion as of December 31, 2025 or grew by ₱267.25 billion or 20.97% from ₱1.27 trillion as of December 31, 2024. This represents 39.73% and 36.20% of the Group's total assets as of December 31, 2025 and December 31, 2024, respectively. The increase was driven by the higher portfolio of FVOCI securities which grew by ₱381.46 billion from ₱573.00 billion as of December 31, 2024 to ₱954.46 billion as of December 31, 2025 reduced by the ₱112.46 billion lower portfolio of FVTPL securities (consisting of HFT securities and derivative assets) from ₱226.30 billion to ₱113.84 billion.

Net loans and receivables, representing 50.93% and 51.59% of the Group's total assets as of December 31, 2025 and December 31, 2024, respectively, grew by ₱160.43 billion driven by the growths in all segments particularly from corporate and credit card. Investments in Associates and a Joint Venture went up by ₱1.29 billion or 20.27% on account of the net income recognized from the associates of FMIC. Property & equipment went up by ₱2.76 billion or 9.82% from ₱28.12 billion to ₱30.88 billion pertaining to IT equipment and additional costs of renovation and construction of Head Office and branches. Deferred tax assets decreased by ₱2.73 billion or 15.14% from ₱18.04 billion to ₱15.31 billion due to movements on temporary tax differences.

On the liability side, the audited consolidated total liabilities of the Metrobank Group went up by ₱324.20 billion or 10.38% from ₱3.12 trillion as of December 31, 2024 to ₱3.45 trillion as of December 31, 2025.

Deposit liabilities represent 77.17% and 82.39% of the consolidated total liabilities as of December 31, 2025 and 2024, respectively, wherein, CASA represents 59.19% and 57.81% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL stood at ₱2.66 trillion as of December 31, 2025, or higher by ₱87.08 billion or 3.38% from ₱2.57 trillion as of December 31, 2024. The increase was mainly driven by the higher level of CASA which increased by ₱87.17 billion or 5.86%.

Bills Payable and SSURA went up by ₱230.08 billion or 76.53% wherein the level of SSURA increased from ₱276.63 billion as of December 31, 2024 to ₱407.56 billion as of December 31, 2025. The increase of ₱0.39 billion or 5.68% in Manager's Checks and Demand Drafts Outstanding resulted from the normal banking operations of the Bank and PSBank.

Income taxes payable increased by ₱0.57 billion or 13.58% particularly corporate income tax and final tax. Accrued Interest and Other Expenses went down by ₱4.76 billion or 20.23% due to decreases in accruals of other bank expenses and interests particularly on time deposits. Bonds payable increased by ₱6.78 billion or 6.32% on account of PSBank's new ₱5.0 billion fixed-rate bonds issuance.

Further, equity attributable to equity holders of the Parent Company increased by ₱36.20 billion or 9.39% mainly on account of the ₱49.72 billion net income reported during the year plus the lower net unrealized loss recognized on FVOCI investments from ₱8.19 billion loss as of December 31, 2024 to ₱1.48 billion loss as of December 31, 2025, reduced by the ₱22.49 billion total cash dividends paid by the Parent Company.

Results of Operations

Net income attributable to equity holders of the Parent Company for the year ended December 31, 2025 amounted to ₱49.72 billion and improved by ₱1.58 billion or 3.29% from the ₱48.14 billion net income reported in the previous year. The improvement was driven by the following:

Interest income went up by ₱8.38 billion or 4.71% on account of higher interest income on loans and receivables by ₱9.73 billion and on investment securities by ₱1.05 billion due to higher volume offset by lower interest income on

deposit with banks by ₱1.66 billion. Meanwhile, decrease in interest expense on deposit liabilities by ₱7.51 billion (due to decrease in volume of time deposits) and increase in interest expense on borrowings by ₱5.37 billion (due to shift in funding cost) accounted for the ₱2.14 billion or 3.36% decrease in interest and finance charges. As a result, net interest income improved by ₱10.51 billion or by 9.21%.

Other operating income of ₱32.54 billion was higher by ₱3.32 billion or 11.35% from ₱29.22 billion in 2024 on account of the ₱2.63 billion increase in net trading, securities and foreign exchange gain, ₱0.95 billion increase in fee-based income reduced by the ₱0.27 billion decrease in miscellaneous income primarily driven by the lower income realized from the sale of ROPA.

Total operating expenses increased by 3.30% or ₱2.55 billion from ₱77.16 billion to ₱79.71 billion due to increases in manpower cost by ₱0.77 billion and miscellaneous expenses by ₱2.06 billion particularly on information technology, security, janitorial and messengerial services, and other miscellaneous expenses. Total provision for credit and impairment losses of the Group was higher for the year ended December 31, 2025 or amounted to ₱11.92 billion compared with ₱6.36 billion provision in 2024. Provision for income tax was higher by ₱4.48 billion from ₱11.35 billion to ₱15.83 billion due to net movements in corporate, final and deferred income taxes.

Total comprehensive income stood at ₱59.62 billion for the year ended December 31, 2025 or increased by ₱7.38 billion from ₱52.24 billion for the year ended December 31, 2024 mainly due to the ₱4.97 billion positive variance in net unrealized loss recognized on FVOCI securities, ₱1.39 billion increase in net income and ₱0.94 billion increase in translation adjustment. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱7.43 billion from ₱51.25 billion for the year ended December 31, 2024 to ₱58.69 billion for the year ended December 31, 2025.

Market share price as of December 31, 2025 was at ₱68.50 (from ₱72.00 as of December 31, 2024) with a market capitalization of ₱308.07 billion.

2024 Performance

Financial Position

As of December 31, 2024, the audited consolidated total assets of the Metrobank Group stood at ₱3.52 trillion and grew by ₱415.45 billion or 13.38% compared with the ₱3.10 trillion consolidated total assets as of December 31, 2023. On the other hand, the audited total consolidated liabilities stood at ₱3.12 trillion and higher by ₱386 billion or 14% compared with ₱2.74 trillion as of December 31, 2023.

Cash and Other Cash Items decreased by ₱5.71 billion or 14.47% due to the lower level of cash requirements of the Parent Company. Due from BSP decreased by ₱57.68 billion or 27.76% driven by lower level of term and overnight deposit placements maintained with BSP. Due from Other Banks decreased by ₱8.47 billion or 9.35% as a result of the net movements in the balances maintained with various local and foreign banks. Interbank Loans Receivable and SPURA went up by ₱8.31 billion or 11.38% on account of higher balance of interbank loans offset by the lower balance of SPURA.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost represents 36.20% and 34.85% of the Group's total assets as of December 31, 2024 and December 31, 2023, respectively, amounted to ₱1.27 trillion and ₱1.08 trillion, respectively, and went up by ₱192.21 billion or 17.76%. The increase was driven by the higher portfolio of FVTPL securities consisting of HFT securities and derivative assets amounting to ₱206.18 billion and ₱20.12 billion, respectively, as of December 31, 2024 compared with ₱52.93 billion and ₱21.92 billion, respectively, as of December 31, 2023. Portfolios of FVOCI securities and securities at amortized cost also grew by ₱36.38 billion and ₱4.39 billion, respectively, due to higher portfolio of debt securities particularly on government bonds and BSP securities.

Net loans and receivables, representing 51.59% and 49.51% of the Group's total assets as of December 31, 2024 and December 31, 2023, respectively, grew by ₱278.84 billion or 18.14% driven by the growths in all segments majority on corporate loans.

Deferred tax assets increased by ₱3.87 billion or 27.28% from ₱14.17 billion to ₱18.04 billion due to movements on temporary tax differences. Other Assets increased by ₱3.56 billion or 24.78% from ₱14.39 billion to ₱17.95 billion primarily due to increase in software costs and miscellaneous assets and the ₱1.2 billion funds held in Trust in compliance with BSP Circular 1166.

On the liability side, deposit liabilities represent 82.39% and 87.02% of the consolidated total liabilities as of December 31, 2024 and December 31, 2023, respectively, wherein, low cost deposits represent 57.81% and 60.41% of the Group's total deposit liabilities, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱2.57 trillion as of December 31, 2024, an increase of ₱191.11 billion or 8.02% from ₱2.38 trillion as of December 31, 2023. The increase was driven by the higher level of time deposit which increased by ₱160.06 billion or 17.29%, and the ₱48.57 billion or 3.37% growth in CASA offset by the maturity of the ₱17.51 billion LTNCDs (₱12.43 billion for the Parent Company and ₱5.08 billion for PSBank).

Bills Payable and SSURA went up by ₱143.76 billion or 91.63% wherein the level of SSURA increased from ₱134.80 billion as of December 31, 2023 to ₱276.63 billion as of December 31, 2024. Derivative Liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, cross currency swaps, foreign currency options, bond futures and credit default swaps with negative fair value decreased by ₱3.50 billion or 20.72%. Income taxes payable increased by ₱0.62 billion mainly due to accrual of corporate income tax.

Accrued Interest and Other Expenses went up by ₱3.76 billion or 19.00% due to increases in accruals of other bank expenses and interests particularly on time deposits. Bonds payable increased by ₱37.15 billion or 53.00% mainly on account of the peso values of the newly issued bonds net of maturities. In 2024, FMIC disposed off its remaining interest on the mutual fund subsidiaries (not attributed to the Group), which caused the zero balance in "Non-equity Non-controlling interest" account compared with ₱10.26 billion in 2023. Other liabilities increased by ₱23.30 billion or 32.89% on account of higher balances of accounts payable, marginal deposits, and bills purchased contra account.

Non-controlling interest increased by ₱0.83 billion or 8.24%. Further, equity attributable to equity holders of the Parent Company increased by ₱28.84 billion or 8.09% mainly on account of the ₱48.14 billion net income reported during the year reduced by the ₱22.49 billion total cash dividends paid by the Parent Company plus the decreases in net unrealized losses recognized on FVOCI securities and remeasurement losses recognized on retirement plan by ₱1.88 billion and ₱1.06 billion, respectively.

Results of Operations

Net income attributable to equity holders of the Parent Company for the year ended December 31, 2024 amounted to ₱48.14 billion and improved by ₱5.90 billion or 13.97% from the ₱42.24 billion net income reported in the previous year. The improvement was driven by the following:

Interest income went up by ₱24.05 billion or 15.66% on account of higher interest income on loans and receivables by ₱16.31 billion, and investment securities by ₱9.37 billion reduced by lower interest income on deposit with banks and others by ₱1.48 billion. Meanwhile, increase in interest expense on deposit liabilities particularly on time deposits by ₱7.86 billion and in interest expense on borrowings by ₱7.05 billion (which includes the interest on the new USD denominated senior unsecured notes issued by the Parent Bank and the bonds issued by MBCL) accounted for the ₱14.91 billion or 30.65% increase in interest and finance charges. As a result, net interest income improved by ₱9.15 billion or by 8.71% from ₱104.97 billion in 2023 to ₱114.12 billion in 2024.

Other operating income of ₱29.22 billion increased by ₱0.72 billion or 2.51% from ₱28.50 billion in 2023 on account of the ₱1.57 billion increase in net trading, securities and foreign exchange gain and the ₱0.54 billion increase in fee-based income offset by the ₱1.46 billion lower profit from assets sold.

Total operating expenses increased by ₱7.64 billion or 10.99% from ₱69.52 billion to ₱77.16 billion due to increases in manpower cost by ₱3.05 billion, taxes and licenses by ₱2.49 billion, and miscellaneous expenses by ₱1.92 billion. Total provision for credit and impairment losses of the Group amounted to ₱6.36 billion for the year ended December 31, 2024 or ₱2.62 billion lower compared with ₱8.98 billion provision in 2023. Provision for income tax was lower by ₱1.55 billion from ₱12.89 billion to ₱11.35 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up to ₱1.10 billion from ₱0.72 billion or by ₱0.38 billion or 52.01% due to higher net income of majority owned subsidiaries.

Total comprehensive income went up by ₱0.04 billion from ₱52.29 billion for the year ended December 31, 2023 to ₱52.24 billion for the year 2024 due to the net effect of the higher net income, plus the favorable movement in remeasurement loss recognized in retirement plan offset by the movement in net unrealized loss recognized on FVOCI investments from ₱12.69 billion positive variance in 2023 to ₱1.39 billion positive variance in 2024. This caused the total comprehensive income attributable to equity holders of the Parent Company to decrease by ₱0.39 billion from ₱51.65 billion for the year ended December 31, 2023 to ₱51.25 billion for the year ended December 31, 2024. Total comprehensive income attributable to non-controlling interest increased by ₱350 million or 54.69%.

Market share price as of December 31, 2024 was at ₱72.00 (from ₱51.30 as of December 31, 2023) with a market capitalization of ₱323.81 billion.

2023 Performance

Financial Position

As of December 31, 2023, the audited consolidated total assets and total liabilities of the Metrobank Group stood at ₱3.10 trillion and ₱2.74 trillion, respectively. Compared with December 31, 2022, total assets and total liabilities went up by ₱261.81 billion or 9.21% and by ₱223.16 billion or 8.87%, respectively. On the other hand, equity attributable to equity holders of the Parent Company was higher by ₱38.16 billion or 11.98% from ₱318.51 billion to ₱356.67 billion.

Due from BSP decreased by 17.74% driven by lower level of term deposit partially offset by the increase in level of overnight facility placements both maintained with BSP. Due from Other Banks increased by ₱15.06 billion or 19.96% as a result of the net movements in the balances maintained with various local and foreign banks.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost represents 34.85% and 32.07% of the Group's total assets as of December 31, 2023 and 2022, respectively, went up by ₱170.28 billion or 18.67%. Securities at amortized cost went up by ₱152.86 billion particularly on treasury notes and government bonds. FVTPL securities consist of debt and equity securities and derivative assets amounting to ₱46.13 billion, ₱6.80 billion and ₱21.92 billion, respectively, as of December 31, 2023 and ₱32.0 billion, ₱7.16 billion and ₱24.44 billion, respectively, as of December 31, 2022. FVOCI securities increased by ₱6.16 billion due to higher portfolio of debt securities particularly treasury notes and bonds.

Net loans and receivables, representing 49.51% and 49.89% of the Group's total assets as of December 31, 2023 and 2022, respectively, went up by ₱118.78 billion or 8.37% driven by the growths in corporate loans, consumer loans and credit card portfolios.

Investments in Associates and a Joint Venture went up by ₱0.36 billion or 6.19% due to the net income and other comprehensive income contributed by the associates of FMIC. Deferred Tax Assets increased by ₱0.81 billion or 6.05% due to movements on temporary tax differences particularly on allowance for credit and impairment losses. In 2023, the Group recognized impairment loss of ₱474.3 million on the outstanding goodwill. Other Assets on the other hand, increased by ₱3.53 billion or 32.52% from ₱10.86 billion to ₱14.39 billion primarily due to the movements in miscellaneous assets.

Deposit liabilities represent 87.02% and 88.32% of the consolidated total liabilities as of December 31, 2023 and 2022, respectively, wherein, low cost deposits represent 60.41% and 66.61% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱2.38 trillion as of December 31, 2023, an increase of ₱161.65 billion or 7.28% from ₱2.22 trillion as of December 31, 2022. The increment came from time deposits by ₱210.47 billion partially offset by the ₱40.18 billion decrease in CASA deposits and the maturity of the ₱8.65 billion LTNCD of the Parent Company.

Bills Payable and SSURA went up by ₱65.57 billion or 71.81% mainly due to higher level of SSURA from ₱67.12 billion as of December 31, 2022 to ₱134.80 billion as of December 31, 2023. Manager's Checks and Demand Drafts Outstanding increased by ₱0.55 billion or 8.41% as a result of the normal banking operations of the Bank and PSBank. Income taxes payable increased by ₱2.12 billion or 143.64% due to higher tax base for the last quarter of 2023.

Accrued Interest and Other Expenses went up by ₱5.83 billion or 41.77% wherein accrued interest increased by ₱3.53 billion while accrual for other bank expenses increased by ₱2.30 billion. Bonds payable decreased by ₱18.32 billion or 20.72% due to maturities of the ₱13.75 billion and ₱4.65 billion fixed rate bonds of the Parent Company and PSBank, respectively. Subordinated debts decreased by 100% due to maturity of the ₱1.17 billion peso notes of the Parent Company. Other liabilities increased by ₱6.81 billion or 10.64% due to movements in accounts payable, retirement liability, bills purchased contra account and marginal deposits.

The ₱0.49 billion or 5.12% increase in equity of non-controlling interest was attributed to the net income generated by the majority-owned subsidiaries of the Parent Company for the year ended December 31, 2023. On the other hand, equity attributable to equity holders of the Parent Company increased by ₱38.16 billion or 11.98% on account of the ₱42.24 billion net income reported during the year reduced by the ₱13.49 billion total cash paid by the Parent Company plus the favorable movement in net unrealized loss recognized in investment securities at FVOCI from ₱23.08 billion in 2022 to ₱10.07 billion in 2023.

Results of Operations

Net income attributable to equity holders of the Parent Company for the year ended December 31, 2023 amounted to ₱42.24 billion and improved by ₱9.46 billion or 28.87% from the ₱32.78 billion net income reported in the previous year. The improvement was driven by the following:

Interest income went up by ₱51.24 billion or 50.06% on account of higher interest income on loans and receivables by ₱30.36 billion, on investment securities by ₱17.96 billion, on interbank loans receivable by ₱1.88 billion and on deposit with banks and others by ₱1.05 billion. Meanwhile, increase in interest expense on deposit liabilities particularly on time deposits by ₱29.70 billion and in interest expense on borrowings by ₱2.10 billion accounted for the increase of ₱31.80 billion or 188.83% in interest and finance charges. As a result, net interest income improved by ₱19.44 billion or by 22.73%.

Other operating income of ₱28.50 billion increased by ₱1.71 billion or 6.39% from ₱26.79 billion in 2022 on account of the ₱1.36 billion increase in fee-based income, the ₱1.22 billion increase in profit from assets sold and the positive movement in foreign exchange gain from a loss of ₱2.43 billion in 2022 to a gain of ₱4.10 billion in 2023; reduced by the negative movement in trading and securities gain from a gain of ₱6.40 billion in 2022 to a loss of ₱94 million in 2023 and the ₱0.65 billion decrease in miscellaneous income.

Total operating expenses went up by ₱8.53 billion or 13.98% from ₱61.00 billion to ₱69.52 billion due to increases in taxes and licenses by ₱3.40 billion, manpower cost by ₱2.13 billion, and miscellaneous expenses by ₱1.94 billion. Total provision for credit and impairment losses of the Group amounted to ₱8.98 billion for the year ended December 31, 2023 or ₱0.87 billion higher compared with ₱8.11 billion provision in 2022. Provision for income tax was higher by ₱2.27 billion from ₱10.62 billion to ₱12.89 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up by ₱0.20 billion or 38.12% from ₱0.52 billion to ₱0.72 billion due to higher net income of majority owned subsidiaries.

Total comprehensive income went up by ₱38.29 billion from ₱14.00 billion for the year ended December 31, 2022 to ₱52.29 billion for the same year in 2023 due to the net effect of the higher net income and favorable movement in net unrealized gain(loss) recognized on FVOCI investments for the year 2023 partially offset by the movement in remeasurement loss recognized on retirement plans. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱38.15 billion from ₱13.50 billion for the year ended December 31, 2022 to ₱51.65 billion for the year ended December 31, 2023. Total comprehensive income attributable to non-controlling interest increased by ₱0.14 billion or 26.98%.

Market share price as of December 31, 2023 was at ₱51.30 (from ₱54.00 as of December 31, 2022) with a market capitalization of ₱230.72 billion.

Key Variable and Other Qualitative and Quantitative Factors

Plans for 2026

As the second largest private bank in the country, Metrobank has consistently worked towards enabling both corporate and individual clients to maximize their business potential and achieve their financial aspirations. The Bank develops financial solutions to meet the needs of its stakeholders, while continuously expanding its scope of reach and leading in community service. Through this commitment to both growth and service, Metrobank lives up to its brand promise, “You’re in Good Hands,” which embodies its customer-centric approach.

Metrobank, together with its subsidiaries, aims to be the trusted partner of its chosen customers by providing tailored products and services in new and meaningful ways. Its key strategies are anchored on enhancing customer experience, improving operational efficiency, and expanding digital banking solutions. These are supported by sound and effective corporate governance, proactive compliance and risk management, and continuous investment in people development.

The Bank aspires to further solidify its position as the preferred bank of its chosen customers and further its strong market share by evolving into a customer-obsessed, agile and innovative organization. As part of the mid-term plan, Metrobank aims to maintain dominance in the corporate and commercial segments while doubling its retail customer base. The Bank seeks to elevate customer experience by offering relevant products and services with distinct features and strong value proposition. New products will be introduced to cater to new and existing customers and to tap select emerging markets.

Metrobank recognizes the importance of evolving the way it engages with customers. Its drive towards digitalization aims to transition customers from a multi-channel state where clients are engaged across various touch-points, towards a mobile-enabled, omni-channel experience, providing customers with convenient self-service options. The Bank continues to enhance and upgrade its digital platforms by migrating relevant branch services to digital channels.

The Bank is cognizant that the evolving digital and operating environment calls for a robust IT infrastructure. Thus, Metrobank and its subsidiaries will continuously allocate substantial investments to IT projects and improve their data management and analytics capabilities to support the digital transformation initiatives aligned with clients' growing needs and preferences. The Bank will also continue to invest in people development by strengthening the professional development of its employees, equipping them with the necessary skills training and knowledge transfer they need to perform their roles effectively.

Metrobank remains firmly focused on its growth and core business objectives, anchored on delivering Meaningful Banking to its clients through relevant financial solutions, best-in-class customer experience, and secured and efficient operations. All these are guided by the Bank's mission, vision and values proving that "You're in Good Hands with Metrobank" benefits its Employees, Customers, and all its Stakeholders.

Capital position

The Bank has sustained its strong capital position. The Bank has benefited from a series of capital markets transactions to raise Tier 1 and Tier 2 capital.

In 2006, the Bank issued US\$125.0 million Hybrid Tier 1 capital security in February and 173,618,400 common shares at ₱38.00 per common share in October. In May 2010, the Bank raised an additional ₱5.0 billion in capital through a private placement of common shares. In January 2011, the Bank raised approximately ₱10.0 billion through a rights offer for 200 million common shares at the offer price of ₱50.00 per rights share. In August 2013, the Bank increased its capital stock from ₱50 billion to ₱100 billion and on September 16, 2013, it issued a stock dividend equivalent to 633,415,049 common shares (with a par value of ₱20) that was applied as payment of the required subscription to the increase in capital stock. In April 2015, the Bank raised ₱32.0 billion through a rights offer for 435,371,720 common shares with par value of ₱20.00 priced at ₱73.50 per share. The newly issued shares were listed on the PSE on April 7, 2015. Further, in April 2018, the Bank raised ₱60.0 billion through a rights offer for 799,842,250 common shares with par value of ₱20.00 priced at ₱75.00 per share. The newly issued shares were listed on the PSE on April 12, 2018. In October 2019, the Bank increased its capital stock from ₱100 billion to ₱140 billion and on November 26, 2019, it issued a stock dividend equivalent to 517,401,955 common shares (with a par value of ₱20) that was applied as payment of the required subscription to the increase in capital stock, which further improved the Bank's capital position.

The Bank also issued Tier 2 instruments to boost its capital adequacy ratio. The Bank issued Basel II compliant Tier 2 subordinated notes in October 2007 for ₱8.5 billion with a coupon of 7.0%; in October 2008 for ₱5.5 billion with a coupon of 7.75%; and in May 2009 for ₱4.5 billion with a coupon of 7.5%. With the advent of Basel III, the Bank subsequently redeemed these previously issued subordinated debt issuances as they would not have been considered as capital beginning January 1, 2014. The Bank exercised the call option on its ₱8.5 billion 7.0%; ₱5.5 billion 7.75% and ₱4.5 billion 7.5% Lower Tier 2 Notes on October 22, 2012, October 4, 2013 and May 6, 2014, respectively. The early redemptions of these instruments were in accordance with the terms and conditions of the notes when they were originally issued. By redeeming the notes, the Bank avoided a step-up in the interest rate and the capital decay from the instruments. In 2014, the Bank raised a total of ₱22.5 billion in subordinated debt wherein ₱16.0 billion was issued on March 27, 2014 at a coupon rate of 5.375% and ₱6.5 billion on August 8, 2014 at 5.25%. The terms of the notes contain a loss absorption feature, allowing them to be recognized as bank capital in accordance with Basel III standards. The transactions were done in part to replace the Basel II Tier 2 notes which were redeemed on their call option dates. As approved by the BSP on April 25, 2019, on June 27, 2019, the Bank redeemed its 2024 Peso Notes amounting to ₱16.0 billion, ahead of its maturity. Likewise, on August 8, 2020, the Bank redeemed the 2025 Peso Notes amounting to ₱6.5 billion, ahead of its maturity after approval by the BSP on May 7, 2020.

As part of the Group's capital efficiency initiatives, the Group has been active in optimizing its allied and non-allied undertakings. Among the initiatives include the sale of the Bank's ownership in Toyota Motor Philippines Corporation in tranches between 2012 and 2013 as well as the sale of FMIC's holdings in Global Business Power Corporation in tranches between 2013 and 2016 and FMIC's holdings in Charter Ping An Insurance Corporation in 2014. In 2014, the Bank and PSBank also disposed of its holdings in Toyota Financial Services Philippines Corporation. Altogether, these sales further improved the Bank's capital adequacy under Basel III. As discussed in Part I - Business item number 2 "Description of Business-Business of Registrant", on March 13, 2019, the respective BODs of the Bank and MCC approved the proposal to merge MCC into the Bank. The proposed merger was ratified by the stockholders of the Bank on April 24, 2019, approved by the BSP on October 23, 2019, and approved by the SEC on January 3, 2020.

As of December 31, 2025, the Group's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) Ratio are 16.81% and 16.12%, respectively, both well above the regulatory requirements.

2025 Economic Performance

Growth: Lost optimism and momentum

Philippine economic growth in 2025 slowed to 4.4%, the weakest pace since 2011 when GDP expanded by 3.9% and marking the third consecutive year in which growth fell short of the government's target.

The economy's performance in 2025 was a tale of two halves. The first half showed moderate but improving momentum, driven by recovering consumption, with GDP growing 5.4%, just a bit below the government's 5.5–6.5% target range. However the political issues related to public works projects led to a contraction in infrastructure spending and weakness in business and consumer sentiments, leading the country into an economic slowdown in the second half of the year.

Household consumption, which grew by an average of 5.3% in the first half, faster than the 4.9% recorded in the previous year, signal the beginning of its recovery. However, it lost momentum in the second half as consumer sentiment deteriorated amid the massive government corruption scandal. Beyond consumer sentiment, elevated household debt which was still carried over from the pandemic continued to weigh on consumer behavior, offsetting further the positive impact of subdued inflation and a low interest-rate environment.

Overall, the combination of weak sentiments and reduced government spending offset the narrower trade deficit last year driven by robust growth in the exports market, resulting in a slower growth year for the Philippine economy.

Inflation: Below target

Headline inflation averaged 1.7% in full year 2025, settling below the BSP's 3 +/- 1% annual target. The latest full year print is the country's lowest annual average inflation rate since 2016.

Food prices remained the largest contributor to full year inflation in 2025, led by higher prices of meat, fish, and vegetables, although largely offset by lower rice prices. Prices of rentals and of services in restaurants, cafés, and the like were also among the main contributors to headline inflation during the period.

The below-target inflation in 2025 was largely influenced by persisting double-digit rice deflation as the country recorded an all-time high rice inventory amid favorable weather conditions and as global rice prices continued to decline.

BSP: Slowly but surely

After reducing the policy rate by a cumulative 75 basis points in 2024, the BSP kicked off 2025 with a more cautious stance as the Monetary Board temporarily hit the brakes on monetary easing in its first meeting. According to BSP Governor Eli Remolona Jr., the decision to temporarily halt the easing cycle was anchored on policy uncertainties in global space, particularly in international trade.

The BSP later resumed its easing cycle in April with a 25-bp cut, noting downside risks to inflation, largely from lower rice prices. The BSP chief also emphasized the need to support economic growth amid the ongoing trade war and the increasing risk of a global economic slowdown.

Below-target inflation and weak economic growth provided the BSP with enough leeway to consistently deliver 25-bp cuts in its next four meetings, reducing its target reverse repurchase rate by a cumulative 125 basis points in full year 2025 to 4.50%.

As the Fed reduced its target Federal Funds Rate (FFR) by 75 bps to 3.50%-3.75%, the interest rate differential (IRD) settled at 75 basis points at end-2025, narrower than the 125 basis points at end-2024.

USDPHP: Domestic headwinds outweighed the weak dollar story

The peso opened the year on a weak note, pressured by a strong dollar as markets anticipated US President Donald Trump's return to the White House. With the Bloomberg dollar index settling above the 100-level, USDPHP traded consistently above the PHP 58-level, close to the PHP 59-level. However, as the year progressed, the dollar lost its gains and went on a downward trend following Trump's aggressive tariff policies as sentiments weakened in the US and optimism on Trump's "Make America Great Again" (MAGA) policies faltered.

However, the peso trended weaker in the second half of the year, losing the gains it made earlier from a softer US dollar. As government corruption investigations went on, market sentiment deteriorated, outweighing the weak-dollar narrative. By year-end, the USDPHP closed at PHP 58.79.

Liquidity

The Bank proactively monitors its liquidity position to ensure that funds are adequate to meet its obligations. Liquidity risk is measured, monitored and controlled via a system of risk tools available on a daily basis.

As of December 31, 2025, the contractual maturity profile of assets and liabilities shows that the Bank has at its disposal about ₱1.50 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 63.06% of the ₱2.38 trillion total deposits estimated to come due 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. Including these securities, the total current assets will cover 84.81% of the total deposits that will mature within one year. The historical behavior of deposits balances has shown, however, that a substantial portion of these contractual outflows is not withdrawn in one year.

Events That Will Trigger Material Direct or Contingent Financial Obligation

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

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.

Material Off-Balance Sheet Transactions, Arrangements or Obligations

The following is a summary of contingencies and commitments of the Group at their peso-equivalent contractual amounts arising from off-balance sheet items as of December 31, 2025 and 2024 (in millions):

	2025	2024
Derivatives	₱1,487,567	₱1,506,378
Trust department accounts	955,848	581,367
Commitments	508,521	393,304
Performance standby letters of credit	60,546	41,320
Spot foreign exchange of credit	48,017	52,588
Commercial letters of credit	29,397	30,284
Guarantees issued	26,789	20,829
Trade related guarantees	604	923
Others	42,193	33,936
	₱3,159,482	₱2,660,929

Other Relationships of the Registrant with Unconsolidated Entities or Other Persons

The Group has ownership in the following significant unconsolidated entities as of December 31, 2025:

	<u>Effective % of Ownership</u>
Taal Land, Inc.	35.00%
Cathay International Resources Corporation	34.49%
Sumisho Motor Financing Corporation*	26.52%
AXA Philippines Life and General Insurance Corporation (formerly Philippine AXA Life Insurance Corporation)	27.97%
Northpine Land, Inc.	20.00%
Lepanto Consolidated Mining Company	11.91%

* Represents investments in a joint venture of the Group and effective ownership interest of the Bank through PSBank.

Material Commitments for Capital Expenditures

For the year 2026, 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.

Significant Elements from Continuing Operations

Standards Issued But Not Yet Effective

Standards issued but not yet effective up to date of issuance of the Group's financial statements are listed in Note 2 of the audited financial statements of the Group as presented in Exhibit 5. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements. The Group will assess impact of these amendments on its financial position or performance when they become effective.

Information on Independent Accountant

1. SGV has been the external auditors of the registrant since 1962. In compliance with the revised SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002 (increased to seven cumulative years effective August 2019 per Professional Regulatory Board of Accountancy Resolution No. 53, Series of 2019). The following SGV Partners have reviewed/audited the financial statements of the registrant and signed the reports of the independent auditors for the years ended as indicated below:

SGV Partner	Years Ended December 31
Ms. Janet A. Paraiso	2025 and 2024
Mr. Miguel U. Ballelos, Jr.	2024 and 2023 2023 and 2022
Ms. Janeth T. Nuñez-Javier	2022 and 2021 2021 and 2020
Ms. Josephine Adrienne A. Abarca	2020 and 2019 2019 and 2018
Ms. Janeth T. Nuñez-Javier	2018 and 2017 2017 and 2016 2016 and 2015 2015 and 2014 2014 and 2013

2. The Bank intends to retain SGV as its external auditors for the year 2026. The external auditors are appointed annually by the registrant's BOD and the appointment is ratified by the stockholders during the Annual Stockholders' Meeting.
3. The aggregate fees for each of the last two fiscal years for professional services rendered by the registrant's external auditors are summarized below:

Nature of Services Rendered		Aggregate Fees * (in millions)	
		2025	2024
Audit and Audit-Related Fees	Annual audit of the financial statements in connection with statutory and regulatory filings; annual audit of the Trust financial statements; review of offering circulars based on agreed-upon procedures and issuance of comfort letters relative to the issuances of debt securities.	₱13.47	₱16.60
Tax Fees		-	-
All Other Fees	Seminars and others	18.98	0.05
Total Fees		₱32.45	₱16.65

**The above fees pertain only to the Parent Company. Total fees for the Parent Company and its subsidiaries (Group) are disclosed on page 14 of Exhibit 6.*

Audit Committee's Approval Policies and Procedures for Above Services

The Institutional Accounting Division of the Bank's Controllershship Group, upon consultation with the Controller, the Financial and Control Sector Head, and the President, reviews the continuing eligibility of the Bank's external auditor and/or other probable candidates, considering certain criteria.

Upon selection by the Controller, the Financial and Control Sector Head, and the President, the recommendation for engaging the preferred external auditor shall be presented by the Controller to the Audit Committee, which shall then evaluate and endorse the appointment of the external auditor to the Board of Directors for approval.

On March 11, 2025, the Board of Directors approved the endorsement of the Audit Committee re-appointing SyCip, Gorres, Velayo & Co. (SGV) as the external auditor of Metrobank for the year 2025, and it was ratified by the stockholders during the Annual Stockholders' Meeting on April 23, 2025.

Appointment of Members and Composition of the Audit Committee

The members of the Audit Committee are appointed annually by the Board of Directors. It shall be composed of at least three (3) qualified non-executive directors, and majority of whom shall be independent directors, including the Chairperson. All of the members of the Audit Committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance commensurate with the size, operational complexity, and risk profile of the Bank. It shall have access to independent experts to assist them in carrying out its responsibilities. The Chairman of the Audit Committee should not be the chairman of the board or of any other board-level committees.

Each member shall serve for a maximum tenure of nine years. If a member does not serve the position of director within the term, his/her Audit Committee membership is automatically removed; the vacancy should then be filled up by the remaining Board of Directors, if still constituting a quorum. Once an independent director loses his/her independent director's position within the term, he/she will automatically lose qualification of Audit Committee chairperson. A new chairperson shall be appointed subject to the approval of the Board of Directors. The Audit Committee chairperson or member so appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor in office. The committee members, including the chairperson, may also be occasionally rotated.

Metrobank's Audit Committee is composed of the following:

Name of Member	Designation - Audit Committee	Designation - Registrant
Edgar O. Chua	Chairman	Independent Director
Solomon S. Cua	Regular Member	Director
Angelica H. Lavares	Regular Member	Independent Director

As provided for in its Board-approved charter, among the duties and responsibilities of the Audit Committee is the exercise of an effective oversight of the external audit function. With respect to the registrant's independent external auditor, the Audit Committee is responsible to:

1. Recommend the appointment or selection, re-appointment and dismissal of the independent external auditor based on fair and transparent criteria. The external auditor shall be selected from the List of Selected External Auditors for Bangko Sentral Supervised Financial Institutions and the recommendation should be approved by the Board and ratified by the stockholders. If the external auditor resigns or communicates an intention to resign, the Audit Committee should follow up the reasons or explanations giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons. For removal or change of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures. The external auditor, including the engagement and quality control partners, shall be periodically rotated in accordance with the relevant regulatory requirements.
2. Discuss and agree to the terms of the engagement letter issued by the external auditor prior to the approval of the engagement; obtain an understanding of the nature, audit approach, and scope of work covering areas specifically prescribed by the Bangko Sentral ng Pilipinas (BSP) and other regulators and those relevant to the Bank's operations and risk exposures. These include (i) review of the adoption of applicable reporting framework as well as the assessment of the accuracy, adequacy, and reliability of accounting records and financial reports; (ii) assessment of the propriety and adequacy of disclosures in the financial statements; (iii) assessment of the adequacy and effectiveness of internal controls and risk management systems; (iv) assessment of the quality of capital in relation to risk exposures; and (v) evaluation of the quality of corporate governance, among others.
3. Set compensation of the external auditor in relation to the scope of its duties upon recommendation of Controller and ensure coordination where more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
4. Ensure that the external auditor shall have free and full access to all the Bank's records, properties and personnel relevant to the audit activity, and that audit be given latitude in determining the scope of auditing examinations, performing work, and communicating results and shall be free from interference by outside parties in the performance of work.
5. Assess the extent of cooperation provided by the management during the conduct of external audit.
6. Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to the significance to the total annual income of the external auditor and in relation to the Bank's total expenditure on consultancy and disallow any non-audit work that will conflict with or pose a threat to the independence of the external auditor. The non-audit work, if allowed, should be disclosed in the Annual Report and Annual Corporate Governance Report.

All non-audit services to be rendered by the external auditor to the controlled entities of the Bank, regardless of materiality, shall be concurred by the Audit Committee, after the approval of the companies' respective Audit Committees, but prior to the actual engagement of the external auditor.

7. Review management representation letters before these are transmitted to the external auditor to ensure that items in the letter are complete and appropriate.
8. Review the disposition of the recommendations in the external auditor's management letter.
9. Review and monitor the external auditor's overall suitability and effectiveness. These shall involve assessing and monitoring the integrity, independence and objectivity of external auditor, and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Audit Committee shall also conduct regular performance appraisal of external auditor.
10. Continually engage external auditor on matters concerning audit quality and enhancements in audit processes.
11. Oversee the financial reporting process, practices, and controls; and ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports. The Audit Committee shall perform review of external auditor's report on the results of the financial statements audit, focusing particularly on the following, among others: (i) any change/s in accounting policies and procedures; (ii) areas where a significant amount of judgment has been exercised; (iii) significant adjustments resulting from the audit; (iv) going concern assumption; and (v) compliance with accounting standards, tax, legal, and regulatory requirements before these are submitted to the Board of Directors for approval.
12. Understand and duly assess the external auditor's opinion regarding the capability of the management and the adequacy of accounting or information systems to comply with financial and prudential reporting responsibilities.

13. Evaluate the adequacy and effectiveness of the Bank's accounting policies and procedures and financial and accounting management through observations and discussions with the external auditors.
14. Evaluate internal accounting controls through review of the reports of the external auditors that describe internal accounting, organizational or operating control weaknesses and determine that appropriate corrective action is being taken by Management.

Limitation of Role

The Audit Committee's role is to oversee the external audit function. It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Bank's financial statements and disclosures are complete and accurate and in accordance with PFRS and applicable rules and regulations.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

SGV has been the external auditors of the Bank since 1962 with engagement partner being changed periodically in accordance with SEC and BSP regulations, and as provided under the Code of Ethics for Professional Accountants in the Philippines, as adopted by the Philippines Board of Accountancy. There have been no disagreements with the Bank's independent accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

Material Subsequent Events

1. The US\$500.0 million senior unsecured notes issued by the Parent Company on July 15, 2020 which bear an interest rate of 2.125% per annum matured on January 15, 2026.
2. On January 15, 2026, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2025 amounting to ₱320.14 million or ₱0.75 per share payable on February 16, 2026 to all stockholders at record date as of January 30, 2026.
3. On February 18, 2026, the BOD of the Parent Company approved the following:
 - i. Declaration of ₱3.00 regular cash dividend, payable on a semi-annual basis. The first payout of ₱1.50 per share is payable on March 26, 2026 to all stockholders of record as of March 9, 2026. Record and payment dates for the second payout of ₱1.50 per share will be determined during the regular meeting of the BOD in August 2026; and
 - ii. Declaration of ₱2.00 special cash dividend payable on March 26, 2026 to all stockholders of record as of March 9, 2026.

Others

As of December 31, 2025, the Group has no significant matters to report on the following:

1. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
2. Explanatory comments about the seasonality or cyclicity of operations.
3. Issuances, repurchases and repayments of debt and equity securities except for the issuance of the ₱5.0 billion bonds of PSBank as discussed in Note 19 of the audited financial statements of the Group as presented in Exhibit 5.
4. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payment of cash dividends by the Bank, as discussed in Note 23 of the audited financial statements of the Group as presented in Exhibit 5; and
5. Effect of changes in the composition of the Group during the year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

SEC FORM 17-A (ANNUAL REPORT)

A copy of SEC Form 17-A (2025 Annual Report) will be provided free of charge upon request to corpsecoffice@metrobank.com.ph

PART IV – SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

This report is signed in the TAGUIG CITY on March 25, 2026.

METROPOLITAN BANK & TRUST COMPANY

Registrant

By:

REGIS V. PUNO
Corporate Secretary

SUBSCRIBED AND SWORN to before me at TAGUIG CITY this MAR 25 2026, affiants exhibiting to me his Passport with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
REGIS V. PUNO			

Doc. No. 54 ;
Page No. 12 ;
Book No. IV ;
Series of 2026

ATTY. FENNA MARIE A. TILOS-ATIGA
NOTARY PUBLIC, CITY OF TAGUIG
APPOINTMENT NO. 30 – UNTIL DECEMBER 31, 2027
2/F THE SHOPS, GRAND CENTRAL PARK,
7TH AVE. COR. 36TH AND 38TH ST. NORTH BONIFACIO
DISTRICT, BGC, TAGUIG CITY

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ANGELICA H. LAVARES**, Filipino, of legal age, and a resident of [REDACTED], after having been sworn in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Metropolitan Bank & Trust Company and have been its independent director since Apr. 24, 2019.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Institute of Corporate Directors	Teaching Fellow	Mar 2011 – to date
Prulife UK	Independent Director	June 2019 – to date

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Metropolitan Bank & Trust Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. *(where applicable)*

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
<i>Not Applicable</i>		

5. Except as disclosed in Annex A hereof, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
<i>Not Applicable</i>		

6. *(For those in government service/affiliated with a government agency or GOCC)* I have the required written permission or consent from the (head of agency/department) to be an independent director in Metropolitan Bank & Trust Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. *Not Applicable*
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and Other SEC issuances.

8. I shall inform the corporate secretary of Metropolitan Bank & Trust Company of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MAR 12 2026 day of 2026, TAGUIG CITY


ANGELICA H. LAVARES
Affiant

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

SUBSCRIBED AND SWORN to before me this MAR 12 2026 day of 2026 at TAGUIG CITY, affiant personally appeared before me and exhibited to me her 


Doc. No.: 24
Page No.: 6
Book No.: IV
Series of 2026.


ATTY. FENNA MARIE A. TILOS-ATIGA
NOTARY PUBLIC, CITY OF TAGUIG
APPOINTMENT NO. 30 - UNTIL DECEMBER 31, 2027
2/F THE SHOPS, GRAND CENTRAL PARK,
7TH AVE. COR. 36TH AND 38TH ST. NORTH BONIFACIO
DISTRICT, BGC, TAGUIG CITY
ROLL OF ATTORNEYS NO. 66183
PTR No. MKT10767221; 01/05/2026; MAKATI CITY
IBP OR No: INV 575922; 12/29/2025; SAMAR
MCLE Compliance No: VIII-0011741, 08/12/2024

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **PHILIP G. SOLIVEN**, Filipino, of legal age and a resident of [REDACTED], after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Metropolitan Bank & Trust Company and have been its independent director since May 28, 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Multico Prime Power Inc	Vice Chairman / Director	1998 – Present
American Chamber of Commerce of the Philippines	Director Ex-Officio /Treasurer	2001 - Present
Management Association of the Philippines	Member	2016 – Present
Scorbin, Inc.	Director/President	2013 – Present
Rotary Club of Makati	Director	2005 – Present
New Canipo San Vicente Corp	Director	2018 - Present
Advancement for Rural Kids	Board Member/ Chairman	2020 – Present 2024 - Present
Century Pacific Food Inc.	Independent Director	2023 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Metropolitan Bank & Trust Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. *(where applicable)*

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
<i>Not Applicable</i>		

5. Except as disclosed in Annex A hereof, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
<i>Not Applicable</i>		

ATTY. FENNA MARIE A. TILOS-ATIGA
NOTARY PUBLIC, CITY OF TAGUIG
APPOINTMENT NO. 30 - UNTIL DECEMBER 31, 2027
2/F THE SHOPS, GRAND CENTRAL PARK,
7TH AVE. COR. 36TH AND 38TH ST. NORTH BONIFACIO
DISTRICT, BGC, TAGUIG CITY
ROLL OF ATTORNEYS NO. 66183
PTR No. MKT10767221; 01/05/2026; MAKATI CITY
IBP OR No: INV 575922; 12/29/2025; SAMAR
MCLE Compliance No: VIII-0011741, 08/12/2024

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **MARCELO C. FERNANDO, JR.**, Filipino, of legal age and a resident of [REDACTED], after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Metropolitan Bank & Trust Company and have been its independent director since April 28, 2021;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Fuego Y Hielo, Inc.	President and Chairman	2018 – Present
Asian Institute of Management, Inc.	Member of the Board of Trustees	2022 - Present
Singapore Life Philippines, Inc.	Director	2025 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Metropolitan Bank & Trust Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. *(where applicable)*

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
<i>Not Applicable</i>		

5. Except as disclosed in Annex A hereof, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
<i>Not Applicable</i>		

6. *(For those in government service/affiliated with a government agency or GOCC)* I have the required written permission or consent from the (head of agency/department) to be an independent director in Metropolitan Bank & Trust Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. *Not Applicable*

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and Other SEC issuances.
8. I shall inform the corporate secretary of Metropolitan Bank & Trust Company of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MAR 12 2026 day of _____ 2026, at TAGUIG CITY


MARCELO C. FERNANDO, JR.
Affiant

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

MAR 12 2026
SUBSCRIBED AND SWORN to before me this _____ day of _____ at
TAGUIG CITY, affiant personally appeared before me and exhibited to me his 


Doc. No.: 25
Page No.: 4
Book No.: IV
Series of 2026.


ATTY. FENNA MARIE A. TILOS-ATIGA
NOTARY PUBLIC, CITY OF TAGUIG
APPOINTMENT NO. 30 - UNTIL DECEMBER 31, 2027
2/F THE SHOPS, GRAND CENTRAL PARK,
7TH AVE. COR. 36TH AND 38TH ST. NORTH BONIFACIO
DISTRICT, BGC, TAGUIG CITY
ROLL OF ATTORNEYS NO. 66183
PTR No. MKT10767221; 01/05/2026; MAKATI CITY
IBP OR No: INV 575922; 12/29/2025; SAMAR
MCLE Compliance No: VIII-0011741, 08/12/2024

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **JUAN MIGUEL L. ESCALER**, Filipino, of legal age and a resident of [REDACTED] after having been sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Metropolitan Bank & Trust Company and have been its independent director since April 27, 2022;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Trusting Social AI Philippines	Country CEO	7.5 years
Trusting Social AI Philippines	Director	7.5 years
Pointwest Technologies Inc.	Director	5.5 years
M.De Leon Inc.	Director	10 + years
ESE Realty	Director	17 years
Urbanhome Realty	Director	8 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Metropolitan Bank & Trust Company, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. *(where applicable)*

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
<i>Not Applicable</i>		

5. Except as disclosed in Annex A hereof, I am not the subject of any pending criminal or administrative investigation or proceeding.

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
<i>Not Applicable</i>		

6. *(For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of agency/department) to be an independent director in Metropolitan Bank & Trust Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. Not Applicable*

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and Other SEC issuances.
8. I shall inform the corporate secretary of Metropolitan Bank & Trust Company of any changes in the abovementioned information within five (5) days from its occurrence.

MAR 11 2026

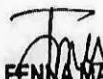
Done, this _____ day of _____ 2026, at TAGUIG CITY.


JUAN MIGUEL L. ESCALER
Affiant

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

SUBSCRIBED AND SWORN to before me this _____ day of _____ at
TAGUIG CITY, affiant personally appeared before me and exhibited to me his Passport No.


Doc. No.: 12
Page No.: 4
Book No.: N
Series of 2026.


ATTY. FENNA MARIE A. TILOS-ATIGA
NOTARY PUBLIC, CITY OF TAGUIG
APPOINTMENT NO. 30 - UNTIL DECEMBER 31, 2027
2/F THE SHOPS, GRAND CENTRAL PARK,
7TH AVE. COR. 36TH AND 38TH ST. NORTH BONIFACIO
DISTRICT, BGC, TAGUIG CITY
ROLL OF ATTORNEYS NO. 66183
PTR No. MKT10767221; 01/05/2026; MAKATI CITY
IBP OR No: INV 575922; 12/29/2025; SAMAR
MCLE Compliance No: VIII-0011741, 08/12/2024

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Group and of the Parent Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



ARTHUR TY
Chairman



FABIAN S. DEE
President



RENATO K. DE BORJA, JR.
EVP and Head, Financial and
Control Sector



FERNAND ANTONIO A. TANSINGCO
SEVP, Treasurer and Head, Financial
Markets Sector



MARICEL L. MADRID
FVP, Controller

Signed this 18th day of February, 2026.

SUBSCRIBED AND SWORN to before me at Taguig City this FEB 18 2026, affiants exhibiting to me their respective Passports with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
ARTHUR TY			
FABIAN S. DEE			
RENATO K. DE BORJA, JR.			
FERNAND ANTONIO A. TANSINGCO			
MARICEL L. MADRID			

Doc. No. 435;
Page No. 89;
Book No. F;
Series of 2026.

ATTY. CHARISSA Y. VENTURA
Notary Public for Taguig City
Appointment No. 164 until December 31, 2026
2/F The Shops at Grand Central Park
7th Ave. cor. 36th St., BGC, Taguig City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2	0	5	7	3					
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COMPANY NAME

M	E	T	R	O	P	O	L	I	T	A	N		B	A	N	K		&		T	R	U	S	T		C	O	M	P
A	N	Y		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S										

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

G	T		T	o	w	e	r		I	n	t	e	r	n	a	t	i	o	n	a	l	,		6	8	1	3		
A	y	a	l	a		A	v	e	.	,		c	o	r	n	e	r		H	.	V	.		D	e	l	a		
C	o	s	t	a		S	t	.	,		B	r	g	y	.		B	e	l	-	A	i	r	,		1	2	2	7
M	a	k	a	t	i		C	i	t	y																			

Form Type
A A F S

Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address https://www.metrobank.com.ph	Company's Telephone Number 8898-8805	Mobile Number N/A
No. of Stockholders 2,901	Annual Meeting (Month / Day) 04/22	Fiscal Year (Month / Day) 12/31

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person MARICEL L. MADRID	Email Address	Telephone Number/s 8898-8805	Mobile Number
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CONTACT PERSON'S ADDRESS

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NOTE 1 In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Metropolitan Bank & Trust Company
GT Tower International,
6813 Ayala Ave., corner H.V. Dela Costa St.,
Brgy. Bel-Air, Makati City

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of Metropolitan Bank & Trust Company and its subsidiaries (the Group) and the parent company financial statements of Metropolitan Bank & Trust Company (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2025 and 2024, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years ended December 31, 2025, and notes to the consolidated and parent company financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2025 and 2024, and their financial performance and their cash flows for each of the three years ended December 31, 2025, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Applicable to the audit of the consolidated and parent company financial statements

Allowance for Credit Losses

The Group's and the Parent Company's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's and the Parent Company's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality, taking into account extension of payment terms; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information in calculating ECL.

Allowance for credit losses on loans and receivables as of December 31, 2025 for the Group and the Parent Company amounted to ₱51.9 billion and ₱44.3 billion, respectively. Provision for credit losses on loans and receivables of the Group and the Parent Company in 2025 amounted to ₱12.4 billion and ₱10.0 billion, respectively.

Refer to Notes 2, 3, 4 and 15 of the financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.

Audit response

We obtained an understanding of the Board-approved methodologies and models used for the Group's and the Parent Company's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider time value of money and the best available forward-looking information.

We (a) assessed the Group's and the Parent Company's segmentation of credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, and credit risk management policies and practices in place; (c) tested the Group's and the Parent Company's application of the internal credit risk rating system by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and the Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments



and repayment scheme; (g) checked the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge; and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated the allowance for credit losses on a sample basis. We involved our internal specialists in the performance of the above procedures. We reviewed the completeness of the disclosures made in the financial statements.

Applicable to the audit of the consolidated financial statements

Recoverability of Goodwill

As of December 31, 2025, the Group has goodwill amounting to ₱4.5 billion, which is substantially attributable to the Bank's investment in First Metro Investment Corporation or FMIC). Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. The Group performed the impairment testing using the cash generating unit's (CGU) fair value less costs to sell (FVLCTS). The annual impairment test is significant to our audit because the determination of the CGU's FVLCTS requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty. The CGU's assets include significant investments in unquoted equity shares and their fair values were determined using European Embedded Value (EEV) method and adjusted net asset valuation (NAV) method. Other assets of the CGU include investments in quoted equity shares and debt financial assets, and real properties, while liabilities include unquoted debt financial liabilities.

The disclosures relating to goodwill are included in Notes 3 and 11 to the financial statements.

Audit response

We involved our internal specialist in obtaining an understanding of the Group's impairment assessment process, including methodology and assumptions used in the assessment and in evaluating the assumptions and methodology used by the Group in determining the FVLCTS of the CGU, in particular those relating to the use of EEV method and adjusted NAV method in the valuation of the unquoted equity shares. We tested the fair value of the other assets and liabilities by referring to the quoted prices of listed equity and debt instruments, agreeing the appraised values of real estate properties to the appraisal reports, comparing the future cash flows of unquoted debt instruments to the related contracts, and comparing the discount rates used against prevailing interest rates for similar instruments. We also re-performed the calculation of the FVLCTS. We reviewed the completeness of the disclosures made in the financial statements.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent company financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated and parent company financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent company financial statements.



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



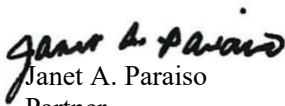
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the Manual of Regulations for Banks (MORB) in Note 37 and Revenue Regulations No. 15-2010 in Note 38 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Parent Company. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Janet A. Paraiso.

SYCIP GORRES VELAYO & CO.
SYCIP GORRES VELAYO & CO.



Janet A. Paraiso
Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

February 18, 2026



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
(In Millions)

	Consolidated		Parent Company	
	December 31			
	2025	2024	2025	2024
ASSETS				
Cash and Other Cash Items	₱34,577	₱33,726	₱32,871	₱31,929
Due from Bangko Sentral ng Pilipinas (BSP) (Notes 4 and 16)	106,042	150,128	105,641	148,945
Due from Other Banks (Note 4)	64,338	82,068	42,583	62,352
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA) (Notes 4, 7 and 26)	72,590	81,287	35,898	53,906
Investment Securities at Fair Value Through Profit or Loss (FVTPL) (Notes 5 and 8)	113,841	226,302	113,797	225,923
Fair Value Through Other Comprehensive Income (FVOCI) (Notes 4, 5 and 8)	954,460	573,001	876,355	512,115
Amortized Cost (Notes 4, 5 and 8)	473,274	475,024	444,490	444,755
Loans and Receivables (Notes 4, 5 and 9)	1,976,438	1,816,010	1,713,037	1,577,619
Property and Equipment (Note 10)	30,876	28,116	23,020	20,896
Investments in Subsidiaries (Note 11)	—	—	83,099	81,407
Investments in Associates and a Joint Venture (Note 11)	7,648	6,359	586	597
Goodwill (Note 11)	4,543	4,543	—	—
Investment Properties (Notes 5 and 12)	8,115	7,805	3,973	3,565
Deferred Tax Assets (Note 28)	15,307	18,037	13,443	16,072
Other Assets (Note 14)	18,268	17,949	13,728	14,057
	₱3,880,317	₱3,520,355	₱3,502,521	₱3,194,138
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 16 and 32)				
Demand	₱642,415	₱608,370	₱586,157	₱559,133
Savings	932,693	879,568	884,817	832,157
Time	1,085,848	1,085,940	904,002	930,174
	2,660,956	2,573,878	2,374,976	2,321,464
Bills Payable and Securities Sold Under Repurchase Agreements (SSURA) (Notes 5, 17 and 32)	530,734	300,652	505,732	286,541
Derivative Liabilities (Notes 5 and 8)	13,502	13,370	13,500	13,369
Manager's Checks and Demand Drafts Outstanding	7,293	6,901	6,478	5,286
Income Taxes Payable	4,792	4,219	4,625	4,143
Accrued Interest and Other Expenses (Note 18)	18,780	23,544	15,031	19,987
Bonds Payable (Notes 5, 19 and 32)	114,013	107,236	106,530	104,858
Other Liabilities (Note 21)	98,080	94,150	53,259	52,303
	3,448,150	3,123,950	3,080,131	2,807,951

(Forward)



	Consolidated		Parent Company	
	December 31			
	2025	2024	2025	2024
EQUITY				
Equity Attributable to Equity Holders of the Parent Company				
Common stock (Note 23)	₱89,948	₱89,948	₱89,948	₱89,948
Capital paid in excess of par value (Note 23)	85,252	85,252	85,252	85,252
Surplus reserves (Note 24)	3,037	2,888	3,037	2,888
Surplus (Note 23)	257,469	230,314	257,469	230,314
Net unrealized losses on investment securities at FVOCI (Note 8)	(1,483)	(8,185)	(1,483)	(8,185)
Remeasurement losses on retirement plans (Notes 11 and 27)	(5,502)	(6,436)	(5,502)	(6,436)
Equity in other comprehensive income of investees (Note 11)	163	80	163	80
Translation adjustment and others (Note 11)	(7,179)	(8,359)	(6,494)	(7,674)
	421,705	385,502	422,390	386,187
Non-controlling interest (Note 11)	10,462	10,903	—	—
	432,167	396,405	422,390	386,187
	₱3,880,317	₱3,520,355	₱3,502,521	₱3,194,138

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
INTEREST INCOME ON						
Loans and receivables (Notes 9 and 32)	₱126,583	₱116,852	₱100,539	₱107,082	₱99,661	₱84,789
Investment securities at FVOCI and at amortized cost (Note 8)	52,098	50,014	43,614	48,130	45,314	37,654
Investment securities at FVTPL (Note 8)	3,997	5,030	2,058	3,982	4,901	1,921
Interbank loans receivable and securities purchased under resale agreements (SPURA) (Notes 7 and 32)	2,524	3,275	3,429	1,385	2,301	2,728
Deposits with banks and others	837	2,493	3,972	487	1,798	2,159
	186,039	177,664	153,612	161,066	153,975	129,251
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 16 and 32)	41,466	48,975	41,120	35,025	42,218	33,640
Bills payable and securities sold under repurchase agreements, bonds payable, subordinated debts and others (Notes 13, 17, 19, 20, 21 and 32)	19,945	14,574	7,522	19,265	13,981	6,826
	61,411	63,549	48,642	54,290	56,199	40,466
NET INTEREST INCOME	124,628	114,115	104,970	106,776	97,776	88,785
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES (Notes 3 and 15)	11,919	6,360	8,978	9,994	6,379	6,661
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	112,709	107,755	95,992	96,782	91,397	82,124
OTHER OPERATING INCOME						
Service charges, fees and commissions (Notes 25 and 32)	17,882	16,932	16,390	14,438	13,733	13,079
Trading and securities gain (loss) - net (Notes 8, 21 and 32)	4,659	8,904	(94)	3,978	8,582	(128)
Foreign exchange gain (loss) - net (Note 32)	3,549	(3,328)	4,096	3,435	(3,610)	3,805
Leasing (Notes 12, 13 and 32)	2,273	2,033	2,019	144	153	159
Income from trust operations (Notes 24 and 32)	1,328	1,195	1,220	1,275	1,145	1,173
Profit from assets sold (Notes 10, 12 and 14)	106	654	2,113	271	393	1,594
Dividends (Note 8)	53	161	257	9	18	19
Miscellaneous (Note 25)	2,686	2,668	2,503	1,682	1,487	1,255
	32,536	29,219	28,504	25,232	21,901	20,956
OTHER OPERATING EXPENSES						
Compensation and fringe benefits (Notes 27 and 32)	32,088	31,317	28,263	25,052	24,433	21,633
Taxes and licenses (Note 28)	13,547	13,945	11,460	11,756	12,152	9,498
Depreciation and amortization (Notes 10, 12 and 14)	7,236	6,786	6,922	4,791	4,198	4,311
Occupancy and equipment-related costs (Note 13)	1,956	2,287	1,966	1,495	1,800	1,506
Miscellaneous (Note 25)	24,880	22,826	20,911	20,927	19,133	17,115
	79,707	77,161	69,522	64,021	61,716	54,063
INCOME BEFORE SHARE IN NET INCOME OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE						
	65,538	59,813	54,974	57,993	51,582	49,017
SHARE IN NET INCOME OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE (Note 11)						
	915	765	875	6,162	6,414	5,281
INCOME BEFORE INCOME TAX	66,453	60,578	55,849	64,155	57,996	54,298
PROVISION FOR INCOME TAX (Note 28)	15,829	11,345	12,890	14,435	9,859	12,060
NET INCOME	₱50,624	₱49,233	₱42,959	₱49,720	₱48,137	₱42,238
Attributable to:						
Equity holders of the Parent Company (Note 31)	₱49,720	₱48,137	₱42,238			
Non-controlling interest (Note 11)	904	1,096	721			
	₱50,624	₱49,233	₱42,959			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 31)						
	₱11.06	₱10.71	₱9.39			

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
Net Income	₱50,624	₱49,233	₱42,959	₱49,720	₱48,137	₱42,238
Other Comprehensive Income for the Year, Net of Tax						
Items that may not be reclassified to profit or loss:						
Change in remeasurement gain (loss) on retirement plans (Notes 11 and 27)	981	1,026	(3,157)	934	1,055	(3,087)
Change in net unrealized gain (loss) on equity securities at FVOCI	110	394	256	(15)	187	135
	1,091	1,420	(2,901)	919	1,242	(2,952)
Items that may be reclassified to profit or loss:						
Change in net unrealized gain on investment in debt securities at FVOCI (Note 8)	6,642	1,385	12,685	6,788	1,597	12,791
Change in equity in other comprehensive gains (losses) of investees (Note 11)	84	(37)	263	83	(36)	261
Translation adjustment and others (Note 11)	1,183	243	(719)	1,180	314	(691)
	7,909	1,591	12,229	8,051	1,875	12,361
Total Comprehensive Income for the Year	₱59,624	₱52,244	₱52,287	₱58,690	₱51,254	₱51,647
Attributable to:						
Equity holders of the Parent Company	₱58,690	₱51,254	₱51,647			
Non-controlling interest	934	990	640			
	₱59,624	₱52,244	₱52,287			

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

(In Millions)

	Consolidated											
	Equity Attributable to Equity Holders of the Parent Company											
	Common Stock (Note 23)	Capital Paid In Excess of Par Value (Note 23)	Treasury Stock (Note 23)	Surplus Reserves (Note 24)	Surplus (Note 23)	Net Unrealized Loss on Investment Securities at FVOCI (Note 8)	Remeasurement Losses on Retirement Plans (Notes 11 and 27)	Equity in Other Comprehensive Income of Investees (Note 11)	Translation Adjustment and Others (Note 11)	Total	Non-controlling Interest (Note 11)	Total Equity
Balance as at January 1, 2025	₱89,948	₱85,252	₱—	₱2,888	₱230,314	(₱8,185)	(₱6,436)	₱80	(₱8,359)	₱385,502	₱10,903	₱396,405
Total comprehensive income for the year	—	—	—	—	49,720	6,773	934	83	1,180	58,690	934	59,624
Transfer to surplus reserves (Note 24)	—	—	—	149	(149)	—	—	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(22,487)	—	—	—	—	(22,487)	(1,375)	(23,862)
Realized gain on sale of equity securities at FVOCI (Note 8)	—	—	—	—	71	(71)	—	—	—	—	—	—
Balance as at December 31, 2025	₱89,948	₱85,252	₱—	₱3,037	₱257,469	(₱1,483)	(₱5,502)	₱163	(₱7,179)	₱421,705	₱10,462	₱432,167
Balance as at January 1, 2024	₱89,948	₱85,252	(₱70)	₱2,752	₱204,896	(₱10,065)	(₱7,491)	₱116	(₱8,673)	₱356,665	₱10,073	₱366,738
Total comprehensive income (loss) for the year	—	—	—	—	48,137	1,784	1,055	(36)	314	51,254	990	52,244
Transfer to surplus reserves	—	—	—	136	(136)	—	—	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(22,487)	—	—	—	—	(22,487)	(160)	(22,647)
Realized loss on sale of equity securities at FVOCI (Note 8)	—	—	—	—	(96)	96	—	—	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(244)	—	—	—	—	—	—	(244)	—	(244)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	314	—	—	—	—	—	—	314	—	314
Balance as at December 31, 2024	₱89,948	₱85,252	₱—	₱2,888	₱230,314	(₱8,185)	(₱6,436)	₱80	(₱8,359)	₱385,502	₱10,903	₱396,405
Balance as at January 1, 2023	₱89,948	₱85,252	(₱72)	₱2,613	₱176,374	(₱23,076)	(₱4,404)	(₱145)	(₱7,982)	₱318,508	₱9,582	₱328,090
Total comprehensive income (loss) for the year	—	—	—	—	42,238	12,926	(3,087)	261	(691)	51,647	640	52,287
Transfer to surplus reserves	—	—	—	139	(139)	—	—	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(13,492)	—	—	—	—	(13,492)	(149)	(13,641)
Realized loss on sale of equity securities at FVOCI (Note 8)	—	—	—	—	(85)	85	—	—	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(5)	—	—	—	—	—	—	(5)	—	(5)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	7	—	—	—	—	—	—	7	—	7
Balance as at December 31, 2023	₱89,948	₱85,252	(₱70)	₱2,752	₱204,896	(₱10,065)	(₱7,491)	₱116	(₱8,673)	₱356,665	₱10,073	₱366,738



	Parent Company									
	Common Stock (Note 23)	Capital Paid In Excess of Par Value (Note 23)	Treasury Stock (Note 23)	Surplus Reserves (Note 24)	Surplus (Note 23)	Net Unrealized Loss on Investment Securities at FVOCI (Note 8)	Remeasurement Losses on Retirement Plans (Notes 11 and 27)	Equity in Other Comprehensive Income of Investees (Note 11)	Translation Adjustment and Others (Note 11)	Total Equity
Balance as at January 1, 2025	₱89,948	₱85,252	₱–	₱2,888	₱230,314	(₱8,185)	(₱6,436)	₱80	(₱7,674)	₱386,187
Total comprehensive income for the year	–	–	–	–	49,720	6,773	934	83	1,180	58,690
Transfer to surplus reserves (Note 24)	–	–	–	149	(149)	–	–	–	–	–
Cash dividend (Note 23)	–	–	–	–	(22,487)	–	–	–	–	(22,487)
Realized gain on sale of equity securities at FVOCI	–	–	–	–	71	(71)	–	–	–	–
Balance as at December 31, 2025	₱89,948	₱85,252	₱–	₱3,037	₱257,469	(₱1,483)	(₱5,502)	₱163	(₱6,494)	₱422,390
Balance as at January 1, 2024	₱89,948	₱85,252	(₱70)	₱2,752	₱204,896	(₱10,065)	(₱7,491)	₱116	(₱7,988)	₱357,350
Total comprehensive income (loss) for the year	–	–	–	–	48,137	1,784	1,055	(36)	314	51,254
Transfer to surplus reserves	–	–	–	136	(136)	–	–	–	–	–
Cash dividend (Note 23)	–	–	–	–	(22,487)	–	–	–	–	(22,487)
Realized gain on sale of equity securities at FVOCI	–	–	–	–	(96)	96	–	–	–	–
Acquisition of Parent Company shares by mutual fund subsidiary	–	–	(244)	–	–	–	–	–	–	(244)
Disposal of Parent Company shares held by mutual fund subsidiary	–	–	314	–	–	–	–	–	–	314
Balance as at December 31, 2024	₱89,948	₱85,252	₱–	₱2,888	₱230,314	(₱8,185)	(₱6,436)	₱80	(₱7,674)	₱386,187
Balance as at January 1, 2023	₱89,948	₱85,252	(₱72)	₱2,613	₱176,374	(₱23,076)	(₱4,404)	(₱145)	(₱7,297)	₱319,193
Total comprehensive income (loss) for the year	–	–	–	–	42,238	12,926	(3,087)	261	(691)	51,647
Transfer to surplus reserves	–	–	–	139	(139)	–	–	–	–	–
Cash dividend (Note 23)	–	–	–	–	(13,492)	–	–	–	–	(13,492)
Realized gain on sale of equity securities at FVOCI	–	–	–	–	(85)	85	–	–	–	–
Acquisition of Parent Company shares by mutual fund subsidiary	–	–	(5)	–	–	–	–	–	–	(5)
Disposal of Parent Company shares held by mutual fund subsidiary	–	–	7	–	–	–	–	–	–	7
Balance as at December 31, 2023	₱89,948	₱85,252	(₱70)	₱2,752	₱204,896	(₱10,065)	(₱7,491)	₱116	(₱7,988)	₱357,350

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱66,453	₱60,578	₱55,849	₱64,155	₱57,996	₱54,298
Adjustments for:						
Provision for credit and impairment losses (Note 15)	11,919	6,360	8,978	9,994	6,379	6,661
Depreciation and amortization (Notes 10, 12 and 14)	5,671	5,633	5,788	3,428	3,214	3,366
Unrealized market valuation loss (gain) on financial assets and liabilities at FVTPL	1,115	(1,617)	755	1,123	(1,643)	859
Unrealized foreign exchange loss on bonds payable - net	1,481	2,853	191	1,409	475	191
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure (Note 25)	(655)	(877)	(836)	(250)	(148)	(105)
Amortization of software costs (Note 14)	1,565	1,153	1,134	1,363	984	945
Profit from assets sold (Notes 10, 11 and 12)	(106)	(654)	(2,113)	(271)	(393)	(1,594)
Share in net income of subsidiaries, associates and a joint venture (Note 11)	(915)	(765)	(875)	(6,162)	(6,414)	(5,281)
Trading and securities gain on investment securities at FVOCI (Note 8)	(2,410)	(1,511)	(153)	(1,908)	(1,331)	(87)
Amortization of discount on subordinated debts, bonds payable and lease liability (Notes 13, 19 and 20)	750	639	612	561	528	493
Dividends (Note 8)	(53)	161	(257)	(9)	(18)	(19)
Decrease (increase) in:						
Investment securities at FVTPL	111,478	(162,520)	(12,012)	111,134	(161,272)	(11,697)
Loans and receivables	(173,586)	(286,132)	(127,450)	(145,971)	(248,674)	(102,724)
Other assets	(2,048)	(3,000)	(5,207)	(1,153)	(4,873)	(6,136)
Increase (decrease) in:						
Deposit liabilities	87,078	191,106	161,648	53,512	207,905	175,189
Bills payable - deposit substitutes	(5)	(8)	(1,055)	(5)	(6)	(375)
Manager's checks and demand drafts outstanding	392	(147)	547	1,192	(247)	46
Accrued interest and other expenses	(4,764)	3,777	5,829	(4,956)	4,219	5,472
Other liabilities and non-equity non-controlling interest	3,321	20,598	6,090	555	11,934	4,908
Net cash generated from (used in) operations	106,681	(164,373)	97,463	87,741	(131,385)	124,410
Dividends received (Note 8)	53	448	257	9	18	19
Income taxes paid	(14,401)	(17,413)	(13,038)	(12,634)	(15,343)	(10,494)
Net cash generated from (used in) operating activities	92,333	(181,338)	84,682	75,116	(146,710)	113,935
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Investment securities at FVOCI (Note 4)	(1,255,470)	(810,188)	(718,070)	(1,041,500)	(414,088)	(119,769)
Property and equipment (Note 10)	(8,525)	(4,253)	(3,751)	(3,896)	(2,304)	(2,181)
Investment securities at amortized cost (Note 4)	(39,657)	(8,285)	(152,360)	(37,656)	(5,347)	(150,296)
Proceeds from sale of:						
Investment securities at FVOCI (Notes 4 and 11)	886,164	780,109	721,065	687,593	350,339	104,631
Investment properties (Note 12)	1,321	1,313	2,800	584	437	2,014
Property and equipment (Note 10)	3,248	576	408	47	55	62
Equity investment (Note 11)	19	2,421	—	19	—	—
Proceeds from:						
Maturity of investment securities at amortized cost (Note 4)	42,063	2,936	2,143	38,657	—	—
Return of capital of investment in a subsidiary (Note 11)	—	—	—	400	—	—
Additional investment in a subsidiary (Note 11)	—	—	—	—	(1,601)	—
Decrease (increase) in interbank loans receivable and SPURA (Note 26)	(4,408)	(2,485)	(1,356)	(2,239)	(1,819)	5,516
Cash dividends from investees (Note 11)	42	464	36	5,310	2,621	1,132
Net cash used in investing activities	(375,203)	(37,392)	(149,085)	(352,681)	(71,707)	(158,891)

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
CASH FLOWS FROM FINANCING						
ACTIVITIES (Note 26)						
Settlements of bills payable	(₱13,659,642)	(₱5,282,830)	(₱3,439,226)	(₱12,583,019)	(₱4,651,933)	(₱2,721,810)
Availments of bills payable and SSURA	13,889,729	5,426,594	3,505,855	12,802,215	4,797,399	2,786,810
Proceeds from issuance of bonds payable (Note 19)	4,961	57,468	–	–	55,041	–
Maturity of:						
Bonds payable (Note 19)	–	(23,717)	(18,400)	–	(23,717)	(13,750)
Subordinated debts (Note 20)	–	–	(1,170)	–	–	(1,170)
Cash dividends paid (Note 23)	(23,862)	(22,647)	(13,641)	(22,487)	(22,487)	(13,492)
Payment of lease liabilities (Note 13)	(2,370)	(2,194)	(2,121)	(1,518)	(1,384)	(1,302)
Proceeds from disposal of Parent Company shares by mutual fund subsidiaries (Note 32)	–	314	7	–	314	7
Acquisition of Parent Company shares by a mutual fund subsidiary (Note 23)	–	(244)	(5)	–	(244)	(5)
Net cash provided by financing activities	208,816	152,744	31,299	195,191	152,989	35,288
NET DECREASE IN CASH AND CASH EQUIVALENTS						
	(74,054)	(65,986)	(33,104)	(82,374)	(65,428)	(9,668)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	33,726	39,431	40,683	31,929	37,692	38,701
Due from BSP	150,128	207,807	252,628	148,945	198,061	215,074
Due from other banks	82,136	90,586	75,513	62,414	65,867	56,698
Interbank loans receivable and SPURA (Note 26)	69,530	63,682	65,786	51,646	58,742	59,557
	335,520	401,506	434,610	294,934	360,362	370,030
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	34,577	33,726	39,431	32,871	31,929	37,692
Due from BSP	106,042	150,128	207,807	105,641	148,945	198,061
Due from other banks	64,407	82,136	90,586	42,648	62,414	65,867
Interbank loans receivable and SPURA (Note 26)	56,440	69,530	63,682	31,400	51,646	58,742
	₱261,466	₱335,520	₱401,506	₱212,560	₱294,934	₱360,362
OPERATIONAL CASH FLOWS FROM INTEREST						
	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
Interest paid	₱62,986	₱60,074	₱44,505	₱56,049	₱52,483	₱36,650
Interest received	183,745	173,714	148,435	159,118	149,668	124,096

See accompanying Notes to Financial Statements.



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Metropolitan Bank & Trust Company (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 the Bank's corporate life on November 19, 2007. The Parent Company'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 Parent Company and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering. As of December 31, 2025, the Group has 967 branches, 1,273 Automated Teller Machines (ATMs) in the branches (on-site) and 969 ATMs in other locations (off-site). As a bank, the Parent Company, which is the ultimate parent of the Group, provides products and services such as deposits, loans and trade finance, credit card products, programs and facilities, electronic banking facilities, cash management, domestic and foreign fund transfers, treasury products, remittances, institutional fund-management, private banking and trust services. The Bank temporarily changed its business address from Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City to GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, Makati City, effective August 14, 2023.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The accompanying 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 at fair value through other comprehensive income (FVOCI) that have been measured at fair value.

The financial statements of the Parent Company and Philippine Savings Bank (PSBank) a subsidiary, include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine Peso (PHP or ₱) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in PHP (see accounting policy on Foreign Currency Translation). The financial statements of these units are combined after eliminating inter-unit accounts.

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. The financial statements are presented in PHP, and all values are rounded to the nearest million pesos (₱000,000), except when otherwise indicated.

Statement of Compliance

The financial statements of the Group and the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



Presentation of Financial Statements

The Group presents the statements of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 22.

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 consolidated financial statements include the financial statements of the Parent Company and of its subsidiaries and are prepared for the same reporting period as the Parent Company using consistent accounting policies. The following are the wholly and majority-owned foreign and domestic subsidiaries of the Parent Company in 2025 and 2024 (Note 11):

Subsidiary	Principal Place of Business and Country of Incorporation	Effective Percentage of Ownership	Functional Currency
Financial Markets:			
Domestic:			
First Metro Investment Corporation (FMIC) and Subsidiaries	Philippines	99.28	PHP
PSBank	Philippines	88.38	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries	Philippines	59.86	PHP
Foreign:			
Metropolitan Bank (China) Ltd. (MBCL)	China	100.00	Chinese Yuan
Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)**	The Bahamas	100.00	USD
First Metro International Investment Company Limited (FMIIC) and Subsidiary	Hong Kong	100.00	Hong Kong Dollar (HKD)
Remittances:			
Metro Remittance (Hong Kong) Limited (MRHL)	Hong Kong	100.00	HKD
Metro Remittance (Singapore) Pte. Ltd. (MRSPL)	Singapore	100.00	Singapore Dollar
Metro Remittance (UK) Limited (MR UK)	United Kingdom	100.00	Great Britain Pound
First Metro Holdings USA, Inc. (formerly MR USA)	United States of America (USA)	100.00	USD
Metro Remittance (Japan) Co. Ltd. (MR Japan)	Japan	100.00	Japanese Yen
Real Estate:			
Circa 2000 Homes, Inc. (Circa)*	Philippines	100.00	PHP
Others:			
First Metro Insurance and Reinsurance Brokers Inc. (FMIRBI)	Philippines	100.00	PHP
Philbancor Venture Capital Corporation (PVCC)*	Philippines	60.00	PHP

* In process of dissolution

** In process of liquidation

All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full at consolidation (Note 32). 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 year are included in the consolidated statements of income and consolidated statements 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 'Surplus';
- 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 the statement of income; and
- g. Reclassifies the Parent Company's share of components' gains (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 39.84% and 37.15% interest in the Parent Company as of December 31, 2025 and 2024, respectively (Note 32).

Non-controlling Interest

Non-controlling interest represents the portion of profit or loss and the net assets of the funds not held by the Group and is presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the Parent Company. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Acquisitions of non-controlling interests are accounted for as equity transactions.

Non-equity Non-controlling Interest (Note 11)

The Group has seed capital investments in a number of funds where it is in a position to be able to control those funds. These funds are consolidated.

Non-equity non-controlling interest represents the portion of net assets of the consolidated funds not attributed, directly or indirectly, to the Parent Company and is presented separately in the liability section in the consolidated statement of financial position. This liability is accounted for at FVTPL and measured using net asset value per unit with changes recognized in 'Trading and securities gain (loss) - net' in the consolidated statement of income.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



The following amendment became effective as of January 1, 2025:

Amendments to PAS 21, Lack of exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. This amendment did not have an impact on the consolidated financial statements of the Group.

Material Accounting Policies

Foreign Currency Translation

Transactions and balances

For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine peso based on the Bankers Association of the Philippines (BAP) closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rates as at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities are credited to or charged against operations in the year in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU, foreign branches and subsidiaries

As at the reporting date, the assets and liabilities of foreign branches and subsidiaries and FCDU of the Parent Company and PSBank are translated into the Parent Company's presentation currency (the PHP) at BAP closing rate prevailing at the statement of financial position date, and their income and expenses are translated at historical rate (except for the foreign subsidiaries in which the income and expenses are translated at monthly average rate). Exchange differences arising on translation are taken to the statement of comprehensive income under 'Translation adjustment and others'. Upon disposal of a foreign entity or when the Parent Company ceases to have control over the subsidiaries or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statement of comprehensive income is recognized in the statement of income.

Fair Value Measurement

The Group measures certain financial instruments, such as derivatives, at fair value at each statement of financial position date. Fair values of financial instruments measured at amortized cost and investment properties are disclosed in Note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.



The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid - ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets and liabilities not listed in an active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each statement of financial position date. The Group determines the policies and procedures for both recurring fair value measurement, such as financial assets and liabilities at FVTPL, and for non-recurring measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognized on trade date basis. Deposits, amounts due from banks and customers and loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.

Initial recognition of financial instruments

All financial instruments are initially measured at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.



'Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Classification and subsequent measurement

Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL.

Financial assets at FVTPL

These are recorded in the statements of financial position at fair value with changes in fair value recognized in 'Trading and securities gain (loss) - net'. Interest earned is recorded in 'Interest income' while dividend income is recorded in 'Dividends' when the right to receive payment has been established. Included in this classification are debt and equity securities which have been acquired principally for the purpose of selling or repurchasing in the near term.

Derivatives recorded at FVTPL

The Parent Company and some of its subsidiaries are counterparties to derivative contracts, such as currency forwards, currency swaps, interest rate swaps (IRS), call options, non-deliverable forwards (NDF) and other interest rate derivatives. These derivatives are entered into as a service to customers and as a means of reducing or managing their respective foreign exchange and interest rate exposures, as well as for trading purposes. Such derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as accounting hedges) are taken directly to the statement of income and are included in



‘Trading and securities gain (loss) - net’. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Investment securities at FVOCI

Investment securities at FVOCI include debt and equity securities. After initial measurement, investment securities at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of investment securities at FVOCI are excluded, net of tax as applicable, from the reported earnings and are included in the statement of comprehensive income as ‘Change in net unrealized gain (loss) on investment in debt securities at FVOCI’ or ‘Change in net unrealized gain (loss) on equity securities at FVOCI’. Debt securities at FVOCI are those that meet both of the following conditions:

- a. The asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and
- b. The contractual terms of the financial asset give rise on specified dates to cash flow that are SPPI on the outstanding principal amount.

The effective yield component of debt securities at FVOCI, as well as the impact of revaluation on foreign currency-denominated debt securities at FVOCI is reported in the statement of income. Interest earned on holding debt securities at FVOCI are reported as ‘Interest Income’ using the effective interest rate (EIR) method. When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized as ‘Trading and securities gain (loss) - net’ in the statement of income. The expected credit loss (ECL) arising from impairment of such investments is recognized in OCI with a corresponding charge to ‘Provision for credit and impairment losses’ in the statement of income.

Equity securities designated at FVOCI are those that the Group made an irrevocable election to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the statement of income as ‘Dividends’ when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery part of the cost of the instrument, in which case, such gains are recorded in OCI. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statement of comprehensive income is reclassified to ‘Surplus’ or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

Financial assets at amortized cost

Financial assets at amortized cost are debt financial assets that meet both of the following conditions:

- a. These are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and
- b. The contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

This accounting policy relates to the statement of financial position captions ‘Due from BSP’, ‘Due from other banks’, ‘Interbank loans receivable and securities purchased under resale agreements (SPURA)’, ‘Investment securities at amortized cost’ and ‘Loans and receivables’.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the EIR method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in ‘Interest income’ in the statement of income. Gains and losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The ECL is recognized in the statement of income under



‘Provision for credit and impairment losses’. The effects of revaluation on foreign currency-denominated investments are recognized in the statement of income.

Financial liabilities at FVTPL

These are recorded in the statements of financial position at fair value with the changes in fair value recognized in ‘Trading and securities gain (loss) - net’, with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group’s own credit risk. Such changes in fair value are recorded in OCI and do not get recycled to the statement of income. Interest incurred is accrued in ‘Interest expense’ using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of the instrument.

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at FVTPL, are classified as liabilities under ‘Deposit liabilities’, ‘Bills payable and securities sold under repurchase agreements (SSURA)’, ‘Bonds payable’, or ‘Subordinated debts’ or other appropriate financial liability accounts, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, bills payable and similar financial liabilities not qualified as and not designated at FVTPL, are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

Financial guarantees and undrawn loan commitments

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract/agreement. Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. These contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and undrawn loan commitments is recognized in ‘Miscellaneous liabilities’ under ‘Other liabilities’.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either:
 - a. Has transferred substantially all the risks and rewards of the asset; or
 - b. Has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.



When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continuing involvement is the lower of:

- a. The amount of the asset; and
- b. The maximum amount of the consideration received that the Group could be required to repay ('the guarantee amount').

When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option to an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.

The Group derecognizes a financial asset such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired (POCI) assets.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. The Group considers a modification substantial based on qualitative factors.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If a write-off is later recovered, any amounts formerly charged are credited to 'Recovery on charged-off assets' under 'Miscellaneous income' in the statement of income.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a



new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

The Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of or greater than ten percent (10.00%).

Similar with financial assets, when the modification of a financial liability is not considered substantial, the Group records a modification gain or loss based on the change in cash flows discounted at the original EIR.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as SSURA included in 'Bills payable and SSURA' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The corresponding cash paid including accrued interest, is recognized in the statement of financial position as SPURA, and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

Reclassification of Financial Assets

The Group reclassifies its financial assets when there is a change in its business model for managing financial assets. A change in business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. The Group applies the reclassification prospectively from the reclassification date (that is, the first day of the next quarterly reporting period following the change in business model) and does not restate any previously recognized gains, losses or interest.

Impairment of Financial Assets

The Group follows the PFRS 9 loss impairment method on financial assets through a forward-looking ECL approach which covers all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts.

Overview of the ECL principles

ECL represents credit losses that reflect an unbiased and probability weighted amount which is based on reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, and time value of money. The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk (SICR) of the financial asset since origination. Otherwise, if a SICR is observed, then the ECL estimation is extended until the end of the life of the financial asset. The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the statement of financial position date. The Lifetime ECL, on the other hand, represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.



The major portfolios of financial assets identified upon initial analysis of the Group's credit exposure are loan receivables, treasury accounts, and other receivables. Loan receivables may be availed by specific individuals, corporations or organizations. Hence, these portfolios can be further segmented to commercial, consumer and credit card portfolios. After segmentation, financial assets are grouped into Stage 1, Stage 2, and Stage 3 as described below.

Definition of "default" and "cure"

The Group defines a financial instrument as in default, which is fully aligned with the definition of non-performing loans that is, credit impaired, in all cases when the borrower becomes more than ninety (90) days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (that is, to have cured) when it no longer meets any of the default criteria and has exhibited a satisfactory track record.

Treasury exposures are considered in default upon occurrence of a credit event such as but not limited to bankruptcy of counterparty, restructuring, failure to pay on agreed settlement date, or request for moratorium.

SICR

In order to determine whether an instrument is subject to 12-month or Lifetime ECL, the Group assesses whether there has been a SICR since initial recognition. The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative and qualitative factors. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to have well-defined credit weaknesses (that is, account has been downgraded to adversely classified). These may include adverse trends or developments of financial, managerial, economic or political nature, or a significant weakness in collateral. Credit weakness may be manifested by unfavorable record or unsatisfactory characteristics or may only be potential that deserves management's close attention and may lead to significant losses or may result in collection or liquidation of the outstanding loan amount to be highly improbable. For exposures without internal credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. The days past due (dpd) are determined by counting the number of days since the earliest elapsed due date in respect of which at least a partial payment has not been received. In subsequent reporting periods, if the credit risk of the financial asset improves over an observable period such that there is no longer a SICR since initial recognition, the Group reverts to recognizing a 12-month ECL.

Staging assessment

For non-credit-impaired financial assets:

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a SICR since initial recognition. The Group recognizes a 12-month ECL for Stage 1 financial assets.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a SICR since initial recognition. The Group recognizes a lifetime ECL for Stage 2 financial assets.

For credit-impaired financial assets:

- Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial asset or a portfolio of financial assets. ECL for Stage 3 exposure is computed per account, taking into consideration the present value of the expected recoverable cash flows from each transaction.



Financial assets that are credit-impaired on initial recognition are classified as POCI assets. These are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

Assessment of ECL on a collective basis

The Group calculates ECL either on an individual or a collective basis. The Group performs collective impairment by grouping exposures into smaller homogenous portfolios based on a combination of borrower and account characteristics. Accounts with similar risk attributes (that is, facility, security, credit rating, months-on-books, utilization and collateral type, etc.) are pooled together for calculating provisions based on the ECL models.

ECL parameters and methodologies

ECL is a function of the probability of default (PD), exposure-at-default (EAD), and loss-given default (LGD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual financial asset is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

LGD is the amount that may not be recovered in the event of default and is modelled based on historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.

EAD consists of the amortized cost and any accrued interest receivable. For off-balance sheet and undrawn committed amounts, EAD includes a credit conversion factor which is an estimate of any further amount to be drawn at the time of default. For the credit card business, EAD is modelled based on historical data on card limit utilization, level of exposure and time since origination.

The Group applies a simplified ECL approach for its accounts receivables wherein the Group uses a provisioning matrix that considers historical changes in the behavior of the portfolio to predict conditions over the span of a given observation period.

The Parent Company offers credit card facilities, in which it has the right to cancel and/or reduce the facilities with one-day notice. It does not limit its exposure to credit losses to the contractual notice period, but instead, calculates ECL over a period that reflects its expectations of the customers' behavior, their likelihood of default, and its future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and expectations, the period over which ECL is calculated for these products is two (2) years. The interest rate used to discount the ECL for credit cards is based on contractual interest rate. These rates are also used to discount future recoveries over a period of three years. The contractual interest rate is used as discounting factor since the Parent Company estimates that this rate is reflective of the EIR.



Forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of a financial asset has increased significantly since its initial recognition and its measurement of ECL. A broad range of forward-looking information are considered as economic inputs, such as growth of the gross domestic product, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The following economic inputs were determined to be statistically significant in measuring ECL:

- GDP growth
- Inflation rate
- Unemployment rate
- Minimum wage
- USD:PHP exchange rate
- Consumer confidence index
- Peso interest rate
- USD interest rate
- WTI crude oil price
- Business confidence index
- GVA of some industries

Debt investment securities measured at FVOCI

The ECL for debt securities at FVOCI does not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in 'Net unrealized gain (loss) on investment securities at FVOCI' as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to profit or loss upon derecognition of these financial assets.

Restructured Loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews and monitors restructured loans until derecognition to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original EIR, is recognized in 'Provision for credit and impairment losses' in the statement of income. When the loan has been restructured but not derecognized, the Group also reassesses whether there has been a SICR and considers whether the assets should be classified as Stage 3. If the restructuring terms are substantially different, the loan is derecognized and a new 'asset' is recognized at fair value using the revised EIR.

Collateral Valuation of Financial Assets

Collateral, unless repossessed, is not recorded in the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed every other year. However, some collaterals, for example, cash or securities relating to margining requirements, are valued daily.



Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group concluded that it is acting as a principal in all of its revenue arrangements except for certain brokerage transactions. The following specific recognition criteria must also be met before revenue is recognized.

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers, which are divided into the following two categories:

- a. *Fee income earned from services that are provided over a certain period of time*
Fees earned for the provision of services over a period of time are accrued over that period as the customer simultaneously receives and consumes the benefits provided by the Group. Using an output method, revenue is recognized if the Group has a right to invoice the customer for services directly corresponding to performance completed to date. These fees include investment fund fees, custodian fees, fiduciary fees, asset management fees, and income from trust operations.
- b. *Fee income from providing transaction services*
Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as commission income, underwriting fees, corporate finance fees, advisory fees and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

Discounts earned, membership fees and awards revenue on credit cards

The following table provides information about the nature and timing of the satisfaction of performance obligations for the Parent Company's credit card business including significant payment terms, and the related revenue recognition policies.

Type of Product/Service	Nature and Timing of Satisfaction of Performance Obligations, including Significant Payment Terms	Revenue Recognition under PFRS 15
Discounts earned	Charges arising from credit availments by the Parent Company's and other credit companies' cardholders when the Parent Company is acting as an acquirer. These discounts are computed based on certain agreed rates. These also include interchange income from transactions processed by other acquirers through VISA and Mastercard and fees from cash advance transactions of cardholders.	Recognized as revenue upon receipt from member establishments of charges arising from credit availments by the Parent Company's cardholders and other credit companies' cardholders when the Parent Company is acting as an acquirer.
Membership fees and dues	Periodically charged to cardholders upfront.	Deferred and recorded under 'Deferred revenue' and recognized on a straight-line basis over the period the fee entitles the cardholders to use the card.
Awards revenue	The Parent Company operates a loyalty points program, which allows customers to accumulate points when they purchase from member establishments using the issued card of the Parent Company. The points accumulate and do not expire.	The Parent Company allocates a portion of the consideration received from discounts earned and interchange fees from credit cards to the reward points based on the estimated stand-alone selling prices. The amount allocated to the loyalty program is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.



Revenues outside the scope of PFRS 15

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as investment securities at FVOCI investments, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'. Loan commitment fees that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the EIR of the loan.

Under PFRS 9, when a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3 (as discussed in "Impairment of Financial Assets" above), the Group calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Purchases by credit cardholders, collectible on an installment basis, are recorded at the cost of the items purchased plus a certain percentage of cost. The excess over cost is credited to 'Unearned discount' and is shown as a deduction from 'Loans and receivables' in the statement of financial position. The unearned discount is taken up to interest income over the installment terms and is computed using the EIR method.

Interbank Offered Rate (IBOR) reform Phase 2 requires, as a practical expedient, that changes to the basis for determining contractual cash flows that are necessary as a direct consequence of IBOR reform are treated as a change to a floating rate of interest provided that the transition from IBOR to a risk-free-rate (RFR) takes place on a basis that is 'economically equivalent'. To qualify as 'economically equivalent', the terms of the financial instrument must be the same before and after transition except for the changes required by IBOR reform.

For changes that are not required by IBOR reform, the Group applies judgement to determine whether they result in the financial instrument being derecognized. Therefore, as financial instruments transition from IBOR to RFRs, the Group applies judgment to assess whether the transition has taken place on an economically equivalent basis. In making this assessment, the Group considers the extent of any changes to the contractual cash flows as a result of the transition and the factors that have given rise to the changes, with consideration of both quantitative and qualitative factors. Examples of changes that are economically equivalent include changing the reference interest rate from an IBOR to an RFR, changing the reset period for days between coupons to align with the RFR, adding a fallback to automatically transition to an RFR when the IBOR ceases, and adding a fixed credit adjustment spread based on that calculated by the International Swaps and Derivatives Association or which is implicit in market forward rates for the RFR.

Recovery on charged-off assets

Income arising from collections on accounts or recoveries from impairment of items previously written off are recognized in the year of recovery.



Leasing income - Finance lease

The excess of aggregate lease rentals plus the estimated residual value over the cost of the leased equipment constitutes the unearned lease income. Residual values represent estimated proceeds from the disposal of equipment at the time lease is estimated. The unearned lease income is amortized over the term of the lease, commencing on the month the lease is executed using the EIR method.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Trading and securities gain (loss) - net

Results arising from trading activities include all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL and gains and losses from disposal of debt securities at FVOCI.

Rental income

Rental income arising on leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Leasing'.

Income on receivables financed

Income on loans and receivables financed with short-term maturities is recorded in 'Interest income' and is recognized using the EIR method. Interest and finance fees on finance leases and loans and receivables financed with long-term maturities and the excess of the aggregate lease rentals plus the estimated terminal value of the leased equipment over its cost are credited to unearned discount and amortized over the term of the note or lease using the EIR method.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, amounts due from BSP and other banks, and interbank loans receivable and SPURA with original maturities of three months or less from dates of placements and that are subject to insignificant risk of changes in value.

Property and Equipment

Land is stated at cost and depreciable properties, including buildings, furniture, fixtures and equipment and leasehold improvements, are stated at cost less accumulated depreciation and amortization, and allowance for impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met but excludes repairs and maintenance costs. Building under construction (BUC) is stated at cost and includes cost of construction and other direct costs. BUC is not depreciated until such time that the relevant asset is completed and put into operational use.

Depreciation is calculated on the straight-line method over the estimated useful life of the depreciable assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases and the estimated useful lives of the improvements. The range of estimated useful lives of property and equipment follows:

Buildings	25 to 50 years
Furniture, fixtures and equipment	2 to 5 years
Leasehold improvements	5 to 20 years



The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income under 'Profit from assets sold' in the year the asset is derecognized.

Investments in Subsidiaries, Associates and a Joint Venture (JV)

Investment in subsidiaries

Subsidiaries pertain to all entities over which the Group has control. Control is achieved when 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. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights.

Investment in associates

Associates pertain to all entities over which the Group and the Parent Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in associates is accounted for under the equity method of accounting.

Investment in a JV

A JV is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the JV. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investment in a JV is accounted for under the equity method of accounting. The Group's investment in a JV represents the 30% interest of PSBank in Sumisho Motor Finance Corporation (SMFC) (Note 11).

Upon loss of significant influence over the associate or joint control over the JV, the Group and the Parent Company measure and recognize any retained investment at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the statement of income.

Under the equity method, investments in associates and a JV are carried in the statement of financial position at cost plus post-acquisition changes in the Group's and the Parent Company's share of the net assets of the associate or JV less allowance for impairment losses. Post-acquisition changes in the share of net assets of the associate or a JV include the share in the:

- a. Income or losses; and
- b. Unrealized gain or loss on investment securities, remeasurement of retirement plans and others.

Dividends received are treated as a reduction in the carrying values of the investments. Goodwill relating to the associate and a JV is included in the carrying value of the investment and is not amortized.



When the Group and the Parent Company increase its ownership interest in an associate or a JV that continues to be accounted for under the equity method, the cost for the additional interest is added to the existing carrying amount of the associate or JV and the existing interest in the associate or JV is not remeasured. The share in an associate or a JV's post-acquisition profits or losses is recognized in the statement of income as 'Share in net income of subsidiaries, associates and a joint venture' while its share of post-acquisition movements in the associate or JV's equity reserves is recognized directly in the statement of comprehensive income. When the share of losses in an associate or a JV equals or exceeds its interest in the associate or JV, including any other unsecured receivables, the Group and the Parent Company do not recognize further losses, unless it incurred obligations or made payments on behalf of the associate or JV which is recognized as miscellaneous liabilities. Profits and losses resulting from transactions between the Group or the Parent Company and an associate or JV are eliminated to the extent of the Group or the Parent Company's interest in the associate or JV.

Investments in subsidiaries in the separate financial statements are accounted for under the equity method similarly as investments in associates and JV. Equity in other comprehensive income (losses) of subsidiaries and changes therein are included in 'Remeasurement losses on retirement plans', 'Net unrealized gain (loss) on investment securities at FVOCI', and 'Translation adjustments and others', as appropriate, together with the Parent Company in the separate statement of financial position and statement of comprehensive income.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up. The difference between the fair value of the asset received and the carrying amount of the asset given up is recorded as 'Gain on initial recognition of investment properties' under 'Miscellaneous income'. Foreclosed properties are classified under 'Investment properties' upon:

- a. Entry of judgment in case of judicial foreclosure;
- b. Execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or
- c. Notarization of the Deed of Dacion in case of dation in payment (*dacion en pago*).

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation (for depreciable investment properties) and allowance for impairment losses.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income under 'Profit from assets sold' in the year of retirement or disposal.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year in which the costs are incurred. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties based on appraisal reports but not to exceed 50 years for buildings and condominium units.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.



Interest in Joint Operations

The Group is a party to joint operations whereby it contributed parcels of land for development into residential and commercial units. In respect of the Group's interest in the joint operations, the Group recognizes the following:

- a. The assets that it controls and the liabilities that it incurs; and
- b. The expenses that it incurs and its share of the income that it earns from the sale of units by the joint operations.

The assets contributed to the joint operations are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale (Note 14).

Chattel Mortgage Properties

Chattel mortgage properties comprise of repossessed vehicles. Chattel mortgage properties are stated at cost less accumulated depreciation and allowance for impairment losses. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the vehicles. The useful lives of chattel mortgage properties are estimated to be five (5) years.

Subordinated Notes

Subordinated notes issued by Special Purpose Vehicles (SPV) (presented as 'Investment in SPVs' under 'Other assets') are stated at amortized cost reduced by allowance for credit losses. The allowance for credit losses is determined based on the difference between the outstanding principal amount and the recoverable amount which is the present value of the future cash flow expected to be received as payment for the subordinated notes.

Intangible Assets

Software costs

Software costs (presented under 'Other assets') are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized over three to five years on a straight-line basis. Costs associated with maintaining the computer software programs are recognized as expense when incurred. Software costs are carried at cost less accumulated amortization.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. With respect to investments in associates and a JV, goodwill is included in the carrying amounts of the investments. Following initial recognition, goodwill is measured at cost, net of allowance for impairment losses (see accounting policy on "Impairment of Non-financial Assets").

Customized System Development Cost

Customized system development cost consists of payments for customization of various banking systems. This account will be reclassified to appropriate accounts upon completion and will be depreciated and amortized from the time the asset is ready for its intended use (Note 14).

Impairment of Non-financial Assets

Property and equipment, investments in subsidiaries, associates and a JV, investment properties, chattel mortgage properties, intangible assets with finite useful lives and other assets

At each statement of financial position date, the Group assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell (FVLCTS) and its value-in-



use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to operations in the year in which it arises.

An assessment is made at each statement of financial position date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Intangible assets with indefinite useful lives and customized system development cost not yet available for use

Intangible assets with indefinite useful lives such as exchange trading right and customized system development cost not yet available for use are tested for impairment annually at statement of financial position date either individually or at the cash generating unit (CGU) level, as appropriate.

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. The Group uses the higher of FVLCTS and VIU using cash flow projections from financial budgets approved by the Board of Directors (BOD) in determining the recoverable amount.

Leases

Group as lessee

The Group assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use (ROU) assets representing the right-of-use of the underlying assets.

ROU assets

The Group recognizes ROU assets (included in 'Property and Equipment') at the commencement date of the lease (that is, the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and allowance for impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities



recognized and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office space	2 to 30 years
ATM site and equipment	1 to 5 years

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (included in 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others') and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

The Group's lease liabilities are included in Other Liabilities (Note 21).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office spaces and ATM sites (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of ATM site and other equipment that are considered to be of low value (that is, those with value of less than ₱250,000). Lease payments on short-term leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Residual value of leased assets and deposits on lease contracts

The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

Group as lessor

Finance leases, where the Group transfers substantially all the risks and benefits incidental to the ownership of the leased item to the lessee, are included in the statement of financial position under 'Loans and receivables'. All income resulting from the receivable is included in 'Interest income' in the statement of income.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the year in which they are earned.

Retirement Cost

The Group has a non-contributory defined benefit retirement plans, except for FMIIC and its subsidiary which follow the defined contribution retirement benefit plan and the Mandatory Provident Fund Scheme (MPFS). The retirement cost of the Parent Company and most of its subsidiaries is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current year. The net defined benefit liability or asset is the aggregate of the present value of the



defined benefit obligation (DBO) at the end of the statement of financial position date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost; and
- Net interest on the net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries. Net interest on the net defined benefit liability or asset is the change during the year in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income. Retirement expense is presented under 'Compensation and fringe benefits' in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the statement on income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the DBO, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a DBO is recognized as a separate asset at fair value when and only when reimbursement is virtually certain. Payments to the defined contribution retirement benefit plans and the MPFS are recognized as expenses when employees have rendered service entitling them to the contributions.

Equity

When the shares are sold at a premium, the difference between the proceeds and par value is credited to 'Capital paid in excess of par value', net of direct costs incurred related to the equity issuance. If 'Capital paid in excess of par value' is not sufficient, the excess is charged against 'Surplus'. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of stocks issued.

Surplus represents accumulated earnings of the Group less dividends declared.



Own equity instruments which are reacquired or Parent Company's shares acquired by its subsidiaries (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in 'Capital paid in excess of par value'. Voting rights related to treasury stocks are nullified and no dividends are allocated. When the stocks are retired, the Common stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to 'Capital paid in excess of par value' at the time the stocks were issued and to 'Surplus' for the remaining balance.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense'.

Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Income Taxes

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Deferred taxes

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized except:

- a. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognized directly in equity are recognized in OCI and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

Earnings Per Share

Basic earnings per share is computed by dividing net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year. The Group does not have dilutive potential common shares.

Dividends on Common Shares

Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the BOD of the Parent Company while stock dividends are deducted from equity when approved by the BOD and shareholders of the Parent Company. Dividends declared during the year but are paid or issued after the statement of financial position date are dealt with as a subsequent event.

Debt Issuance Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of debt instruments are deferred and amortized over the terms of the instruments using the EIR method. Unamortized debt issuance costs are included in the related carrying amount of the debt instrument in the statement of financial position.

Capital Securities Issuance Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of the capital securities are treated as a reduction of equity against 'Capital paid in excess of par value'.



Events after the Statement of Financial Position Date

Post year-end events that provide additional information about the Group's position at the statement of financial position date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 6.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company and PSBank act in a fiduciary capacity such as nominee, trustee or agent.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.



The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

The adoption of PFRS 17 will have an impact on the Group's financial statements through the application of the equity method of accounts for its investment in the associate that issues insurance contracts.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as the Parent Bank and its banking subsidiary, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

The requirements also include:

- Required totals and subtotals in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

The Group is currently assessing the impacts the standard will have on the primary financial statements and notes to the financial statements. The Bank and its banking subsidiary consider their main business activities to include the provision of financing to customers and investing in financial assets. In accordance with PFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories.

- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS Accounting Standards 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 continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Judgments

a. Classification of financial assets

The Group classifies its financial assets depending on the results of the SPPI test and on the business model used for managing those financial assets.

When performing the SPPI test, the Group applies judgement and evaluates relevant factors and characteristics such as the behavior and nature of contractual cash flows, its original currency denomination, the timing and frequency of interest rate repricing, contingent events that would alter the amount and/or timing of cash flows, leverage features, prepayments or extension options and other features that may modify the consideration for the time value of money.

As a second step, the Group performs business model assessment to reflect how financial assets are managed in order to generate net cash inflows based on the following factors:

- Business objectives and strategies for holding the financial assets;
- Performance measures and benchmarks being used to evaluate the Group's key management personnel accountable to the financial assets;
- Risks associated to the financial assets and the tools applied in managing those risks;
- Compensation structure of business units, including whether based on fair values changes of the investments managed or on the generated cash flows from transactions; and
- Frequency and timing of disposals.

In applying judgment, the Group also considers the circumstances surrounding the transaction as well as the prudential requirements of the BSP.

b. Existence of significant influence over an associate with less than 20.00% ownership

As discussed in Note 11, there are instances that an investor exercises significant influence even if its ownership is less than 20.00%. The Group applies significant judgment in assessing whether it holds significant influence over an investee and considers the following:

- Representation in the BOD or equivalent governing body of the investee;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the investor and the investee;
- Interchange of managerial personnel;
- Joint voting agreement with other investors; or
- Provision of essential technical information.



c. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to financial statements cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but when this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and volatility for longer dated derivatives (Note 5).

d. Contingencies

The Group is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with and the aid of the outside legal counsel handling the Group's defense in this matter and is based upon an analysis of potential results. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 30).

Estimates

a. Credit losses on financial assets

The Group reviews its debt financial assets subject to ECL at least on a semi-annual basis with updating provisions made during the intervals as necessary based on the continuing analysis and monitoring of individual accounts by credit officers. The measurement of credit losses under PFRS 9 across all categories of such financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining credit losses and the assessment of a SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include, among others:

- Segmentation of the portfolio, where the appropriate model or ECL approach is used.
- Criteria for assessing if there has been a SICR and so allowances for debt financial assets should be measured on a lifetime ECL basis and the qualitative assessment. The Group likewise performed quarterly reviews of its credit exposures to determine the occurrence of SICR.
- Segmentation of debt financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs. The Parent Company and the Group as a whole continuously review and calibrate their models based on the results of the model validation and regular backtesting.
- Determination of associations between macroeconomic scenarios and economic inputs (such as GDP and inflation rate) and the effect on PDs, LGDs and EADs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The gross carrying amounts of financial assets subject to ECL as of December 31, 2025 and 2024 are disclosed in Note 4, while the related allowances for expected credit losses are disclosed in Note 15. In 2025, 2024 and 2023, provision for credit losses on these financial assets amounted to ₱12.5 billion, ₱6.0 billion and ₱8.0 billion, respectively, for the Group, and ₱10.0 billion, ₱6.2 billion and ₱6.2 billion, respectively, for the Parent Company (Note 15).



b. Recognition of deferred income taxes

Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that certain temporary differences will be realized in the future. The recognized net deferred tax assets and unrecognized deferred tax assets for the Group and the Parent Company are disclosed in Note 28.

c. Impairment of investment in subsidiaries, associates and a JV

The Group assesses impairment on investments in subsidiaries, associates and a JV whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

The Group uses the higher of FVLCTS and VIU in determining the recoverable amount of the asset. Based on the Group's impairment testing as of December 31, 2025 and 2024, allowance for impairment losses on investment in associates amounted to ₱0.9 billion and ₱1.5 billion, respectively, for the Group, and ₱77.4 million and ₱101.1 million for the Parent Company.

The carrying values of the property and equipment, investments in subsidiaries, associates and a JV, investment properties, software costs, chattel mortgage properties, and other assets of the Group and the Parent Company are disclosed in Notes 10, 11, 12 and 14, respectively.

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. The recoverable amount of the CGU is determined based on FVLCTS.

The fair value of the CGU is determined using the cost approach, specifically the adjusted Net Asset Value (NAV) method. This method requires the measurement of the fair value of the individual assets and liabilities recognized in the CGU, as well as the fair value of any unrecognized assets and liabilities at the measurement date. The resulting net fair values of the assets and liabilities represent the fair value of the CGU. In determining the fair value of the CGU's net assets, the Group used the discounted cash flow method for unquoted debt financial assets/liabilities at the appropriate market rate, European Embedded Value (EEV) valuation model and adjusted NAV model for unquoted equity investments, and the appraisal reports for the valuation of real properties. Fair values of listed debt and equity securities are based on their quoted market prices. The Group applied the EEV valuation model in determining the appraised value (AV) for its insurance investee company. The AV is determined by aggregating the embedded value (EV) and shareholder's value (SV). EV pertains to the insurance investee



company's present value of future profits and adjusted NAV, while SV considers the value of newly issued contracts / new business value.

In 2025, 2024 and 2023, the Group recognized impairment loss of nil, ₱173.5 million and ₱474.3 million, respectively (Note 15). As of December 31, 2025 and 2024, the carrying amount of the Group's goodwill amounted to ₱4.5 billion.

4. Financial Risk and Capital Management

Introduction

The Group has exposure to the following risks from its use of financial instruments:

- a. Credit;
- b. Liquidity; and
- c. Market risks.

Risk management framework

The 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), Executive Committee (EXCOM) and senior management committees through the 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 Accounting Standards 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 monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by the RSK and Internal Audit Group, respectively.



Management of credit risk

The Group faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (for example, investment securities issued by either sovereign or corporate entities) or enter into either market-traded or over-the-counter derivatives, either through implied or actual contractual agreements (that is, on- or off-balance sheet exposures). The Parent Company manages its credit risk at various levels (that is, strategic level, portfolio level down to individual obligor or transaction) by adopting a credit risk management environment that has the following components:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit/financial assessment, risk grading and reporting, and compliance with regulatory requirements;
- Establishment of authorization limits for the approval and renewal of credit facilities;
- Limiting concentrations of exposure to counterparties and industries (for loans), and by the issuer (for investment securities);
- Utilizing the Internal Credit Risk Rating System (ICRRS) or Internal Credit Risk Rating Scorecard for Large Corporates (LCRRS) to categorize exposures according to their risk profile. The risk grading system and scorecard are used for determining loan loss provisions against credit exposures. The current risk grading framework consists of ten grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation; and
- Monitoring compliance with approved exposure limits.

Borrowers, counterparties, or groups of related accounts across the Group are aggregated and managed by the Parent Company's Institutional Banking Sector as the "Control Unit". Group Limits for conglomerates are set-up and approved to guide subsidiaries and affiliates of the Group. Consolidated exposures are regularly reported to senior management, the EXCOM, and the ROC.

Credit risk at initial recognition

The Group uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

Modification

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges.

On March 24, 2020, Republic Act (RA) No. 11469 or the "Bayanihan to Heal as One Act" (Bayanihan 1) was enacted declaring a state of national emergency over the entire country to control the spread of the COVID-19. Among the provisions of Bayanihan 1 is the implementation of a 30-day grace period for all loans with principal and/or interest falling due within the period of the Enhanced Community Quarantine without incurring interest on interest, on penalties, fees and other charges. Further, on September 11, 2020, RA No. 11494 or the "Bayanihan to Recover as One Act" (Bayanihan 2) was enacted and part of the provisions of the Bayanihan 2 is the implementation of a one-time 60-day grace period to be granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interest, penalties, fees and other charges, thereby extending the maturity of said loans. In addition, Bayanihan 2 allows loans to be settled on a staggered basis without interest on interests, penalties, fees or other charges until December 31, 2020 or as may be agreed upon by both parties.



The impact of loan modifications as a result of the Bayanihan 1 and Bayanihan 2 Acts amounted to a loss of ₱1.7 billion for the Group and ₱1.2 billion for the Parent Company (which was fully accreted in 2020).

For the year ended December 31, 2025 and 2024, total accretion for the modified loans arising from the Bayanihan 1 and Bayanihan 2 Acts amounted to ₱15.0 million and ₱40.1 million, respectively, for the Group, and nil for the Parent Company.

Maximum exposure to credit risk

An analysis of the maximum credit risk exposure (net of allowance for ECL) relating to financial assets with collateral or credit enhancements is shown below:

	Consolidated							
	2025				2024			
	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure
Interbank loans receivable and SPURA (Note 7)	₱841	₱841	₱841	₱–	₱1,466	₱1,499	₱1,466	₱–
Loans and receivables - net								
Receivables from customers								
Commercial loans	342,220	1,782,247	319,983	22,237	319,394	1,448,855	296,017	23,377
Residential mortgage loans	104,195	196,265	93,546	10,649	96,711	184,685	86,473	10,238
Auto loans	120,469	163,778	118,198	2,271	110,938	151,650	109,394	1,544
Trade loans	40,367	39,776	40,337	30	58,479	57,679	58,366	113
Others	249	394	161	88	561	468	306	255
	607,500	2,182,460	572,225	35,275	586,083	1,843,337	550,556	35,527
Accrued interest receivable	4,035	2,286	2,286	1,749	4,009	2,600	2,590	1,419
Sales contract receivable	11	86	11	–	20	92	20	–
	611,546	2,184,832	574,522	37,024	590,112	1,846,029	553,166	36,946
Total	₱612,387	₱2,185,673	₱575,363	₱37,024	₱591,578	₱1,847,528	₱554,632	₱36,946

	Parent Company							
	2025				2024			
	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure
Loans and receivables - net								
Receivables from customers								
Commercial loans	311,470	1,729,936	298,890	12,580	290,730	1,394,206	273,665	17,065
Residential mortgage loans	57,787	116,692	57,709	78	53,364	111,532	53,328	36
Auto loans	25,575	61,195	25,107	468	22,971	54,007	22,515	456
Trade loans	40,367	39,776	40,336	31	58,479	57,679	58,366	113
Others	75	111	71	4	421	223	202	219
	435,274	1,947,710	422,113	13,161	425,965	1,617,647	408,076	17,889
Accrued interest receivable	1,469	1,428	1,428	41	1,689	1,658	1,648	41
Sales contract receivable	8	82	8	–	16	84	16	–
	436,751	1,949,220	423,549	13,202	427,670	1,619,389	409,740	17,930
Total	₱436,751	₱1,949,220	₱423,549	₱13,202	₱427,670	₱1,619,389	₱409,740	₱17,930

The maximum exposure to credit risks for the other financial assets is limited to their carrying values as of December 31, 2025 and 2024.

Collaterals on loans and receivables includes real estate and chattel mortgages, guarantees, and other registered securities over assets. Generally, collateral is not held over loans and advances to banks, except for reverse repurchase agreements and certain due from other banks. Collateral usually is not held against investment securities, and no such collateral was held as of December 31, 2025 and 2024. Estimates of fair values of the collateral are based on the value of collateral assessed at the time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. The Group is not permitted to sell or repledge the collateral in the absence of default by the counterparty.



The following tables show the effect of rights of set-off associated with the recognized financial assets and financial liabilities:

	Gross Carrying Amounts (before Offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Statement of Financial Position	Effect of Remaining Rights of Set-Off (including Rights to Set-off Financial Collateral) Not Meeting Offsetting Criteria	Fair Value of Financial Collateral	Net Exposure
Financial assets recognized by type						
Consolidated						
2025						
Derivative assets	₱492,911	₱474,095	₱18,816	₱3,642	₱—	₱15,174
SPURA	841	—	841	—	841	—
	₱493,752	₱474,095	₱19,657	₱3,642	₱841	₱15,174
2024						
Derivative assets	₱550,770	₱530,685	₱20,085	₱5,691	₱—	₱14,394
SPURA	1,466	—	1,466	—	1,466	—
	₱552,236	₱530,685	₱21,551	₱5,691	₱1,466	₱14,394
Parent Company						
2025						
Derivative assets	₱492,910	₱474,095	₱18,815	₱3,642	₱—	₱15,173
2024						
Derivative assets	₱550,769	₱530,685	₱20,084	₱5,691	₱—	₱14,393
Financial liabilities recognized by type						
Consolidated						
2025						
Derivative liabilities	₱524,574	₱511,140	₱13,434	₱3,642	₱—	₱9,792
SSURA	407,556	—	407,556	—	407,556	—
	₱932,130	₱511,140	₱420,990	₱3,642	₱407,556	₱9,792
2024						
Derivative liabilities	₱422,684	₱409,387	₱13,297	₱5,691	₱—	₱7,606
SSURA	276,628	—	276,628	—	276,628	—
	₱699,312	₱409,387	₱289,925	₱5,691	₱276,628	₱7,606
Parent Company						
2025						
Derivative liabilities	₱524,574	₱511,140	₱13,434	₱3,642	₱—	₱9,792
SSURA	404,236	—	404,236	—	404,236	—
	₱928,810	₱511,140	₱417,670	₱3,642	₱404,236	₱9,792
2024						
Derivative liabilities	₱422,684	₱409,387	₱13,297	₱5,691	₱—	₱7,606
SSURA	276,628	—	276,628	—	276,628	—
	₱699,312	₱409,387	₱289,925	₱5,691	₱276,628	₱7,606

Excessive risk concentration

Credit risk concentrations can arise whenever a significant number of borrowers have similar characteristics and are affected similarly by changes in economic or other conditions. The Parent Company analyzes the credit risk concentration to an individual borrower, related group of accounts, industry, internal rating buckets, and security. For risk concentration monitoring purposes, the financial assets are broadly categorized into (1) loans and receivables and (2) trading and financial investment securities. To mitigate risk concentration, the Parent Company constantly checks for breaches in regulatory and internal limits.



Concentration of risks of financial assets with credit risk exposure

Below is an analysis of concentrations of credit risk at the statement of financial position date based on carrying amount:

	Consolidated				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2025					
Concentration by Industry					
Financial and insurance activities	₱213,936	₱243,115	₱138,967	₱11,614	₱607,632
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	324,283	—	—	412,207	736,490
Real estate activities	366,671	—	—	16,499	383,170
Wholesale and retail trade, repair of motor vehicles, motorcycles	269,577	—	—	33,569	303,146
Manufacturing	185,701	—	—	15,062	200,763
Transportation and storage, information and communication	258,816	—	—	2,546	261,362
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	209,506	—	—	6,089	215,595
Construction	69,957	—	—	25,211	95,168
Agricultural, forestry and fishing	23,216	—	—	1,277	24,493
Accommodation and food service activities	22,699	—	—	25	22,724
Others****	83,953	—	1,286,935	18,570	1,389,458
	2,028,315	243,115	1,425,902	542,669	4,240,001
Less allowance for credit losses	51,877	145	322	5,036	57,380
	₱1,976,438	₱242,970	₱1,425,580	₱537,633	₱4,182,621
Concentration by Location					
Philippines	₱1,905,973	₱111,632	₱1,024,878	₱499,211	₱3,541,694
Asia	121,381	100,325	74,410	43,424	339,540
USA	591	15,383	319,700	2	335,676
Europe	19	14,503	—	—	14,522
Others	351	1,272	6,914	32	8,569
	2,028,315	243,115	1,425,902	542,669	4,240,001
Less allowance for credit losses	51,877	145	322	5,036	57,380
	₱1,976,438	₱242,970	₱1,425,580	₱537,633	₱4,182,621
2024					
Concentration by Industry					
Financial and insurance activities	₱222,498	₱313,612	₱141,109	₱7,634	₱684,853
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	274,048	—	—	332,364	606,412
Real estate activities	329,058	—	—	11,431	340,489
Wholesale and retail trade, repair of motor vehicles, motorcycles	268,149	—	—	31,189	299,338
Manufacturing	204,420	—	1,151	16,387	221,958
Transportation and storage, information and communication	241,964	—	1,020	2,427	245,411
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	146,103	—	—	5,482	151,585
Construction	72,652	—	—	25,966	98,618
Agricultural, forestry and fishing	21,877	—	—	752	22,629
Accommodation and food service activities	13,922	—	—	14	13,936
Others****	67,773	—	903,005	16,478	987,256
	1,862,464	313,612	1,046,285	450,124	3,672,485
Less allowance for credit losses	46,454	129	321	3,950	50,854
	₱1,816,010	₱313,483	₱1,045,964	₱446,174	₱3,621,631
Concentration by Location					
Philippines	₱1,742,572	₱152,514	₱952,575	₱410,836	₱3,258,497
Asia	118,489	115,667	69,206	39,247	342,609
USA	1,223	11,069	19,537	41	31,870
Europe	53	15,639	448	—	16,140
Others	127	18,723	4,519	—	23,369
	1,862,464	313,612	1,046,285	450,124	3,672,485
Less allowance for credit losses	46,454	129	321	3,950	50,854
	₱1,816,010	₱313,483	₱1,045,964	₱446,174	₱3,621,631



	Parent Company				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
2025					
Concentration by Industry					
Financial and insurance activities	₱208,377	₱184,242	₱56,567	₱11,055	₱460,241
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	224,142	—	—	412,208	636,350
Real estate activities	322,253	—	—	16,474	338,727
Wholesale and retail trade, repair of motor vehicles, motorcycles	240,653	—	—	33,569	274,222
Manufacturing	181,041	—	—	15,062	196,103
Transportation and storage, information and communication	256,483	—	—	2,546	259,029
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	208,189	—	—	6,088	214,277
Construction	41,203	—	—	25,211	66,414
Agricultural, forestry and fishing	22,171	—	—	1,278	23,449
Accommodation and food service activities	22,181	—	—	25	22,206
Others****	30,626	—	1,263,578	2,107	1,296,311
	1,757,319	184,242	1,320,145	525,623	3,787,329
Less allowance for credit losses	44,282	120	315	4,934	49,651
	₱1,713,037	₱184,122	₱1,319,830	₱520,689	₱3,737,678
Concentration by Location					
Philippines	₱1,738,639	₱109,005	₱956,515	₱498,281	₱3,302,440
Asia	17,732	44,378	37,028	27,310	126,448
USA	590	15,154	319,699	—	335,443
Europe	16	14,494	—	—	14,510
Others	342	1,211	6,903	32	8,488
	1,757,319	184,242	1,320,145	525,623	3,787,329
Less allowance for credit losses	44,282	120	315	4,934	49,651
	₱1,713,037	₱184,122	₱1,319,830	₱520,689	₱3,737,678
2024					
Concentration by Industry					
Financial and insurance activities	₱215,819	₱265,320	₱66,403	₱7,166	₱554,708
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	181,257	—	—	332,364	513,621
Real estate activities	287,644	—	—	11,402	299,046
Wholesale and retail trade, repair of motor vehicles, motorcycles	236,300	—	—	31,189	267,489
Manufacturing	200,862	—	1,150	16,387	218,399
Transportation and storage, information and communication	239,756	—	1,020	2,427	243,203
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	143,937	—	—	5,482	149,419
Construction	47,870	—	—	25,966	73,836
Agricultural, forestry and fishing	20,930	—	—	752	21,682
Accommodation and food service activities	13,628	—	—	13	13,641
Others****	28,246	—	887,560	563	916,369
	1,616,249	265,320	956,133	433,711	3,271,413
Less allowance for credit losses	38,630	117	310	3,875	42,932
	₱1,577,619	₱265,203	₱955,823	₱429,836	₱3,228,481
Concentration by Location					
Philippines	₱1,584,033	₱151,795	₱890,066	₱409,958	₱3,035,852
Asia	30,824	68,408	41,573	23,714	164,519
USA	1,221	10,844	19,537	39	31,641
Europe	51	15,632	448	—	16,131
Others	120	18,641	4,509	—	23,270
	1,616,249	265,320	956,133	433,711	3,271,413
Less allowance for credit losses	38,630	117	310	3,875	42,932
	₱1,577,619	₱265,203	₱955,823	₱429,836	₱3,228,481

* Comprised of due from BSP, due from other banks and interbank loans receivable and SPURA.

** Comprised of debt securities at FVOCI and investment securities at amortized cost.

*** Comprised of applicable accounts under other assets, financial guarantees and loan commitments and other credit-related liabilities.

**** Comprised of loans and investments to the National Government.



Credit quality per class of financial assets

The credit quality of financial assets is assessed and managed using external and internal ratings (applying ICRRS or LCRRS).

The ICRRS contains the following:

- a. Borrower Risk Rating (BRR) - an assessment of the credit worthiness of the borrower (or guarantor) without considering the type or amount of the facility and security arrangements. It is an indicator of the probability that a borrower cannot meet its credit obligations when they fall due. The components of the assessment are described below:

Component	Description
Financial Condition	Refers to the financial condition of the borrower based on audited financial statements as indicated by certain financial ratios. The Financial Factor Evaluation is conducted manually.
Industry Analysis	Refers to the prospects of the industry, as well as the company's performance and position in the industry.
Management Quality	Refers to the management's ability to run the company successfully.

- b. Adjusted Borrower Risk Rating – takes into consideration risk rating downgrade due to red flags such as financial deterioration, poor account performance, industry weakness, ownership/management issue, adverse news, etc., or upgrade depending on the type of support granted.

Loans and receivables

For the Parent Company, the credit quality is generally monitored using the 10-grade ICRRS, which is integrated in the credit process. The assessment of the borrower's risk rating is performed by the Credit Group and the classification of watchlisted/adversely classified accounts are validated by RSK to maintain accurate and consistent risk ratings/classifications across the credit portfolio. For commercial loans, the credit quality with the corresponding grade and description follows:

High Grade

1 - Excellent

An excellent rating is given to a borrower with a very low probability of going into default and with high degree of stability, substance and diversity. Borrower has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative balance sheet ratios. Track record in profit terms is very good. Borrower exhibits highest quality under virtually all economic conditions.

2 - Strong

This rating is given to borrowers with low probability of going into default in the coming year. Normally has a comfortable degree of stability, substance and diversity. Under normal market conditions, borrower has good access to public markets to raise funds. Have a strong market and financial position with a history of successful performance. Overall debt service capacity is deemed very strong; critical balance sheet ratios are conservative. Concerned multinationals or local corporations are well capitalized.

Standard Grade

3 - Good

This rating is given to smaller corporations with limited access to public capital markets or to alternative financial markets during favorable economic and/or market conditions. As it bears characteristics of some degree of stability and substance, probability of default is quite low. However, susceptibility to cyclical changes and more concentration of business risk, by product or market, may be present. Typical is the combination of comfortable asset protection and an acceptable balance sheet structure. Debt service capacity is strong.



4 - Satisfactory

A 'satisfactory' rating is given to a borrower where clear risk elements exist and probability of default is somewhat greater. Due to volatility of earnings and overall performance, borrower normally has limited access to public markets. Borrower should be able to withstand normal business cycles, but any prolonged unfavorable economic period would create deterioration beyond acceptable levels. With the combination of reasonable sound asset and cash flow protection, the debt service capacity is adequate. Reported profits in the past year and is expected to report a profit in the current year.

5 - Acceptable

An 'acceptable' rating is given to a borrower whose risk elements are sufficiently pronounced although borrower should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels. Risk is still acceptable as there is sufficient cash flow either historically or expected in the future from new business or projected finance transaction; an existing borrower where the nature of the exposure represents a higher risk because of extraordinary developments but for which a decreasing risk within an acceptable period can be expected.

Watchlist Grade

5 - Watchlist

This rating is given to a borrower that belongs to an unfavorable industry or has company-specific risk factors which represent a concern. Operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance.

6 - Watchlist

Borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility. Credit exposure is not at risk of loss at the moment but performance of the borrower has weakened which, unless present trends are reversed, could lead to losses.

Classified Grade

6 - Especially Mentioned

Borrower encounters difficulty to cope with any significant economic downturn and exhibits deteriorating performance that deserve management's close attention. Such deterioration, if left uncorrected, may lead to losses.

7 - Especially Mentioned

This rating is given to a borrower that exhibits pronounced weaknesses that deserve management's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan and thus, increase credit risk of the Group. Classification can be worsened if borrower is endorsed to Special Accounts Management Group for collection.

8 - Substandard

These are loans or portions thereof which appear to involve a substantial and unreasonable degree of risk to the Group because of unfavorable record or unsatisfactory characteristics. There exists the possibility of future losses to the Group unless given closer supervision. Borrower has well-defined weaknesses or weaknesses that jeopardize loan liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.



9 - Doubtful

This rating is given to a nonperforming borrower whose loans or portions thereof have the weaknesses inherent in those classified as Substandard, with the added characteristics that existing facts, conditions, and values make collection or liquidation in full, highly improbable and in which substantial loss is probable.

10 - Loss

This rating is given to a borrower whose loans or portions thereof are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted although the loans may have some recoveries or salvage value. The amount of loss is difficult to measure and it is not practical or desirable to defer writing off these basically worthless assets even though partial recovery may be obtained in the future.

The credit quality of consumer loan applicants is currently evaluated using quantitative and qualitative criteria. For booked consumer loans, the description of credit quality is as follows:

High Grade

Good credit rating

This rating is given to a good repeat client with very satisfactory track record of its loan repayment (paid at least 50.00%) and whose account did not turn past due during the entire term of the loan.

Standard Grade

Good

A good rating is given to accounts which did not turn past due for 90 days and over.

Limited

This rating is given to borrowers who have average track record on loan repayment (paid less than 50.00%) and whose account did not turn past due for 90 days and over.

Substandard Grade

Poor

A poor rating is given to accounts who reached 90 days past due regardless of the number of times and the number of months past due.

Poor litigation

This rating is given to accounts that were past due for 180 days and over and are currently being handled by lawyers.

Impaired

Poor repossessed

This rating is given to accounts whose collaterals were repossessed.

Poor written-off

This rating is given to accounts that were recommended for write-off.

For booked credit card receivables, the description of credit quality is as follows:

Excellent

These are customers that have exhibited the best payment behavior and are generally those without history of past due which have been paying the outstanding balance in full over a period of twelve (12) months.



Very Satisfactory

These are customers that have exhibited the good payment behavior and are generally those without history of past due but could have revolved over a period of twelve (12) months.

Satisfactory

These are customers that have shown history of past due but not impaired, and are still within the average level of the credit card portfolio which remains to be profitable.

Poor

These are customers that are past due but not yet impaired and could still be cured by collection mitigation strategies.

Default

These are customers that are already impaired. Recovery strategies are needed to reduce exposure to these customers.

Investment securities

In ensuring quality investment portfolio, the Group uses the credit risk rating from the published data providers like Moody's, Standard & Poor's (S&P) or other reputable rating agencies. The following indicates the levels of equivalent credit quality and its relevant external rating:

Credit Quality	External Rating								
High grade	Aaa	Aa1	Aa2	A1	A2	A3	Baa1	Baa2	Baa3
Standard grade	Ba1	Ba2	Ba3	B1	B2				
Substandard grade	B3	Caa1	Caa2	Caa3	Ca	C			
Impaired	D								

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to those rated by external rating agencies as 'Investment grade' (that is, those under High grade in the table above).

The following table shows the credit quality of loans and advances to banks, gross of allowance for credit losses, as of December 31, 2025 and 2024. All loans and advances to banks are classified as Stage 1 in 2025 and 2024.

	Consolidated		Parent Company	
	2025	2024	2025	2024
Due from BSP				
High grade	₱106,042	₱150,128	₱105,641	₱148,945
Due from other banks				
High grade	60,800	81,004	41,151	61,856
Standard grade	3,045	552	1,434	497
Unrated	562	580	63	61
	64,407	82,136	42,648	62,414
Interbank loans receivable and SPURA				
High grade	67,063	81,348	35,953	53,961
Standard Grade	5,603	—	—	—
	72,666	81,348	35,953	53,961
Total loans and advances to banks				
High grade	233,905	312,480	182,745	264,762
Standard grade	8,648	552	1,434	497
Unrated	562	580	63	61
	₱243,115	₱313,612	₱184,242	₱265,320



As of December 31, 2025 and 2024, net increase/(decrease) in interbank loans receivable and SPURA considered as cash and cash equivalents amounted to (₱13.1 billion) and ₱5.8 billion, respectively, for the Group, and (₱20.2 billion) and (₱7.1 billion), respectively, for the Parent Company. As of December 31, 2025 and 2024, net decrease in due from BSP amounted to (₱44.1 billion) and (₱57.7 billion), respectively, for the Group, and (₱43.3 billion) and (₱49.1 billion), respectively, for the Parent Company, and net increase/(decrease) in due from other banks amounted to (₱17.7 billion) and (₱8.5 billion), respectively, for the Group, and (₱19.8 billion) and (₱3.5 billion), respectively, for the Parent Company.

The following table shows the credit quality of investment securities, gross of allowance for credit losses, as of December 31, 2025 and 2024. All investment securities are classified as Stage 1 in 2025 and 2024.

	Consolidated		Parent	
	2025	2024	2025	2024
Debt securities at FVOCI				
Treasury notes and bonds				
High grade	₱459,778	₱372,967	₱421,982	₱350,919
Treasury bills				
High grade	300,324	719	299,594	–
Government				
High grade	113,425	101,896	104,899	99,832
Private				
High grade	35,055	29,607	5,483	3,374
Standard grade	342	339	–	–
	35,397	29,946	5,483	3,374
BSP				
High grade	43,382	65,412	43,382	56,943
Total debt securities at FVOCI				
High grade	951,964	570,601	875,340	511,068
Standard grade	342	339	–	–
	952,306	570,940	875,340	511,068
Investment securities at amortized cost				
Government				
High grade	54,915	55,926	44,305	44,603
Private				
High grade	181	173	–	–
Standard grade	11	1,076	–	–
	192	1,249	–	–
Treasury notes and bonds				
High grade	418,489	418,170	400,500	400,462
Total investment securities at amortized cost				
High grade	473,585	474,269	444,805	445,065
Standard grade	11	1,076	–	–
	473,596	475,345	444,805	445,065
Total debt investment securities				
High grade	1,425,549	1,044,870	1,320,145	956,133
Standard grade	353	1,415	–	–
	₱1,425,902	₱1,046,285	₱1,320,145	₱956,133

As of December 31, 2025 and 2024, purchases of investment in debt securities at FVOCI amounted to ₱1.3 trillion and ₱810.2 billion, respectively, for the Group, and ₱1.0 trillion and ₱414.1 billion, respectively, for the Parent Company. Proceeds from disposals/maturities of investments in debt securities at FVOCI amounted to ₱886.2 billion and ₱780.1 billion, respectively, for the Group, and ₱687.6 billion and ₱350.3 billion, respectively, for the Parent Company. Other movements, which include amortization of premiums/discounts, mark-to-market and foreign exchange revaluations, resulted in a increase in carrying value of debt securities at FVOCI as of December 31, 2025 and 2024 amounting to ₱8.1 billion and ₱6.3 billion, respectively, for the Group, and ₱6.2 billion and ₱4.1 billion, respectively, for the Parent Company.



As of December 2025 and 2024, purchases of investment securities at amortized cost amounted to ₱39.7 billion and ₱8.3 billion, respectively, for the Group, and ₱37.7 billion and ₱5.3 billion, respectively, for the Parent Company, while proceeds from maturities amounted to ₱42.1 billion and ₱2.9 billion, respectively, for the Group, and ₱38.7 billion and nil, respectively, for the Parent Company. Other movements, which include amortization of premiums/discounts and foreign exchange revaluations, resulted in an increase/(decrease) in carrying value of investment securities at amortized cost as of December 31, 2025 and 2024 amounting to ₱0.6 billion and (₱1.0 billion), respectively, for the Group, and ₱0.7 billion and ₱1.0 billion, respectively, for the Parent Company.

The credit quality of receivables from customers, net of unearned discount and capitalized interest, as of December 31, 2025 and 2024 follow:

	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
2025				
Commercial loans				
High grade	₱268,279	₱—	₱—	₱268,279
Standard grade	1,087,043	768	—	1,087,811
Watchlist grade	67,560	543	—	68,103
Classified grade	—	33,347	—	33,347
Sub-standard grade	17	666	—	683
Unrated	—	—	—	—
Non-performing individually impaired	—	—	17,116	17,116
	1,422,899	35,324	17,116	1,475,339
Residential mortgage loans				
High grade	42,073	—	—	42,073
Standard grade	50,379	651	—	51,030
Sub-standard grade	4,900	3,524	—	8,424
Unrated	—	1,316	—	1,316
Non-performing individually impaired	—	—	2,136	2,136
	97,352	5,491	2,136	104,979
Auto loans				
High grade	80,319	—	—	80,319
Standard grade	30,428	120	—	30,548
Sub-standard grade	7	3,449	—	3,456
Unrated	—	5,052	—	5,052
Non-performing individually impaired	—	—	4,409	4,409
	110,754	8,621	4,409	123,784
Credit card				
Standard grade	174,202	—	—	174,202
Sub-standard grade	—	3,700	—	3,700
Non-performing individually impaired	—	—	11,532	11,532
	174,202	3,700	11,532	189,434
Trade loans				
High grade	20,884	—	—	20,884
Standard grade	32,886	—	—	32,886
Watchlist Grade	3,875	15	—	3,890
Classified grade	—	340	—	340
Non-performing individually impaired	—	—	735	735
	57,645	355	735	58,735
Other loans				
High grade	14,268	—	—	14,268
Standard grade	1,987	—	—	1,987
Sub-standard grade	—	1,122	—	1,122
Unrated	16	108	—	124
Non-performing individually impaired	—	—	304	304
	16,271	1,230	304	17,805
Total receivables from customers				
High grade	425,823	—	—	425,823
Standard grade	1,376,925	1,539	—	1,378,464
Watchlist grade	71,435	558	—	71,993
Classified grade	—	33,687	—	33,687
Sub-standard grade	4,924	12,461	—	17,385
Unrated	16	6,476	—	6,492
Non-performing individually impaired	—	—	36,232	36,232
	₱1,879,123	₱54,721	₱36,232	₱1,970,076



	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
2024				
Commercial loans				
High grade	P272,707	P-	P-	P272,707
Standard grade	977,957	412	-	978,369
Watchlist grade	31,903	52,800	-	84,703
Classified grade	-	6,310	-	6,310
Sub-standard grade	5	536	-	541
Unrated	-	28	-	28
Non-performing individually impaired	-	-	17,515	17,515
	1,282,572	60,086	17,515	1,360,173
Residential mortgage loans				
High grade	38,949	-	-	38,949
Standard grade	44,827	578	-	45,405
Sub-standard grade	6,000	4,446	-	10,446
Unrated	-	1,187	-	1,187
Non-performing individually impaired	-	-	1,871	1,871
	89,776	6,211	1,871	97,858
Auto loans				
High grade	74,349	-	-	74,349
Standard grade	29,438	90	-	29,528
Sub-standard grade	20	3,771	-	3,791
Unrated	-	3,625	-	3,625
Non-performing individually impaired	-	-	2,590	2,590
	103,807	7,486	2,590	113,883
Credit card				
Standard grade	150,087	-	-	150,087
Sub-standard grade	-	3,209	-	3,209
Non-performing individually impaired	-	-	4,649	4,649
	150,087	3,209	4,649	157,945
Trade loans				
High grade	15,728	-	-	15,728
Standard grade	36,480	-	-	36,480
Watchlist Grade	15,116	325	-	15,441
Classified grade	-	198	-	198
Non-performing individually impaired	-	-	464	464
	67,324	523	464	68,311
Other loans				
High grade	13,886	-	-	13,886
Standard grade	1,504	-	-	1,504
Sub-standard grade	9	1,261	-	1,270
Unrated	6	24	-	30
Non-performing individually impaired	-	-	243	243
	15,405	1,285	243	16,933
Total receivables from customers				
High grade	415,619	-	-	415,619
Standard grade	1,240,293	1,080	-	1,241,373
Watchlist grade	47,019	53,125	-	100,144
Classified grade	-	6,508	-	6,508
Sub-standard grade	6,034	13,223	-	19,257
Unrated	6	4,864	-	4,870
Non-performing individually impaired	-	-	27,332	27,332
	P1,708,971	P78,800	P27,332	P1,815,103

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2025				
Commercial loans				
High grade	P185,802	P-	P-	P185,802
Standard grade	1,077,636	768	-	1,078,404
Watchlist grade	67,560	543	-	68,103
Classified grade	-	33,347	-	33,347
Non-performing individually impaired	-	-	15,486	15,486
	1,330,998	34,658	15,486	1,381,142
Residential mortgage loans				
High grade	953	-	-	953
Standard grade	50,379	651	-	51,030
Sub-standard grade	4,900	634	-	5,534
Non-performing individually impaired	-	-	806	806
	56,232	1,285	806	58,323

(Forward)



	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Auto loans				
High grade	₱2,838	₱—	₱—	₱2,838
Standard grade	22,679	120	—	22,799
Sub-standard grade	7	19	—	26
Non-performing individually impaired	—	—	261	261
	25,524	139	261	25,924
Credit card				
Standard grade	174,202	—	—	174,202
Sub-standard grade	—	3,700	—	3,700
Non-performing individually impaired	—	—	11,532	11,532
	174,202	3,700	11,532	189,434
Trade loans				
High grade	10,235	—	—	10,235
Standard grade	32,886	—	—	32,886
Watchlist grade	3,875	15	—	3,890
Classified grade	—	340	—	340
Non-performing individually impaired	—	—	735	735
	46,996	355	735	48,086
Other loans				
High grade	14,179	—	—	14,179
Standard grade	1,633	—	—	1,633
Sub-standard grade	—	52	—	52
Non-performing individually impaired	—	—	127	127
	15,812	52	127	15,991
Total receivables from customers				
High grade	214,007	—	—	214,007
Standard grade	1,359,415	1,539	—	1,360,954
Watchlist grade	71,435	558	—	71,993
Classified grade	—	33,687	—	33,687
Sub-standard grade	4,907	4,405	—	9,312
Non-performing individually impaired	—	—	28,947	28,947
	₱1,649,764	₱40,189	₱28,947	₱1,718,900
2024				
Commercial loans				
High grade	₱195,767	₱—	₱—	₱195,767
Standard grade	969,413	412	—	969,825
Watchlist grade	31,903	52,800	—	84,703
Classified grade	—	6,310	—	6,310
Non-performing individually impaired	—	—	15,336	15,336
	1,197,083	59,522	15,336	1,271,941
Residential mortgage loans				
High grade	986	—	—	986
Standard grade	44,827	578	—	45,405
Sub-standard grade	6,000	883	—	6,883
Non-performing individually impaired	—	—	813	813
	51,813	1,461	813	54,087
Auto loans				
High grade	2,582	—	—	2,582
Standard grade	20,433	90	—	20,523
Sub-standard grade	20	16	—	36
Non-performing individually impaired	—	—	283	283
	23,035	106	283	23,424
Credit card				
Standard grade	150,087	—	—	150,087
Sub-standard grade	—	3,209	—	3,209
Non-performing individually impaired	—	—	4,649	4,649
	150,087	3,209	4,649	157,945
Trade loans				
High grade	10,175	—	—	10,175
Standard grade	36,480	—	—	36,480
Watchlist grade	15,116	325	—	15,441
Classified grade	—	198	—	198
Non-performing individually impaired	—	—	464	464
	61,771	523	464	62,758

(Forward)



	Parent Company			Total
	Stage 1	Stage 2	Stage 3	
Other loans				
High grade	₱13,935	₱—	₱—	₱13,935
Standard grade	1,180	—	—	1,180
Sub-standard grade	9	29	—	38
Non-performing individually impaired	—	—	80	80
	15,124	29	80	15,233
Total receivables from customers				
High grade	223,445	—	—	223,445
Standard grade	1,222,420	1,080	—	1,223,500
Watchlist grade	47,019	53,125	—	100,144
Classified grade	—	6,508	—	6,508
Sub-standard grade	6,029	4,137	—	10,166
Non-performing individually impaired	—	—	21,625	21,625
	₱1,498,913	₱64,850	₱21,625	₱1,585,388

Movements during 2025 and 2024 for receivables from customers follow:

	Consolidated			
	Receivables from Customers			
	Stage 1	Stage 2	Stage 3	Total
2025				
Commercial loans				
Balance at January 1, 2025	₱1,282,572	₱60,086	₱17,515	₱1,360,173
Newly originated assets that remained in Stage 1 as at year-end	666,943	—	—	666,943
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	17,091	1,200	18,291
Assets derecognized or repaid	(548,168)	(24,831)	(2,369)	(575,368)
Amounts written-off	—	—	(28)	(28)
Transfers to/(from) Stage 1	16,231	—	—	16,231
Transfers to/(from) Stage 2	—	(17,022)	—	(17,022)
Transfers to/(from) Stage 3	—	—	791	791
Others	5,321	—	7	5,328
Balance at December 31, 2025	1,422,899	35,324	17,116	1,475,339
Residential mortgage loans				
Balance at January 1, 2025	89,776	6,211	1,871	97,858
Newly originated assets that remained in Stage 1 as at year-end	25,298	—	—	25,298
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	74	57	131
Assets derecognized or repaid	(15,981)	(1,760)	(567)	(18,308)
Transfers to/(from) Stage 1	(1,741)	—	—	(1,741)
Transfers to/(from) Stage 2	—	966	—	966
Transfers to/(from) Stage 3	—	—	775	775
Balance at December 31, 2025	97,352	5,491	2,136	104,979
Auto loans				
Balance at January 1, 2025	103,807	7,486	2,590	113,883
Newly originated assets that remained in Stage 1 as at year-end	46,322	—	—	46,322
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1,631	1,091	2,722
Assets derecognized or repaid	(33,131)	(3,824)	(1,629)	(38,584)
Amounts written-off	—	—	(559)	(559)
Transfers to/(from) Stage 1	(6,244)	—	—	(6,244)
Transfers to/(from) Stage 2	—	3,328	—	3,328
Transfers to/(from) Stage 3	—	—	2,916	2,916
Balance at December 31, 2025	110,754	8,621	4,409	123,784
Credit card				
Balance at January 1, 2025	150,087	3,209	4,649	157,945
Newly originated assets that remained in Stage 1 as at year-end*	15,519	—	—	15,519
Assets derecognized or repaid	(701)	(328)	(366)	(1,395)
Amounts written-off	—	—	(4,294)	(4,294)
Transfers to/(from) Stage 1	(12,359)	—	—	(12,359)
Transfers to/(from) Stage 2	—	2,995	—	2,995
Transfers to/(from) Stage 3	—	—	9,364	9,364
Others**	21,656	(2,176)	2,179	21,659
Balance at December 31, 2025	174,202	3,700	11,532	189,434

(Forward)



	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
Trade loans				
Balance at January 1, 2025	₱67,324	₱523	₱464	₱68,311
Newly originated assets that remained in Stage 1 as at year-end	51,651	—	—	51,651
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	230	398	628
Assets derecognized or repaid	(61,771)	(398)	(127)	(62,296)
Others	441	—	—	441
Balance at December 31, 2025	57,645	355	735	58,735
Other loans				
Balance at January 1, 2025	15,405	1,285	243	16,933
Newly originated assets that remained in Stage 1 as at year-end	11,002	—	—	11,002
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	354	4	358
Assets derecognized or repaid	(9,652)	(371)	(26)	(10,049)
Amounts written-off	—	—	(194)	(194)
Transfers to/(from) Stage 1	(119)	—	—	(119)
Transfers to/(from) Stage 2	—	(37)	—	(37)
Transfers to/(from) Stage 3	—	—	156	156
Others	(365)	(1)	121	(245)
Balance at December 31, 2025	16,271	1,230	304	17,805
Total receivables from customers				
Balance at January 1, 2025	1,708,971	78,800	27,332	1,815,103
Newly originated assets that remained in Stage 1 as at year-end	816,735	—	—	816,735
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	19,380	2,750	22,130
Assets derecognized or repaid	(669,404)	(31,512)	(5,084)	(706,000)
Amounts written-off	—	—	(5,075)	(5,075)
Transfers to/(from) Stage 1	(4,232)	—	—	(4,232)
Transfers to/(from) Stage 2	—	(9,770)	—	(9,770)
Transfers to/(from) Stage 3	—	—	14,002	14,002
Others	27,053	(2,177)	2,307	27,183
Balance at December 31, 2025	₱1,879,123	₱54,721	₱36,232	₱1,970,076
2024				
Commercial loans				
Balance at January 1, 2024	₱1,098,643	₱47,499	₱17,860	₱1,164,002
Newly originated assets that remained in Stage 1 as at year-end	682,301	—	—	682,301
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	35,085	6,387	41,472
Assets derecognized or repaid	(495,041)	(29,155)	(5,959)	(530,155)
Amounts written-off	—	—	(883)	(883)
Transfers to/(from) Stage 1	(6,622)	—	—	(6,622)
Transfers to/(from) Stage 2	—	6,542	—	6,542
Transfers to/(from) Stage 3	—	—	80	80
Others	3,291	115	30	3,436
Balance at December 31, 2024	1,282,572	60,086	17,515	1,360,173
Residential mortgage loans				
Balance at January 1, 2024	70,716	20,532	2,203	93,451
Newly originated assets that remained in Stage 1 as at year-end	22,560	—	—	22,560
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	92	72	164
Assets derecognized or repaid	(14,476)	(3,195)	(646)	(18,317)
Transfers to/(from) Stage 1	10,976	—	—	10,976
Transfers to/(from) Stage 2	—	(11,218)	—	(11,218)
Transfers to/(from) Stage 3	—	—	242	242
Balance at December 31, 2024	89,776	6,211	1,871	97,858

(Forward)



	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
Auto loans				
Balance at January 1, 2024	₱87,261	₱6,194	₱2,906	₱96,361
Newly originated assets that remained in Stage 1 as at year-end	49,411	—	—	49,411
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1,391	670	2,061
Assets derecognized or repaid	(27,062)	(4,167)	(1,619)	(32,848)
Amounts written-off	—	—	(1,102)	(1,102)
Transfers to/(from) Stage 1	(5,803)	—	—	(5,803)
Transfers to/(from) Stage 2	—	4,068	—	4,068
Transfers to/(from) Stage 3	—	—	1,735	1,735
Balance at December 31, 2024	103,807	7,486	2,590	113,883
Credit card				
Balance at January 1, 2024	126,916	2,656	3,562	133,134
Newly originated assets that remained in Stage 1 as at year-end*	12,163	—	—	12,163
Assets derecognized or repaid	(637)	(274)	(296)	(1,207)
Amounts written-off	—	—	(10,237)	(10,237)
Transfers to/(from) Stage 1	(8,996)	—	—	(8,996)
Transfers to/(from) Stage 2	—	3,442	—	3,442
Transfers to/(from) Stage 3	—	—	5,554	5,554
Others**	20,641	(2,615)	6,066	24,092
Balance at December 31, 2024	150,087	3,209	4,649	157,945
Trade loans				
Balance at January 1, 2024	50,688	576	354	51,618
Newly originated assets that remained in Stage 1 as at year-end	63,493	—	—	63,493
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	358	122	480
Assets derecognized or repaid	(46,934)	(411)	(12)	(47,357)
Others	77	—	—	77
Balance at December 31, 2024	67,324	523	464	68,311
Other loans				
Balance at January 1, 2024	11,576	988	279	12,843
Newly originated assets that remained in Stage 1 as at year-end	10,840	—	—	10,840
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	362	14	376
Assets derecognized or repaid	(6,392)	(234)	(52)	(6,678)
Amounts written-off	—	—	(223)	(223)
Transfers to/(from) Stage 1	(291)	—	—	(291)
Transfers to/(from) Stage 2	—	167	—	167
Transfers to/(from) Stage 3	—	—	124	124
Others	(328)	2	101	(225)
Balance at December 31, 2024	15,405	1,285	243	16,933
Total receivables from customers				
Balance at January 1, 2024	1,445,800	78,445	27,164	1,551,409
Newly originated assets that remained in Stage 1 as at year-end	840,768	—	—	840,768
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	37,288	7,265	44,553
Assets derecognized or repaid	(590,542)	(37,436)	(8,584)	(636,562)
Amounts written-off	—	—	(12,445)	(12,445)
Transfers to/(from) Stage 1	(10,736)	—	—	(10,736)
Transfers to/(from) Stage 2	—	3,001	—	3,001
Transfers to/(from) Stage 3	—	—	7,735	7,735
Others	23,681	(2,498)	6,197	27,380
Balance at December 31, 2024	₱1,708,971	₱78,800	₱27,332	₱1,815,103

*includes newly booked accounts during the year

**includes drawdowns from existing customers



	Parent Company			
	Receivable from Customers			Total
	Stage 1	Stage 2	Stage 3	
2025				
Commercial loans				
Balance at January 1, 2025	₱1,197,083	₱59,522	₱15,336	₱1,271,941
Newly originated assets that remained in Stage 1 as at year-end	658,218	—	—	658,218
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	16,844	1,100	17,944
Assets derecognized or repaid	(542,215)	(24,559)	(1,265)	(568,039)
Amounts written off	—	—	(20)	(20)
Transfers to/(from) Stage 1	16,828	—	—	16,828
Transfers to/(from) Stage 2	—	(17,149)	—	(17,149)
Transfers to/(from) Stage 3	—	—	321	321
Others	1,084	—	14	1,098
Balance at December 31, 2025	1,330,998	34,658	15,486	1,381,142
Residential mortgage loans				
Balance at January 1, 2025	51,813	1,461	813	54,087
Newly originated assets that remained in Stage 1 as at year-end	15,759	—	—	15,759
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	74	57	131
Assets derecognized or repaid	(10,651)	(736)	(267)	(11,654)
Transfers to/(from) Stage 1	(689)	—	—	(689)
Transfers to/(from) Stage 2	—	486	—	486
Transfers to/(from) Stage 3	—	—	203	203
Balance at December 31, 2025	56,232	1,285	806	58,323
Auto loans				
Balance at January 1, 2025	23,035	106	283	23,424
Newly originated assets that remained in Stage 1 as at year-end	12,727	—	—	12,727
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	45	10	55
Assets derecognized or repaid	(10,102)	(90)	(73)	(10,265)
Amounts written off	—	—	(17)	(17)
Transfers to/(from) Stage 1	(136)	—	—	(136)
Transfers to/(from) Stage 2	—	78	—	78
Transfers to/(from) Stage 3	—	—	58	58
Balance at December 31, 2025	25,524	139	261	25,924
Credit card				
Balance at January 1, 2025	150,087	3,209	4,649	157,945
Newly originated assets that remained in Stage 1 as at year-end*	15,519	—	—	15,519
Assets derecognized or repaid	(701)	(328)	(366)	(1,395)
Amounts written-off	—	—	(4,294)	(4,294)
Transfers to/(from) Stage 1	(12,359)	—	—	(12,359)
Transfers to/(from) Stage 2	—	2,995	—	2,995
Transfers to/(from) Stage 3	—	—	9,364	9,364
Others**	21,656	(2,176)	2,179	21,659
Balance at December 31, 2025	174,202	3,700	11,532	189,434
Trade loans				
Balance at January 1, 2025	61,771	523	464	62,758
Newly originated assets that remained in Stage 1 as at year-end	46,996	—	—	46,996
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	230	398	628
Assets derecognized or repaid	(61,771)	(398)	(127)	(62,296)
Others	—	—	—	—
Balance at December 31, 2025	46,996	355	735	48,086
Other loans				
Balance at January 1, 2025	15,124	29	80	15,233
Newly originated assets that remained in Stage 1 as at year-end	10,787	—	—	10,787
Assets derecognized or repaid	(9,634)	—	—	(9,634)
Amounts written off	—	—	(126)	(126)
Transfers to/(from) Stage 1	(92)	—	—	(92)
Transfers to/(from) Stage 2	—	24	—	24
Transfers to/(from) Stage 3	—	—	68	68
Others	(373)	(1)	105	(269)
Balance at December 31, 2025	15,812	52	127	15,991

(Forward)



	Parent Company			
	Receivable from Customers			
	Stage 1	Stage 2	Stage 3	Total
Total receivables from customers				
Balance at January 1, 2025	₱1,498,913	₱64,850	₱21,625	₱1,585,388
Newly originated assets that remained in Stage 1 as at year-end	760,006	—	—	760,006
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	17,193	1,565	18,758
Assets derecognized or repaid	(635,074)	(26,111)	(2,098)	(663,283)
Amounts written-off	—	—	(4,457)	(4,457)
Transfers to/(from) Stage 1	3,552	—	—	3,552
Transfers to/(from) Stage 2	—	(13,566)	—	(13,566)
Transfers to/(from) Stage 3	—	—	10,014	10,014
Others	22,367	(2,177)	2,298	22,488
Balance at December 31, 2025	₱1,649,764	₱40,189	₱28,947	₱1,718,900

	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
2024					
Commercial loans					
Balance at January 1, 2024	₱1,023,425	₱46,897	₱14,858	₱439	₱1,085,619
Newly originated assets that remained in Stage 1 as at year-end	665,096	—	—	—	665,096
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	34,899	6,317	—	41,216
Assets derecognized or repaid	(487,518)	(28,704)	(5,357)	—	(521,579)
Amounts written off	—	—	(378)	(439)	(817)
Transfers to/(from) Stage 1	(6,179)	—	—	—	(6,179)
Transfers to/(from) Stage 2	—	6,315	—	—	6,315
Transfers to/(from) Stage 3	—	—	(136)	—	(136)
Others	2,259	115	32	—	2,406
Balance at December 31, 2024	1,197,083	59,522	15,336	—	1,271,941
Residential mortgage loans					
Balance at January 1, 2024	49,541	1,831	901	—	52,273
Newly originated assets that remained in Stage 1 as at year-end	13,617	—	—	—	13,617
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	17	25	—	42
Assets derecognized or repaid	(10,613)	(911)	(321)	—	(11,845)
Transfers to/(from) Stage 1	(732)	—	—	—	(732)
Transfers to/(from) Stage 2	—	524	—	—	524
Transfers to/(from) Stage 3	—	—	208	—	208
Balance at December 31, 2024	51,813	1,461	813	—	54,087
Auto loans					
Balance at January 1, 2024	20,394	592	318	—	21,304
Newly originated assets that remained in Stage 1 as at year-end	11,202	—	—	—	11,202
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	19	8	—	27
Assets derecognized or repaid	(8,845)	(155)	(94)	—	(9,094)
Amounts written off	—	—	(15)	—	(15)
Transfers to/(from) Stage 1	284	—	—	—	284
Transfers to/(from) Stage 2	—	(350)	—	—	(350)
Transfers to/(from) Stage 3	—	—	66	—	66
Balance at December 31, 2024	23,035	106	283	—	23,424
Credit card					
Balance at January 1, 2024	126,916	2,656	3,562	—	133,134
Newly originated assets that remained in Stage 1 as at year-end*	12,163	—	—	—	12,163
Assets derecognized or repaid	(637)	(274)	(296)	—	(1,207)
Amounts written-off	—	—	(10,237)	—	(10,237)
Transfers to/(from) Stage 1	(8,996)	—	—	—	(8,996)
Transfers to/(from) Stage 2	—	3,442	—	—	3,442
Transfers to/(from) Stage 3	—	—	5,554	—	5,554
Others**	20,641	(2,615)	6,066	—	24,092
Balance at December 31, 2024	150,087	3,209	4,649	—	157,945

(Forward)



	Parent Company				
	Receivables from Customers				Total
	Stage 1	Stage 2	Stage 3	POCI	
Trade loans					
Balance at January 1, 2024	₱46,934	₱576	₱354	₱—	₱47,864
Newly originated assets that remained in Stage 1 as at year-end	61,771	—	—	—	61,771
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	358	122	—	480
Assets derecognized or repaid	(46,934)	(411)	(12)	—	(47,357)
Balance at December 31, 2024	61,771	523	464	—	62,758
Other loans					
Balance at January 1, 2024	10,444	17	74	—	10,535
Newly originated assets that remained in Stage 1 as at year-end	10,768	—	—	—	10,768
Assets derecognized or repaid	(5,731)	—	(1)	—	(5,732)
Amounts written off	—	—	(108)	—	(108)
Transfers to/(from) Stage 1	(28)	—	—	—	(28)
Transfers to/(from) Stage 2	—	10	—	—	10
Transfers to/(from) Stage 3	—	—	18	—	18
Others	(329)	2	97	—	(230)
Balance at December 31, 2024	15,124	29	80	—	15,233
Total receivables from customers					
Balance at January 1, 2024	1,277,654	52,569	20,067	439	1,350,729
Newly originated assets that remained in Stage 1 as at year-end	774,617	—	—	—	774,617
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	35,293	6,472	—	41,765
Assets derecognized or repaid	(560,278)	(30,455)	(6,081)	—	(596,814)
Amounts written-off	—	—	(10,738)	(439)	(11,177)
Transfers to/(from) Stage 1	(15,651)	—	—	—	(15,651)
Transfers to/(from) Stage 2	—	9,941	—	—	9,941
Transfers to/(from) Stage 3	—	—	5,710	—	5,710
Others	22,571	(2,498)	6,195	—	26,268
Balance at December 31, 2024	₱1,498,913	₱64,850	₱21,625	₱—	₱1,585,388

*includes newly booked accounts during the year

**includes drawdowns from existing customers

The credit quality of other receivables, gross of allowance for credit losses, as of December 31, 2025 and 2024 follows:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
2025				
Unquoted debt securities				
High grade	₱—	₱—	₱—	₱—
Non-performing individually impaired	—	—	385	385
	—	—	385	385
Accrued interest receivable				
High grade	19,231	—	—	19,231
Standard grade	6,993	7	—	7,000
Watchlist grade	223	2	—	225
Classified grade	—	115	—	115
Sub-standard grade	23	121	—	144
Unrated	8	138	—	146
Non-performing individually impaired	—	—	223	223
	26,478	383	223	27,084
Sales contract receivable				
Unrated	8	—	—	8
Non-performing individually impaired	—	—	6	6
	8	—	6	14
Other receivables				
Standard grade	8	—	—	8
Unrated	4	—	—	4
Non-performing individually impaired	—	—	2	2
	12	—	2	14

(Forward)



	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
Total other receivables				
High grade	₱19,231	₱–	₱–	₱19,231
Standard grade	7,001	7	–	7,008
Watchlist grade	223	2	–	225
Classified grade	–	115	–	115
Sub-standard grade	23	121	–	144
Unrated	20	138	–	158
Non-performing individually impaired	–	–	616	616
	₱26,498	₱383	₱616	₱27,497
2024				
Unquoted debt securities				
High grade	₱18	₱–	₱–	₱18
Non-performing individually impaired	–	–	385	385
	18	–	385	403
Accrued interest receivable				
High grade	17,159	–	–	17,159
Standard grade	6,798	26	–	6,824
Watchlist grade	1	165	–	166
Classified grade	–	23	–	23
Sub-standard grade	32	155	–	187
Unrated	23	124	–	147
Non-performing individually impaired	–	–	299	299
	24,013	493	299	24,805
Sales contract receivable				
Unrated	16	–	–	16
Non-performing individually impaired	–	–	7	7
	16	–	7	23
Other receivables				
Standard grade	8	–	–	8
Unrated	2	–	–	2
Non-performing individually impaired	–	–	2	2
	10	–	2	12
Total other receivables				
High grade	17,177	–	–	17,177
Standard grade	6,806	26	–	6,832
Watchlist grade	1	165	–	166
Classified grade	–	23	–	23
Sub-standard grade	32	155	–	187
Unrated	41	124	–	165
Non-performing individually impaired	–	–	693	693
	₱24,057	₱493	₱693	₱25,243
Parent Company				
	Stage 1	Stage 2	Stage 3	Total
2025				
Unquoted debt securities				
High grade	₱–	₱–	₱–	₱–
Non-performing individually impaired	–	–	385	385
	–	–	385	385
Accrued interest receivable				
High grade	16,259	–	–	16,259
Standard grade	6,921	7	–	6,928
Watchlist grade	223	2	–	225
Classified grade	–	115	–	115
Sub-standard grade	22	5	–	27
Unrated	7	–	–	7
Non-performing individually impaired	–	–	90	90
	23,432	129	90	23,651
Sales contract receivable				
Unrated	8	–	–	8
Non-performing individually impaired	–	–	2	2
	8	–	2	10
Other receivables				
Non-performing individually impaired	–	–	2	2
	–	–	2	2

(Forward)



	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Total other receivables				
High grade	₱16,259	₱–	₱–	₱16,259
Standard grade	6,921	7	–	6,928
Watchlist grade	223	2	–	225
Classified grade	–	115	–	115
Sub-standard grade	22	5	–	27
Unrated	15	–	–	15
Non-performing individually impaired	–	–	479	479
	₱23,440	₱129	₱479	₱24,048

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2024				
Unquoted debt securities				
High grade	₱18	₱–	₱–	₱18
Non-performing individually impaired	–	–	385	385
	18	–	385	403
Accrued interest receivable				
High grade	14,507	–	–	14,507
Standard grade	6,713	26	–	6,739
Watchlist grade	1	165	–	166
Classified grade	–	23	–	23
Sub-standard grade	32	6	–	38
Unrated	21	–	–	21
Non-performing individually impaired	–	–	209	209
	21,274	220	209	21,703
Sales contract receivable				
Unrated	16	–	–	16
Non-performing individually impaired	–	–	2	2
	16	–	2	18
Other receivables				
Non-performing individually impaired	–	–	2	2
	–	–	2	2
Total other receivables				
High grade	14,525	–	–	14,525
Standard grade	6,713	26	–	6,739
Watchlist grade	1	165	–	166
Classified grade	–	23	–	23
Sub-standard grade	32	6	–	38
Unrated	37	–	–	37
Non-performing individually impaired	–	–	598	598
	₱21,308	₱220	₱598	₱22,126

Movements during 2025 and 2024 for other receivables follow:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
2025				
Balance at January 1, 2025	₱24,057	₱493	₱693	₱25,243
Newly originated assets that remained in Stage 1 as at year-end	19,243	–	–	19,243
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	102	69	171
Assets derecognized or repaid	(16,619)	(150)	(118)	(16,887)
Amounts written off	–	–	(21)	(21)
Transfers to/(from) Stage 1	8	–	–	8
Transfers to/(from) Stage 2	–	(68)	–	(68)
Transfers to/(from) Stage 3	–	–	60	60
Others	(191)	6	(67)	(252)
Balance at December 31, 2025	₱26,498	₱383	₱616	₱27,497



	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
2024				
Balance at January 1, 2024	₱20,447	₱796	₱1,014	₱22,257
Newly originated assets that remained in Stage 1 as at year-end	18,306	—	—	18,306
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	184	73	257
Assets derecognized or repaid	(14,695)	(385)	(436)	(15,516)
Amounts written off	—	—	(1)	(1)
Transfers to/(from) Stage 1	59	—	—	59
Transfers to/(from) Stage 2	—	(102)	—	(102)
Transfers to/(from) Stage 3	—	—	43	43
Others	(60)	—	—	(60)
Balance at December 31, 2024	₱24,057	₱493	₱693	₱25,243

	Parent Company			Total
	Stage 1	Stage 2	Stage 3	
2025				
Balance at January 1, 2025	₱21,308	₱220	₱598	₱22,126
Newly originated assets that remained in Stage 1 as at year-end	18,236	—	—	18,236
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	53	29	82
Assets derecognized or repaid	(15,983)	(70)	(82)	(16,135)
Transfers to/(from) Stage 1	79	—	—	79
Transfers to/(from) Stage 2	—	(80)	—	(80)
Transfers to/(from) Stage 3	—	—	1	1
Others	(200)	6	(67)	(261)
Balance at December 31, 2025	₱23,440	₱129	₱479	₱24,048
2024				
Balance at January 1, 2024	₱16,760	₱284	₱870	₱17,914
Newly originated assets that remained in Stage 1 as at year-end	17,044	—	—	17,044
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	140	47	187
Assets derecognized or repaid	(12,478)	(220)	(320)	(13,018)
Amounts written off	—	—	(1)	(1)
Transfers to/(from) Stage 1	(18)	—	—	(18)
Transfers to/(from) Stage 2	—	16	—	16
Transfers to/(from) Stage 3	—	—	2	2
Balance at December 31, 2024	₱21,308	₱220	₱598	₱22,126

The credit risk exposure on the accounts receivable of the Group and the Parent Company based on their aging as of December 31, 2025 and 2024 follows:

Age of accounts receivables	Consolidated		Parent Company	
	2025	2024	2025	2024
Current	₱952	₱—	₱—	₱—
Up to 1 month	25,627	17,494	10,837	4,809
> 1 to 2 months	47	312	27	277
> 2 to 3 months	32	94	22	75
More than 3 months	4,084	4,218	3,485	3,574
Total gross carrying amount	₱30,742	₱22,118	₱14,371	₱8,735

The maximum exposure and credit quality of loan commitments and financial guarantees as of December 31, 2025 and 2024 follows:

	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
2025				
High grade	₱16,093	₱—	₱—	₱16,093
Standard grade	410,533	704	—	411,237
Substandard grade	—	—	1,000	1,000
Unrated	107,932	892	11	108,835
	₱534,558	₱1,596	₱1,011	₱537,165
2024				
High grade	₱15,501	₱—	₱—	₱15,501
Standard grade	331,070	568	—	331,638
Substandard grade	—	—	806	806
Unrated	86,416	10,917	8	97,341
	₱432,987	₱11,485	₱814	₱445,286



	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2025				
Standard grade	₱410,504	₱704	₱—	₱411,208
Substandard grade	—	—	1,000	1,000
Unrated	107,931	892	11	108,834
	₱518,435	₱1,596	₱1,011	₱521,042
2024				
Standard grade	₱330,990	₱568	₱—	₱331,558
Substandard grade	—	—	806	806
Unrated	86,416	10,917	8	97,341
	₱417,406	₱11,485	₱814	₱429,705

Movements during 2025 and 2024 for loan commitments and financial guarantees follow:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
2025				
Balance at January 1, 2025	₱432,987	₱11,485	₱814	₱445,286
New assets originated or purchased	113,435	—	—	113,435
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	57	—	57
Assets derecognized or repaid	(70,613)	(10,735)	(964)	(82,312)
Transfers to/(from) Stage 1	415	—	—	415
Transfers to/(from) Stage 2	—	(363)	—	(363)
Transfers to/(from) Stage 3	—	—	(52)	(52)
Others	58,334	1,152	1,213	60,699
Balance at December 31, 2025	₱534,558	₱1,596	₱1,011	₱537,165
2024				
Balance at January 1, 2024	₱365,607	₱3,139	₱859	₱369,605
New assets originated or purchased	74,899	—	—	74,899
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	14	—	14
Assets derecognized or repaid	(39,198)	(711)	(1,083)	(40,992)
Transfers to/(from) Stage 1	(5,098)	—	—	(5,098)
Transfers to/(from) Stage 2	—	3,955	—	3,955
Transfers to/(from) Stage 3	—	—	1,143	1,143
Others	36,777	5,088	(105)	41,760
Balance at December 31, 2024	₱432,987	₱11,485	₱814	₱445,286

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
2025				
Balance at January 1, 2025	₱417,406	₱11,485	₱814	₱429,705
New assets originated or purchased	113,435	—	—	113,435
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	57	—	57
Assets derecognized or repaid	(70,271)	(10,735)	(964)	(81,970)
Transfers to/(from) Stage 1	415	—	—	415
Transfers to/(from) Stage 2	—	(363)	—	(363)
Transfers to/(from) Stage 3	—	—	(52)	(52)
Others	57,450	1,152	1,213	59,815
Balance at December 31, 2025	₱518,435	₱1,596	₱1,011	₱521,042
2024				
Balance at January 1, 2024	₱348,929	₱3,139	₱859	₱352,927
New assets originated or purchased	74,899	—	—	74,899
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	14	—	14
Assets derecognized or repaid	(37,798)	(711)	(1,083)	(39,592)
Transfers to/(from) Stage 1	(5,098)	—	—	(5,098)
Transfers to/(from) Stage 2	—	3,955	—	3,955
Transfers to/(from) Stage 3	—	—	1,143	1,143
Others	36,474	5,088	(105)	41,457
Balance at December 31, 2024	₱417,406	₱11,485	₱814	₱429,705



Breakdown of restructured receivables from customers by class are shown below:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Commercial loans	₱6,205	₱3,827	₱6,057	₱3,453
Residential mortgage loans	66	86	37	43
Others	—	1	—	—
	₱6,271	₱3,914	₱6,094	₱3,496

As of December 31, 2025 and 2024, an analysis by past due status of receivables from customers wherein the SICR is based only on the past due information is as follows:

	Consolidated					
	Number of Days Past Due					
	Within 30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
2025						
Auto loans	₱251	₱3,685	₱1,636	₱1,739	₱2,177	₱9,488
Residential mortgage loans	944	1,172	445	378	962	3,901
Credit card	—	2,131	3,434	3,002	11,488	20,055
	₱1,195	₱6,988	₱5,515	₱5,119	₱14,627	₱33,444
2024						
Auto loans	₱135	₱2,653	₱1,067	₱1,145	₱1,239	₱6,239
Residential mortgage loans	794	1,175	278	231	961	3,439
Credit card	—	1,728	1,481	2,769	1,880	7,858
	₱929	₱5,556	₱2,826	₱4,145	₱4,080	₱17,536
	Parent Company					
	Number of Days Past Due					
	Within 30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
2025						
Auto loans	₱21	₱11	₱18	₱16	₱212	₱278
Residential mortgage loans	276	67	53	68	415	879
Credit card	—	2,131	3,434	3,002	11,488	20,055
	₱297	₱2,209	₱3,505	₱3,086	₱12,115	₱21,212
2024						
Auto loans	₱29	₱11	₱5	₱7	₱237	₱289
Residential mortgage loans	221	135	14	54	422	846
Credit card	—	1,728	1,481	2,769	1,880	7,858
	₱250	₱1,874	₱1,500	₱2,830	₱2,539	₱8,993

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 and 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 Group'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.

Financial assets

Analysis of debt securities into maturity groupings is based on the expected date on which these assets will be realized. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date the assets will be realized.

Financial liabilities

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay.

The tables below summarize the maturity profile of financial instruments and gross-settled derivatives based on contractual undiscounted cash flows:

	Consolidated						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
2025							
Financial Assets							
Cash and other cash items	P34,577	P-	P-	P-	P-	P-	P34,577
Due from BSP	106,042	-	-	-	-	-	106,042
Due from other banks	53,198	6,331	4,771	148	9	-	64,457
Interbank loans receivable and SPURA	59	43,940	6,434	12,347	9,913	-	72,693
Investment securities at FVTPL							
FVTPL investments	-	37	95,440	-	-	98	95,575
Derivative assets							
Trading:							
Receive	-	142,523	76,542	46,180	25,938	202,970	494,153
Pay	-	(140,296)	(75,080)	(45,027)	(24,289)	(190,666)	(475,358)
	-	2,227	1,462	1,153	1,649	12,304	18,795
Investment securities at FVOCI	-	355,924	8,321	17,546	20,388	735,562	1,137,741
Investment securities at amortized cost	-	543	5,326	3,127	7,681	575,468	592,145
Loans and receivables							
Receivables from customers	118,699	308,000	188,176	129,627	128,221	1,519,934	2,392,657
Accrued interest receivable	120	24,038	392	1,064	101	1,369	27,084
Accounts receivable	12,871	17,738	45	17	39	32	30,742
Sales contract receivable	9	-	1	1	3	-	14
Other receivables	5	7	-	-	-	2	14
Other assets							
Returned checks and other cash items	555	-	-	-	-	-	555
Residual values of leased assets	35	9	13	20	41	247	365
Miscellaneous	309	152	1,096	5	15	198	1,775
	P326,479	P758,946	P311,477	P165,055	P168,060	P2,845,214	P4,575,231



	Consolidated						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱642,415	₱–	₱–	₱–	₱–	₱–	₱642,415
Savings	932,693	–	–	–	–	–	932,693
Time	558	800,671	193,379	57,397	17,266	21,702	1,090,973
	1,575,666	800,671	193,379	57,397	17,266	21,702	2,666,081
Bills payable and SSURA	–	469,839	18,175	17,173	1,177	27,381	533,745
Manager’s checks and demand drafts outstanding	7,293	–	–	–	–	–	7,293
Accrued interest payable	315	5,063	1,630	1,018	226	185	8,437
Accrued other expenses	6,711	523	1,911	–	2	–	9,147
Bonds payable	–	29,404	151	830	20,907	81,762	133,054
Other liabilities							
Lease liability	–	264	377	452	840	5,743	7,676
Bills purchased – contra	14,175	–	–	–	–	–	14,175
Accounts payable	11,244	31,408	162	222	322	12	43,370
Marginal deposits	1,429	3,287	748	3,758	5,468	1,261	15,951
Outstanding acceptances	–	303	605	362	277	–	1,547
Deposits on lease contracts	57	30	22	57	72	418	656
Dividends payable	121	–	–	–	–	–	121
Miscellaneous	237	–	–	–	–	–	237
	1,617,248	1,340,792	217,160	81,269	46,557	138,464	3,441,490
Derivative liabilities*							
Trading:							
Pay	–	203,803	82,865	51,849	29,488	158,249	526,254
Receive	–	(201,501)	(81,805)	(49,899)	(28,747)	(151,214)	(513,166)
		2,302	1,060	1,950	741	7,035	13,088
Loan commitments and financial guarantees	415,240	14,189	18,527	29,102	33,992	26,115	537,165
	₱2,032,488	₱1,357,283	₱236,747	₱112,321	₱81,290	₱171,614	₱3,991,743
2024							
Financial Assets							
Cash and other cash items	₱33,726	₱–	₱–	₱–	₱–	₱–	₱33,726
Due from BSP	150,128	–	–	–	–	–	150,128
Due from other banks	73,488	4,639	3,896	130	27	–	82,180
Interbank loans receivable and SPURA	400	65,931	8,637	2,819	3,596	–	81,383
Investment securities at FVTPL							
FVTPL investments	300	78	208,390	–	–	77	208,845
Derivative assets							
Trading:							
Receive	–	159,815	101,325	48,844	48,644	160,018	518,646
Pay	–	(156,199)	(98,617)	(47,550)	(45,501)	(153,279)	(501,146)
	–	3,616	2,708	1,294	3,143	6,739	17,500
Investment securities at FVOCI	–	77,327	12,750	10,081	55,857	570,221	726,236
Investment securities at amortized cost	–	716	5,664	488	3,387	610,332	620,587
Loans and receivables							
Receivables from customers	102,348	274,872	240,357	120,022	124,666	1,314,491	2,176,756
Unquoted debt securities	–	–	18	–	–	–	18
Accrued interest receivable	499	22,813	230	1	509	753	24,805
Accounts receivable	9,931	11,550	46	38	65	488	22,118
Sales contract receivable	11	1	1	2	3	5	23
Other receivables	2	1	2	1	2	4	12
Other assets							
Returned checks and other cash items	232	–	–	–	–	–	232
Residual values of leased assets	54	29	10	18	57	223	391
Miscellaneous	180	1	1,170	2	15	190	1,558
	₱371,299	₱461,574	₱483,879	₱134,896	₱191,327	₱2,503,523	₱4,146,498



	Consolidated						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱608,370	₱—	₱—	₱—	₱—	₱—	₱608,370
Savings	879,568	—	—	—	—	—	879,568
Time	10,655	831,391	144,379	46,214	24,045	35,533	1,092,217
	1,498,593	831,391	144,379	46,214	24,045	35,533	2,580,155
Bills payable and SSURA	—	188,692	28,398	57,434	28,293	—	302,817
Manager's checks and demand drafts outstanding	6,901	—	—	—	—	—	6,901
Accrued interest payable	376	6,607	1,926	1,180	415	17	10,521
Accrued other expenses	7,945	493	1,822	1	—	—	10,261
Bonds payable	—	9	112	775	2,271	126,852	130,019
Other liabilities							
Lease liability	29	197	534	404	728	5,275	7,167
Bills purchased – contra	13,889	—	—	—	—	—	13,889
Accounts payable	15,203	24,267	243	87	232	2	40,034
Marginal deposits	2,054	2,613	4,256	5,484	4,394	—	18,801
Outstanding acceptances	—	702	369	48	59	—	1,178
Deposits on lease contracts	86	55	14	21	125	364	665
Dividends payable	88	—	—	—	—	—	88
Miscellaneous	6	—	—	—	—	—	6
	1,545,170	1,055,026	182,053	111,648	60,562	168,043	3,122,502
Derivative liabilities*							
Trading:							
Pay	—	132,347	92,617	33,500	53,231	92,943	404,638
Receive	—	(128,958)	(90,132)	(32,371)	(49,704)	(89,121)	(390,286)
	—	3,389	2,485	1,129	3,527	3,822	14,352
Loan commitments and financial guarantees							
	337,105	7,486	25,739	14,677	38,530	21,749	445,286
	₱1,882,275	₱1,065,901	₱210,277	₱127,454	₱102,619	₱193,614	₱3,582,140

*Does not include derivatives embedded in financial and non-financial contracts.

	Parent Company						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
2025							
Financial Assets							
Cash and other cash items	₱32,871	₱—	₱—	₱—	₱—	₱—	₱32,871
Due from BSP	105,641	—	—	—	—	—	105,641
Due from other banks	36,900	2,862	2,925	—	—	—	42,687
Interbank loans receivable and SPURA	—	34,600	1,380	—	—	—	35,980
Investment securities at FVTPL							
FVTPL investments	—	—	95,440	—	—	98	95,538
Derivative assets							
Trading:							
Receive	—	142,521	76,542	46,177	25,937	202,970	494,147
Pay	—	(140,296)	(75,080)	(45,027)	(24,289)	(190,666)	(475,358)
		2,225	1,462	1,150	1,648	12,304	18,789
Investment securities at FVOCI	—	343,606	—	15,155	13,477	677,228	1,049,466
Investment securities at amortized cost	—	—	4,240	—	4,451	548,910	557,601
Loans and receivables							
Receivables from customers	115,841	297,416	169,702	103,268	75,418	1,271,164	2,032,809
Accrued interest receivable	—	23,651	—	—	—	—	23,651
Accounts receivable	14,371	—	—	—	—	—	14,371
Sales contract receivable	5	—	1	1	3	—	10
Other receivables	2	—	—	—	—	—	2
Other assets							
Returned checks and other cash items	533	—	—	—	—	—	533
Miscellaneous	—	151	1,094	—	—	—	1,245
	₱306,164	₱704,511	₱276,244	₱119,574	₱94,997	₱2,509,704	₱4,011,194

(Forward)



	Parent Company						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱586,157	₱–	₱–	₱–	₱–	₱–	₱586,157
Savings	884,817	–	–	–	–	–	884,817
Time	110	714,166	154,992	25,532	11,625	399	906,824
	1,471,084	714,166	154,992	25,532	11,625	399	2,377,798
Bills payable and SSURA	–	453,586	11,547	16,147	–	27,381	508,661
Manager’s checks and demand drafts outstanding	6,478	–	–	–	–	–	6,478
Accrued interest payable	17	4,815	1,453	843	88	108	7,324
Accrued other expenses	6,510	–	–	–	–	–	6,510
Bonds payable	–	29,404	112	759	20,759	74,058	125,092
Other liabilities							
Lease liability	–	204	91	253	490	4,647	5,685
Bills purchased - contra	14,175	–	–	–	–	–	14,175
Accounts payable	5,544	13,466	–	–	–	–	19,010
Outstanding acceptances	–	303	605	362	277	–	1,547
Marginal deposits	–	–	399	–	–	–	399
	1,503,808	1,215,944	169,199	43,896	33,239	106,593	3,072,679
Derivative liabilities*							
Trading:							
Pay	–	203,802	82,865	51,849	29,487	158,249	526,252
Receive	–	(201,501)	(81,805)	(49,899)	(28,747)	(151,214)	(513,166)
	–	2,301	1,060	1,950	740	7,035	13,086
Loan commitments and financial guarantees							
	415,210	10,119	17,284	18,322	33,992	26,115	521,042
	₱1,919,018	₱1,228,364	₱187,543	₱64,168	₱67,971	₱139,743	₱3,606,807
2024							
Financial Assets							
Cash and other cash items	₱31,929	₱–	₱–	₱–	₱–	₱–	₱31,929
Due from BSP	148,945	–	–	–	–	–	148,945
Due from other banks	58,916	220	3,304	–	–	–	62,440
Interbank loans receivable and SPURA	–	52,539	1,455	–	–	–	53,994
Investment securities at FVTPL							
FVTPL investments	–	–	208,387	–	–	77	208,464
Derivative assets							
Trading:							
Receive	–	159,814	101,325	48,843	48,644	160,018	518,644
Pay	–	(156,199)	(98,617)	(47,550)	(45,501)	(153,279)	(501,146)
	–	3,615	2,708	1,293	3,143	6,739	17,498
Investment securities at FVOCI	–	62,076	7,125	4,623	50,589	536,658	661,071
Investment securities at amortized cost	–	–	5,163	–	–	578,520	583,683
Loans and receivables							
Receivables from customers	98,788	264,787	220,216	92,977	91,963	1,075,732	1,844,463
Unquoted debt securities	–	–	18	–	–	–	18
Accrued interest receivable	–	21,703	–	–	–	–	21,703
Accounts receivable	8,735	–	–	–	–	–	8,735
Sales contract receivable	7	1	1	2	3	5	19
Other receivables	2	–	–	–	–	–	2
Other assets							
Returned checks and other cash items	215	–	–	–	–	–	215
Miscellaneous	–	–	1,169	–	–	–	1,169
	₱347,537	₱404,941	₱449,546	₱98,895	₱145,698	₱2,197,731	₱3,644,348
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱559,133	₱–	₱–	₱–	₱–	₱–	₱559,133
Savings	832,157	–	–	–	–	–	832,157
Time	65	775,569	116,262	25,284	16,079	534	933,793
	1,391,355	775,569	116,262	25,284	16,079	534	2,325,083
Bills payable and SSURA	–	179,525	27,175	54,954	27,025	–	288,679
Manager’s checks and demand drafts outstanding	5,286	–	–	–	–	–	5,286

(Forward)



	Parent Company						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
Accrued interest payable	₱14	₱6,141	₱1,785	₱1,180	₱339	₱17	₱9,476
Accrued other expenses	7,749	—	—	—	—	—	7,749
Bonds payable	—	9	112	775	2,271	124,474	127,641
Other liabilities							
Lease liability	29	159	87	234	430	4,237	5,176
Bills purchased - contra	13,889	—	—	—	—	—	13,889
Accounts payable	8,190	12,475	—	—	—	—	20,665
Outstanding acceptances	—	702	369	48	59	—	1,178
Marginal deposits	—	—	17	—	—	—	17
	1,426,512	974,580	145,807	82,475	46,203	129,262	2,804,839
Derivative liabilities*							
Trading:							
Pay	—	132,347	92,616	33,499	53,231	92,943	404,636
Receive	—	(128,958)	(90,132)	(32,371)	(49,704)	(89,121)	(390,286)
	—	3,389	2,484	1,128	3,527	3,822	14,350
Loan commitments and financial guarantees	337,025	7,486	25,739	14,677	23,029	21,749	429,705
	₱1,763,537	₱985,455	₱174,030	₱98,280	₱72,759	₱154,833	₱3,248,894

*Does not include derivatives embedded in financial and non-financial contracts.

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, that is, 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 Company, 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.

A summary of the VaR levels of the trading portfolio of the Parent Company appears below:

	Rates and FX	Fixed Income	FX Options
As of December 31, 2025			
December 29	₱91.63	₱277.28	₱1.04
Average	134.29	185.68	3.50
Highest	382.43	289.92	19.21
Lowest	77.28	87.19	0.57
As of December 31, 2024			
December 27	₱265.62	₱370.34	₱6.60
Average	316.26	295.95	12.41
Highest	692.55	482.23	46.20
Lowest	115.46	115.97	2.31

Rates and Foreign Exchange (FX) VaR is the correlated VaR of the following products: FX spot, outright forward, non-deliverable forwards, FX swaps, interest rate swaps, and cross-currency swaps. The Fixed Income VaR is the correlated VaR of these products: peso and foreign currency bonds, bond forwards and credit default swaps (CDS).

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 table below summarizes the VaR levels of PSBank:

	Fixed Income	FX
As of December 31, 2025		
December 29	₱0.000	₱0.585
Average	0.809	1.084
Highest	1.997	1.666
Lowest	0.000	0.397
As of December 31, 2024		
December 27	₱0.937	₱0.059
Average	2.383	0.785
Highest	7.294	1.676
Lowest	0.323	0.059

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 vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be 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) 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 (for example, current and savings account) and items with actual maturities that could vary from contractual maturities (for example, securities with embedded options) are assigned to repricing tenor buckets based on an analysis of historical patterns, past experience and/or expert judgment.

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 parameters

The Group calculates EaR using Historical Simulations (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 table below shows the EaR profile of the Parent Company and certain subsidiaries as of December 31, 2025 and 2024:

	Parent Company	PSBank	ORIX Metro	Group
2025	(₱7,513.99)	(₱2,062.02)	(₱111.57)	(₱9,659.65)
2024	(₱2,188.18)	(₱1,625.40)	(₱60.70)	(₱3,601.63)

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 Δ 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. Δ 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. For 2025 and 2024, the Δ EVE of the Parent Company ranges from ₱2.0 billion to (₱1.6 billion) and (₱1.4 billion) to (₱7.7 billion), respectively. As of December 31, 2025 and 2024, the Δ EVE stood at (₱0.2 billion) (0.06% of Common Equity Tier 1 (CET1) Capital) and (₱1.7 billion) (0.62% of CET1 Capital), respectively. The Parent Company has adequate capital to support potential change in value of equity even at worst stress scenario.



Aside from the tools above, the Parent Company and its subsidiaries perform regular sensitivity and stress testing analyses on their banking books to 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.

The following table sets forth, for the year indicated, the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity:

Currency	Consolidated						Parent Company					
	2025			2024			2025			2024		
	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity
USD	+1.00%	(38.10)	(0.71)	+1.00%	(65.38)	(0.72)	+1.00%	(38.84)	(1.98)	+1.00%	(65.51)	(0.54)
EUR	+1.00%	(7.09)	0.00	+1.00%	9.25	0.00	+1.00%	(7.08)	0.00	+1.00%	9.24	0.00
JPY	+1.00%	(1.79)	0.00	+1.00%	11.51	0.00	+1.00%	(1.79)	0.00	+1.00%	11.51	0.00
GBP	+1.00%	(4.80)	0.00	+1.00%	(3.77)	0.00	+1.00%	(4.80)	0.00	+1.00%	(3.77)	0.00
Others	+1.00%	37.37	0.00	+1.00%	30.17	0.00	+1.00%	37.37	0.00	+1.00%	30.17	0.00
USD	-1.00%	38.10	0.71	-1.00%	65.38	0.72	-1.00%	38.84	1.98	-1.00%	65.51	0.54
EUR	-1.00%	7.09	0.00	-1.00%	(9.25)	0.00	-1.00%	7.08	0.00	-1.00%	(9.24)	0.00
JPY	-1.00%	1.79	0.00	-1.00%	(11.51)	0.00	-1.00%	1.79	0.00	-1.00%	(11.51)	0.00
GBP	-1.00%	4.80	0.00	-1.00%	3.77	0.00	-1.00%	4.80	0.00	-1.00%	3.77	0.00
Others	-1.00%	(37.37)	0.00	-1.00%	(30.17)	0.00	-1.00%	(37.37)	0.00	-1.00%	(30.17)	0.00

Information relating to the Parent Company's currency derivatives is included in Note 8. As of December 31, 2025 and 2024, the Parent Company has outstanding foreign currency spot transactions (in equivalent peso amounts) of ₱16.3 billion and ₱22.8 billion, respectively (sold), and ₱31.6 billion and ₱29.8 billion, respectively (bought).

The impact on the Parent Company's equity already excludes the impact on transactions affecting the statements of income.

Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.



BSP Reporting

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the compliance with regulatory requirements and ratios is based on the amount of the “unimpaired capital” (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that differ from PFRS Accounting Standards in some respects.

The Group complied with BSP Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. BSP Circular No. 781 sets out a minimum CET1 ratio of 6.00%, Tier 1 capital ratio of 7.50% and total Capital Adequacy Ratio (CAR) of 10.00%, and requires capital conservation buffer of 2.50% of CET1 capital. These ratios shall be maintained at all times. Further, BSP Circular No. 856 covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer (CCB) and countercyclical capital buffer (CCYB).

The details of CAR, as reported to the BSP, as of December 31, 2025 and 2024 follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Tier 1 capital	₱421,188	₱385,656	₱410,891	₱374,941
CET1 Capital	421,188	385,656	410,891	374,941
Less: Required deductions	39,924	39,257	108,090	109,469
Net Tier 1 Capital	381,264	346,399	302,801	265,472
Tier 2 capital	16,518	16,096	13,827	13,035
Total Qualifying Capital	₱397,782	₱362,495	₱316,628	₱278,507
Credit Risk-Weighted Assets	₱2,035,002	₱1,875,154	₱1,716,755	₱1,582,671
Market Risk-Weighted Assets	98,767	93,631	87,085	81,064
Operational Risk-Weighted Assets	231,879	204,508	195,795	168,262
Total Risk-Weighted Assets	2,365,648	2,173,293	1,999,635	1,831,997
CET1 Ratio*	16.12%	15.94%	15.14%	14.49%
Tier 1 capital ratio	16.12%	15.94%	15.14%	14.49%
Total capital ratio	16.81%	16.68%	15.83%	15.20%

* of which capital conservation buffer in 2025 and 2024 is 10.12% and 9.94% for the Group and 9.14% and 8.49%, respectively, for the Parent Company.

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations. Under Basel III, the regulatory qualifying capital of the Parent Company consists of CET1 capital, which comprises paid-up common stock, additional paid-in capital, retained earnings, including current year profit, retained earnings reserves, OCI and non-controlling interest less required regulatory deductions. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debts and general loan loss provision. RWA consist of total assets excluding cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP. Operational RWA are computed using the Basic Indicator Approach.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.



The Internal Capital Adequacy Assessment Process (ICAAP) supplements the BSP's risk-based capital adequacy framework. In compliance with this, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget as well as regulatory edicts.

Basel III Leverage Ratio (BLR)

BSP Circular Nos. 881 and 990 (which were issued by BSP on June 9, 2015 and January 22, 2018, respectively) cover the implementing guidelines on the BLR framework designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%.

The details of the BLR, as reported to the BSP, as of December 31, 2025 and 2024 follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Net Tier 1 Capital	₱381,264	₱346,399	₱302,801	₱265,472
Exposure Measure	₱4,080,640	₱3,663,834	₱3,627,130	₱3,262,566
BLR	9.34%	9.45%	8.35%	8.14%

Under the framework, BLR is defined as the capital measure divided by the exposure measure. Capital measure is Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items.

Liquidity Coverage Ratio (LCR)

BSP Circular No. 905 (which was issued by BSP on March 10, 2016) provides the implementing guidelines on LCR and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows which should not be lower than 100.00%. As of December 31, 2025 and 2024, the LCR in single currency as reported to the BSP, was at 181.68% and 256.08%, respectively, for the Group, and 184.05% and 263.24%, respectively, for the Parent Company.

Net Stable Funding Ratio (NSFR)

On June 6, 2018, the BSP issued BSP Circular No.1007 covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards – NSFR. The NSFR is aimed to promote long-term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short term resilience of a bank's liquidity profile. Banks shall maintain an NSFR of at least 100 percent (100.00%) at all times. As of December 31, 2025 and 2024, the NSFR as reported to the BSP, was at 144.92% and 160.73%, respectively, for the Group, and 147.94% and 164.22%, respectively, for the Parent Company.



5. Fair Value Measurement

Financial Instruments

The methods and assumptions used by the Group and the Parent Company in estimating the fair values of financial assets and financial liabilities are:

Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA

The carrying amounts of instruments with long-term maturities are not material to the financial statements, thus, fair values of these instruments were based on their carrying amounts.

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 (for example, interest rates, FX rates, 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 amounts of demand and savings deposit liabilities and other short-term liabilities approximate fair values considering that these are either due and demandable or with short-term maturities.

Non-Financial Assets

Investment properties

Fair value of investment properties is determined based on valuations performed by independent and in-house appraisers using a valuation technique with significant inputs that are not based on observable market data (Level 3). The valuation of investment properties was based on the Sales Comparison Approach and considered recent sales of similar or substitute properties in the same areas where the investment properties are located, taking into account the economic conditions prevailing at the time of the valuation. Other factors considered were the location and shape of the properties, environmental issues, development controls such as the height restrictions, building coverage and floor area ratio restrictions, among others. The fair value of investment properties is based on its highest and best use, which is their current use.



The following tables summarize the carrying amounts and fair values of assets and liabilities, analyzed among those whose fair value is based on:

- Quoted market prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Consolidated				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
2025					
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Treasury notes and bonds	₱46,288	₱46,288	₱—	₱—	₱46,288
Government	23,091	23,091	—	—	23,091
Private	13,012	13,012	—	—	13,012
BSP	9,361	9,361	—	—	9,361
Treasury bills	3,121	3,121	—	—	3,121
	94,873	94,873	—	—	94,873
Equity securities	135	135	—	—	135
Derivative assets					
Cross-currency swaps	14,322	—	14,322	—	14,322
Currency forwards	3,469	—	3,469	—	3,469
Interest rate swaps	1,025	—	1,025	—	1,025
Call option	11	—	11	—	11
Put option	6	—	6	—	6
	18,833	—	18,833	—	18,833
	113,841	95,008	18,833	—	113,841
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	459,778	427,279	32,499	—	459,778
Treasury bills	300,324	300,324	—	—	300,324
Government	113,425	113,425	—	—	113,425
BSP	43,382	43,382	—	—	43,382
Private	35,397	35,302	95	—	35,397
	952,306	919,712	32,594	—	952,306
Equity securities	2,154	1,856	113	185	2,154
	954,460	921,568	32,707	185	954,460
	₱1,068,301	₱1,016,576	₱51,540	₱185	₱1,068,301
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱418,489	₱414,813	₱9,344	₱—	₱424,157
Government	54,593	52,506	1,448	—	53,954
Private	192	201	—	—	201
	473,274	467,520	10,792	—	478,312
Loans and receivables - net					
Receivables from customers					
Commercial loans	1,450,347	—	—	1,475,050	1,475,050
Credit card	171,976	—	—	171,976	171,976
Auto loans	120,506	—	—	133,323	133,323
Residential mortgage loans	104,194	—	—	130,298	130,298
Trade loans	57,624	—	—	58,735	58,735
Others	17,384	—	—	17,596	17,596
	1,922,031	—	—	1,986,978	1,986,978
Sales contract receivable	12	—	—	12	12
	1,922,043	—	—	1,986,990	1,986,990
Other assets	1,554	1,073	141	432	1,646
	2,396,871	468,593	10,933	1,987,422	2,466,948

(Forward)



	Consolidated				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Non-Financial Assets					
Investment properties	₱8,115	₱–	₱–	₱17,412	₱17,412
Residual value of leased assets	365	–	–	309	309
	8,480	–	–	17,721	17,721
	₱2,405,351	₱468,593	₱10,933	₱2,005,143	₱2,484,669
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Cross-currency swaps	₱6,685	₱–	₱6,685	₱–	₱6,685
Currency forwards	5,504	–	5,504	–	5,504
Interest rate swaps	1,245	–	1,245	–	1,245
Credit default swaps	55	–	55	–	55
Call option	11	–	11	–	11
Put option	2	–	2	–	2
	₱13,502	₱–	₱13,502	₱–	₱13,502
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱1,085,848	₱–	₱–	₱1,088,151	₱1,088,151
Bills payable and SSURA	530,734	–	–	530,599	530,599
Bonds payable	114,013	108,729	–	7,483	116,212
Other Liabilities					
Deposits on lease contracts	656	–	–	612	612
	₱1,731,251	₱108,729	₱–	₱1,626,845	₱1,735,574
2024					
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	₱101,012	₱101,012	₱–	₱–	₱101,012
BSP	73,496	73,496	–	–	73,496
Treasury notes and bonds	19,886	19,886	–	–	19,886
Treasury bills	6,371	6,371	–	–	6,371
Private	5,265	5,265	–	–	5,265
	206,030	206,030	–	–	206,030
Equity securities	153	153	–	–	153
Derivative assets					
Cross-currency swaps	10,497	–	10,497	–	10,497
Currency forwards	6,950	–	6,950	–	6,950
Interest rate swaps	2,638	–	2,638	–	2,638
Put option	4	–	4	–	4
Call option	30	–	30	–	30
	20,119	–	20,119	–	20,119
	226,302	206,183	20,119	–	226,302
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	372,967	356,111	16,856	–	372,967
Government	101,896	101,896	–	–	101,896
BSP	65,412	65,412	–	–	65,412
Private	29,946	29,849	97	–	29,946
Treasury bills	719	719	–	–	719
	570,940	553,987	16,953	–	570,940
Equity securities	2,061	1,773	138	150	2,061
	573,001	555,760	17,091	150	573,001
	₱799,303	₱761,943	₱37,210	₱150	₱799,303
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱418,170	₱410,821	₱8,375	₱–	₱419,196
Government	55,606	51,412	1,385	–	52,797
Private	1,248	1,253	–	–	1,253
	475,024	463,486	9,760	–	473,246

(Forward)



	Consolidated				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Loans and receivables - net					
Receivables from customers					
Commercial loans	P1,332,959	P-	P-	P1,343,247	P1,343,247
Credit card	147,795	-	-	147,795	147,795
Auto loans	110,983	-	-	123,463	123,463
Residential mortgage loans	96,711	-	-	121,266	121,266
Trade loans	67,625	-	-	68,311	68,311
Others	16,556	-	-	17,032	17,032
	1,772,629	-	-	1,821,114	1,821,114
Unquoted debt securities	17	-	-	17	17
Sales contract receivable	20	-	-	20	20
	1,772,666	-	-	1,821,151	1,821,151
Other assets	1,348	983	154	282	1,419
	2,249,038	464,469	9,914	1,821,433	2,295,816
Non-Financial Assets					
Investment properties	7,805	-	-	16,630	16,630
Residual value of leased assets	391	-	-	359	359
	8,196	-	-	16,989	16,989
	P2,257,234	P464,469	P9,914	P1,838,422	P2,312,805
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Currency forwards	P7,445	P-	P7,445	P-	P7,445
Cross-currency swaps	4,912	-	4,912	-	4,912
Interest rate swaps	940	-	940	-	940
Credit default swaps	48	-	48	-	48
Put option	3	-	3	-	3
Call option	22	-	22	-	22
	P13,370	P-	P13,370	P-	P13,370
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	P1,085,939	P-	P-	P1,088,599	P1,088,599
Bills payable and SSURA	300,652	-	-	300,745	300,745
Bonds payable	107,236	104,161	-	2,377	106,538
Other Liabilities					
Deposits on lease contracts	665	-	-	635	635
	P1,494,492	P104,161	P-	P1,392,356	P1,496,517
	Parent Company				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
2025					
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Treasury notes and bonds	P46,288	P46,288	P-	P-	P46,288
Government	23,091	23,091	-	-	23,091
Private	13,012	13,012	-	-	13,012
BSP	9,361	9,361	-	-	9,361
Treasury bills	3,121	3,121	-	-	3,121
	94,873	94,873	-	-	94,873
Equity securities	97	97	-	-	97
Derivative assets					
Cross-currency swaps	14,321	-	14,321	-	14,321
Currency forwards	3,469	-	3,469	-	3,469
Interest rate swaps	1,025	-	1,025	-	1,025
Call option	11	-	11	-	11
Put option	1	-	1	-	1
	18,827	-	18,827	-	18,827
	113,797	94,970	18,827	-	113,797

(Forward)



	Parent Company				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Investment securities at FVOCI					
Debt securities:					
Treasury notes and bonds	P421,982	P421,333	P649	P—	P421,982
Treasury bills	299,594	299,594	—	—	299,594
Government	104,899	104,899	—	—	104,899
BSP	43,382	43,382	—	—	43,382
Private	5,483	5,483	—	—	5,483
	875,340	874,691	649	—	875,340
Equity securities	1,015	942	73	—	1,015
	876,355	875,633	722	—	876,355
	P990,152	P970,603	P19,549	P—	P990,152
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	P400,500	P406,056	P—	P—	P406,056
Government	43,990	43,893	—	—	43,893
	444,490	449,949	—	—	449,949
Loans and receivables - net					
Receivables from customers					
Commercial loans	1,359,656	—	—	1,382,370	1,382,370
Credit card	171,976	—	—	171,976	171,976
Residential mortgage loans	57,787	—	—	58,917	58,917
Trade loans	46,975	—	—	48,085	48,085
Auto loans	25,613	—	—	26,206	26,206
Others	15,828	—	—	15,870	15,870
	1,677,835	—	—	1,703,424	1,703,424
Unquoted debt securities	—	—	—	—	—
Sales contract receivable	8	—	—	8	8
	1,677,843	—	—	1,703,432	1,703,432
Other Assets	1,073	1,073	—	—	1,073
	2,123,406	451,022	—	1,703,432	2,154,454
Non-Financial Assets					
Investment properties	3,973	—	—	9,725	9,725
	P2,127,379	P451,022	P—	P1,713,157	P2,164,179
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Cross-currency swaps	P6,685	P—	P6,685	P—	P6,685
Currency forwards	5,504	—	5,504	—	5,504
Interest rate swaps	1,245	—	1,245	—	1,245
Credit default swaps	55	—	55	—	55
Call option	11	—	11	—	11
	P13,500	P—	P13,500	P—	P13,500
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	P904,002	P—	P—	P904,002	P904,002
Bills payable and SSURA	505,732	—	—	505,531	505,531
Bonds payable	106,530	108,729	—	—	108,729
	P1,516,264	P108,729	P—	P1,409,533	P1,518,262
2024					
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	P101,012	P101,012	P—	P—	P101,012
BSP	73,496	73,496	—	—	73,496
Treasury notes and bonds	19,585	19,585	—	—	19,585
Private	5,265	5,265	—	—	5,265
Treasury bills	6,371	6,371	—	—	6,371
	205,729	205,729	—	—	205,729
Equity securities	76	76	—	—	76

(Forward)



	Parent Company				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Derivative assets					
Cross-currency swaps	₱10,496	₱–	₱10,496	₱–	₱10,496
Currency forwards	6,950	–	6,950	–	6,950
Interest rate swaps	2,638	–	2,638	–	2,638
Call option	30	–	30	–	30
Put option	4	–	4	–	4
	20,118	–	20,118	–	20,118
	225,923	205,805	20,118	–	225,923
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	350,919	350,287	632	–	350,919
Government	99,832	99,832	–	–	99,832
BSP	56,943	56,943	–	–	56,943
Private	3,374	3,374	–	–	3,374
	511,068	510,436	632	–	511,068
Equity securities	1,047	957	90	–	1,047
	512,115	511,393	722	–	512,115
	₱738,038	₱717,198	₱20,840	₱–	₱738,038
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱400,462	₱401,664	₱–	₱–	₱401,664
Government	44,293	42,568	–	–	42,568
	444,755	444,232	–	–	444,232
Loans and receivables - net					
Receivables from customers					
Commercial loans	1,248,749	–	–	1,256,174	1,256,174
Credit card	147,795	–	–	147,795	147,795
Trade loans	62,072	–	–	62,758	62,758
Residential mortgage loans	53,364	–	–	54,650	54,650
Auto loans	23,016	–	–	23,650	23,650
Others	15,136	–	–	15,176	15,176
	1,550,132	–	–	1,560,203	1,560,203
Unquoted debt securities	17	–	–	17	17
Sales contract receivable	16	–	–	16	16
	1,550,165	–	–	1,560,236	1,560,236
Other Assets	983	983	–	–	983
	1,995,903	445,215	–	1,560,236	2,005,451
Non-Financial Assets					
Investment properties	3,565	–	–	8,927	8,927
	₱1,999,468	₱445,215	₱–	₱1,569,163	₱2,014,378
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Currency forwards	₱7,445	₱–	₱7,445	₱–	₱7,445
Cross-currency swaps	4,912	–	4,912	–	4,912
Interest rate swaps	940	–	940	–	940
Credit default swaps	48	–	48	–	48
Call option	22	–	22	–	22
Put option	2	–	2	–	2
	₱13,369	₱–	₱13,369	₱–	₱13,369
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱930,174	₱–	₱–	₱930,174	₱930,174
Bills payable and SSURA	286,541	–	–	286,541	286,541
Bonds payable	104,858	104,161	–	–	104,161
	₱1,321,573	₱104,161	₱–	₱1,216,715	₱1,320,876

The following table shows transfers from Level 2 to Level 1 of the fair value hierarchy as of December 31, 2025:

	Consolidated		Parent	
	Level 1	Level 2	Level 1	Level 2
Investment securities at FVTPL – equity securities	9	(9)	9	(9)
Investment securities at FVOCI – equity securities	13	(13)	–	–

As of December 31, 2025, the price of these securities is quoted in an active market. There were no transfers between levels of the fair value hierarchy in 2024.



When fair values of listed equity and debt securities, as well as publicly traded derivatives at the statement of financial position date are based on quoted market prices or binding dealer price quotations, without any adjustments for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models. Instruments included in Level 3 include those for which there is currently no active market.

6. 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 financial reporting basis used in the internal reporting is PFRS Accounting Standards.

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 either are 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 either are 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 income and 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 Accounting Standards and segment assets and liabilities:

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
2025							
Results of Operations							
Net interest income (expense)							
Third party	₱31,868	₱75,457	₱—	₱18,115	(₱2,535)	₱1,723	₱124,628
Intersegment	(8,502)	(63,907)	—	12	72,397	—	—
Net interest income after intersegment transactions	23,366	11,550	—	18,127	69,862	1,723	124,628
Non-interest income	10,396	1,118	456	7,509	5,779	7,278	32,536
Revenue - net of interest expense	33,762	12,668	456	25,636	75,641	9,001	157,164
Non-interest expense	26,767	6,102	54	7,625	25,210	25,868	91,626
Income (loss) before share in net income of subsidiaries, associates and a JV	6,995	6,566	402	18,011	50,431	(16,867)	65,538
Share in net income of subsidiaries, associates and a JV	—	50	—	—	—	865	915
Provision for income tax	(21)	(790)	—	(9,478)	(149)	(5,391)	(15,829)
Non-controlling interest in net income of consolidated subsidiaries	—	—	—	—	—	(904)	(904)
Net income (loss)	₱6,974	₱5,826	₱402	₱8,533	₱50,282	(₱22,297)	₱49,720
Statement of Financial Position							
Total assets	₱313,111	₱1,505,018	₱—	₱1,648,924	₱218,104	₱195,160	₱3,880,317
Total liabilities	₱178,212	₱1,158,016	₱—	₱1,597,682	₱319,237	₱195,003	₱3,448,150
Other Segment Information							
Capital expenditures	₱263	₱96	₱—	₱478	₱91	₱10,142	₱11,070
Depreciation and amortization	₱699	₱286	₱—	₱103	₱2,764	₱3,384	₱7,236
Provision for credit and impairment losses	₱13,514	(₱836)	₱—	(₱5)	₱85	(₱839)	₱11,919
2024							
Results of Operations							
Net interest income (expense)							
Third party	₱27,006	₱71,390	₱—	₱18,853	(₱4,926)	₱1,792	₱114,115
Intersegment	(6,900)	(56,895)	—	(655)	64,450	—	—
Net interest income after intersegment transactions	20,106	14,495	—	18,198	59,524	1,792	114,115
Non-interest income	10,426	1,080	102	4,269	6,305	7,037	29,219
Revenue - net of interest expense	30,532	15,575	102	22,467	65,829	8,829	143,334
Non-interest expense	21,559	3,215	6	7,882	24,312	26,547	83,521
Income (loss) before share in net income of subsidiaries, associates and a JV	8,973	12,360	96	14,585	41,517	(17,718)	59,813
Share in net income of subsidiaries, associates and a JV	—	68	—	—	—	697	765
Provision for income tax	(9)	(932)	—	(9,988)	(103)	(313)	(11,345)
Non-controlling interest in net income of consolidated subsidiaries	—	—	—	—	—	(1,096)	(1,096)
Net income (loss)	₱8,964	₱11,496	₱96	₱4,597	₱41,414	(₱18,430)	₱48,137
Statement of Financial Position							
Total assets	₱276,703	₱1,393,539	₱—	₱1,414,826	₱200,691	₱234,596	₱3,520,355
Total liabilities	₱154,153	₱1,047,994	₱—	₱1,377,635	₱290,227	₱253,941	₱3,123,950
Other Segment Information							
Capital expenditures	₱447	₱82	₱—	₱1,225	₱196	₱4,339	₱6,289
Depreciation and amortization	₱562	₱304	₱—	₱91	₱2,395	₱3,434	₱6,786
Provision for credit and impairment losses	₱9,495	(₱3,010)	₱—	(₱2)	₱153	(₱276)	₱6,360
2023							
Results of Operations							
Net interest income (expense)							
Third party	₱22,753	₱60,783	₱—	₱22,303	(₱3,092)	₱2,223	₱104,970
Intersegment	(5,230)	(49,330)	—	(4,485)	59,045	—	—
Net interest income after intersegment transactions	17,523	11,453	—	17,818	55,953	2,223	104,970
Non-interest income	9,707	1,250	198	2,336	6,385	8,628	28,504
Revenue - net of interest expense	27,230	12,703	198	20,154	62,338	10,851	133,474
Non-interest expense	15,974	6,258	50	5,403	23,841	26,974	78,500
Income (loss) before share in net income of subsidiaries, associates and a JV	11,256	6,445	148	14,751	38,497	(16,123)	54,974

(Forward)



	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
Share in net income of subsidiaries, associates and a JV	P—	P86	P—	P—	P—	P789	P875
Provision for income tax	257	(726)	—	(8,769)	258	(3,910)	(12,890)
Non-controlling interest in net income of consolidated subsidiaries	—	—	—	—	—	(721)	(721)
Net income (loss)	P11,513	P5,805	P148	P5,982	P38,755	(P19,965)	P42,238
Statement of Financial Position							
Total assets	P234,876	P1,178,680	P—	P1,256,486	P181,312	P253,548	P3,104,902
Total liabilities	P125,072	P1,118,249	P—	P1,200,606	P273,011	P21,226	P2,738,164
Other Segment Information							
Capital expenditures	P451	P47	P—	P179	P72	P3,956	P4,705
Depreciation and amortization	P413	P335	P—	P90	P2,308	P3,776	P6,922
Provision for credit and impairment losses	P6,415	P1,323	P—	(P5)	P175	P1,070	P8,978

Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain (loss) - net, 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 costs, amortization of software costs, and miscellaneous expenses.

Geographical Information

The Group operates in four geographic markets: Philippines, Asia other than Philippines, USA and Europe (Note 2).

The following tables show the distribution of Group's external net operating income and non-current assets allocated based on the location of the customers and assets, respectively, for the years ended December 31:

	Philippines	Asia (Other than Philippines)	USA	Europe	Total
2025					
Interest income	P179,197	P6,750	P92	P—	P186,039
Interest expense	(58,543)	(2,855)	(13)	—	(61,411)
Net interest income	120,654	3,895	79	—	124,628
Non-interest income	30,732	1,277	477	50	32,536
Provision for credit and impairment losses	(11,490)	(429)	—	—	(11,919)
Total external net operating income	P139,896	P4,743	P556	P50	P145,245
Non-current assets	P39,082	P443	P19	P3	P39,547
2024					
Interest income	P171,503	P6,055	P106	P—	P177,664
Interest expense	(60,705)	(2,832)	(12)	—	(63,549)
Net interest income	110,798	3,223	94	—	114,115
Non-interest income	27,112	1,601	465	41	29,219
Provision for credit and impairment losses	(6,107)	(253)	—	—	(6,360)
Total external net operating income	P131,803	P4,571	P559	P41	P136,974
Non-current assets	P35,420	P409	P19	P3	P35,851
2023					
Interest income	P147,670	P5,766	P176	P—	P153,612
Interest expense	(46,416)	(2,213)	(13)	—	(48,642)
Net interest income	101,254	3,553	163	—	104,970
Non-interest income	26,445	1,531	487	41	28,504
Provision for credit and impairment losses	(8,697)	(281)	—	—	(8,978)
Total external net operating income	P119,002	P4,803	P650	P41	P124,496
Non-current assets	P34,114	P428	P17	P3	P34,562

Non-current assets consist of property and equipment excluding ROU assets, investment properties, chattel properties acquired in foreclosure, software costs and assets held under joint operations.



7. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Interbank loans receivable - net (Note 32)	₱71,749	₱79,821	₱35,898	₱53,906
SPURA	841	1,466	—	—
	₱72,590	₱81,287	₱35,898	₱53,906

As of December 31, 2025 and 2024, the allowance for credit losses for interbank loans receivable amounted to ₱75.9 million and ₱61.7 million, respectively, for the Group and ₱54.7 million and ₱54.6 million, respectively, for the Parent Company (Note 15).

In 2025, 2024 and 2023, the interest rates of the interbank loans receivables ranged from 0.00% to 4.60%, 0.00% to 5.94%, and 0.00% to 6.25%, respectively, for the Group, and 0.00% to 4.17%, 0.00% to 5.94%, and 0.00% to 6.25%, respectively, for the Parent Company.

8. Trading and Investment Securities

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Investment securities at:				
FVTPL	₱113,841	₱226,302	₱113,797	₱225,923
FVOCI (Notes 17 and 29)	954,460	573,001	876,355	512,115
Amortized cost (Notes 17 and 29)	473,274	475,024	444,490	444,755
	₱1,541,575	₱1,274,327	₱1,434,642	₱1,182,793

Investment securities at FVTPL consist of the following:

	Consolidated		Parent Company	
	2025	2024	2025	2024
HFT investments				
Debt securities				
Treasury notes and bonds	₱46,288	₱19,886	₱46,288	₱19,585
Government	23,091	101,012	23,091	101,012
Private	13,012	5,265	13,012	5,265
BSP	9,361	73,496	9,361	73,496
Treasury bills	3,121	6,371	3,121	6,371
	94,873	206,030	94,873	205,729
Equity securities	135	153	97	76
	95,008	206,183	94,970	205,805
Derivative assets	18,833	20,119	18,827	20,118
	₱113,841	₱226,302	₱113,797	₱225,923



The following are the fair values of the Parent Company's derivative financial instruments recorded as 'Derivative assets/liabilities', together with the notional amounts. The notional amount is the amount or quantity of a derivative's underlying asset, and is the basis upon which changes in the value are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2025 and 2024 and are not indicative of either market risk or credit risk.

	Derivative Assets	Derivative Liabilities	Notional Amount
December 31, 2025			
Freestanding derivatives:			
Currency forwards			
Bought	₱2,949	₱1,035	₱338,976
Sold	520	4,469	423,549
Interest rate swaps	1,025	1,245	224,036
Cross-currency swaps	14,321	6,685	428,217
OTC FX Options	12	11	1,286
Credit default swaps	—	55	3,527
	₱18,827	₱13,500	₱1,419,591
December 31, 2024			
Freestanding derivatives:			
Currency forwards			
Bought	₱2,068	₱4,509	₱385,994
Sold	4,882	2,936	371,734
Interest rate swaps	2,638	940	325,492
Cross-currency swaps	10,496	4,912	371,554
OTC FX Options	34	24	13,935
Credit default swaps	—	48	3,181
	₱20,118	₱13,369	₱1,471,890

As of December 31, 2025 and 2024, the Group's derivative assets include FX options and cross-currency swaps entered into by the subsidiaries amounting to ₱6.0 million and ₱1.3 million, respectively. As of December 31, 2025 and 2024, the Group's derivative liabilities include interest rate swaps and FX options entered into by the subsidiaries amounting to ₱1.7 million and ₱1.5 million, respectively.

Investment securities at FVOCI as of December 31, 2025 and 2024 consist of the following:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Debt securities				
Treasury notes and bonds				
(Note 17)	₱459,778	₱372,967	₱421,982	₱350,919
Treasury bills	300,324	719	299,594	—
Government (Note 17)	113,425	101,896	104,899	99,832
BSP	43,382	65,412	43,382	56,943
Private	35,397	29,946	5,483	3,374
	952,306	570,940	875,340	511,068
Equity securities	2,154	2,061	1,015	1,047
	₱954,460	₱573,001	₱876,355	₱512,115

The equity securities are irrevocably designated at FVOCI as these are held for long term-strategic purpose rather than for trading. These equity securities include golf club shares and non-marketable equity securities. In 2025 and 2024, as part of its risk management, the Group disposed equity securities at FVOCI with total carrying value of ₱16.8 million and ₱156.5 million, respectively, and recognized gain (loss) on disposal charged against 'Surplus' of ₱71.0 million and (₱96.7 million), respectively. No dividends were recognized for the disposed equity securities in 2025 and 2024.



Outstanding equity securities at FVOCI as of December 31, 2025 and 2024 generated dividends amounting to ₱48.4 million and ₱48.1 million, respectively for the Group, and ₱5.9 million and ₱12.9 million, respectively, for the Parent Company.

As of December 31, 2025 and 2024, the ECL on debt securities at FVOCI (included in 'Net unrealized gain (loss) on investment securities at FVOCI') amounted to ₱876.1 million and ₱869.3 million, respectively, for the Group and ₱861.8 million and ₱863.1 million, respectively, for the Parent Company (Note 15).

As of December 31, 2025 and 2024, investment securities at FVOCI include floating and fixed rate private notes with total carrying value of USD11.0 million and USD10.9 million, respectively (with peso equivalent of ₱647.6 million and ₱631.9 million, respectively) which are pledged by the Parent Company's New York Branch in compliance with the regulatory requirements of the Federal Deposit Insurance Corporation and the Office of the Controller of the Currency in New York.

Movements in net unrealized gains (losses), including share in net unrealized gains (losses) of subsidiaries (Note 11), presented under 'Equity' in the statements of financial position are as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Balance at January 1	(₱8,231)	(₱10,106)	(₱8,185)	(₱10,065)
Unrealized gain recognized in OCI	9,557	3,949	9,072	3,774
Amounts realized in surplus	(71)	96	(71)	96
Amounts realized in profit or loss	(2,410)	(1,511)	(1,908)	(1,331)
	(1,155)	(7,572)	(1,092)	(7,526)
Tax (Note 28)	(395)	(659)	(391)	(659)
Balance at December 31	(₱1,550)*	(₱8,231)*	(₱1,483)	(₱8,185)

*Includes share of non-controlling interest in unrealized losses amounting to ₱67.7 million and ₱46.4 million, respectively, as of December 31, 2025 and 2024.

Investment securities at amortized cost as of December 31, 2025 and 2024 consist of the following:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Treasury notes and bonds (Note 17)	₱418,489	₱418,170	₱400,500	₱400,462
Government (Note 17)	54,915	55,926	44,305	44,603
Private	192	1,249	—	—
	473,596	475,345	444,805	445,065
Less: allowance for credit losses (Note 15)	322	321	315	310
	₱473,274	₱475,024	₱444,490	₱444,755

Interest income on investment securities at FVOCI and at amortized cost consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Investment securities at FVOCI	₱25,121	₱23,035	₱18,015	₱22,503	₱19,717	₱13,536
Investment securities at amortized cost	26,977	26,979	25,599	25,627	25,597	24,118
	₱52,098	₱50,014	₱43,614	₱48,130	₱45,314	₱37,654

In 2025, 2024 and 2023, foreign currency-denominated trading and investment securities bear nominal annual interest rates ranging from 0.70% to 9.50% for the Group and the Parent Company while peso-denominated trading and investment securities bear nominal annual interest rates ranging from 2.88% to 11.25%, 2.63% to 18.25%, and 2.38% to 18.25%, respectively, for the Group and the Parent Company.



Trading and securities gain/(loss) - net consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Investment securities at FVTPL	₱4,610	₱2,462	₱1,799	₱4,440	₱1,903	₱1,708
Derivative assets/liabilities – net	(2,361)	5,334	(1,922)	(2,370)	5,348	(1,923)
Debt securities at FVOCI	2,410	1,511	153	1,908	1,331	87
	4,659	9,307	30	3,978	8,582	(128)
Loss attributable to non-equity non controlling interests (Note 21)	–	(403)	(124)	–	–	–
	₱4,659	₱8,904	(₱94)	₱3,978	₱8,582	(₱128)

Trading gains on debt securities at FVOCI represent realized gains previously reported in OCI.

9. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Receivables from customers (Note 32)				
Commercial loans (Note 13)	₱1,478,151	₱1,362,436	₱1,381,367	₱1,272,178
Credit card	209,335	173,084	209,335	173,084
Auto loans	123,785	113,884	25,925	23,424
Residential mortgage loans	105,039	97,931	58,323	54,087
Trade loans	58,735	68,311	48,086	62,758
Others (Note 13)	18,229	17,195	16,367	15,454
	1,993,274	1,832,841	1,739,403	1,600,985
Less unearned discounts and capitalized interest	23,198	17,738	20,503	15,597
	1,970,076	1,815,103	1,718,900	1,585,388
Unquoted debt securities				
Private	385	385	385	385
Government	–	18	–	18
	385	403	385	403
Accrued interest receivable (Note 32)	27,084	24,805	23,651	21,703
Accounts receivable (Note 32)	30,742	22,118	14,371	8,735
Sales contract receivable	14	23	10	18
Other receivables	14	12	2	2
	2,028,315	1,862,464	1,757,319	1,616,249
Less allowance for credit losses (Note 15)	51,877	46,454	44,282	38,630
	₱1,976,438	₱1,816,010	₱1,713,037	₱1,577,619

Receivables from customers consist of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Loans and discounts	₱1,927,340	₱1,754,641	₱1,683,772	₱1,527,835
Less unearned discounts and capitalized interest	23,198	17,738	20,503	15,597
	1,904,142	1,736,903	1,663,269	1,512,238
Customers' liabilities under letters of credit (LC)/trust receipts	52,060	64,682	41,411	59,129
Bills purchased (Note 21)	13,874	13,518	14,220	14,021
	₱1,970,076	₱1,815,103	₱1,718,900	₱1,585,388



As of December 31, 2025 and 2024, receivables from customers of the Group include lease contract receivables amounting ₱2.0 billion (Note 13) and notes receivable financed amounting to ₱15.8 billion and ₱13.8 billion, respectively.

Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Receivables from customers (Note 32)	₱122,204	₱112,266	₱96,103	₱104,530	₱96,579	₱82,103
Customers' liabilities under LC/trust receipts	2,489	2,968	2,503	2,489	2,968	2,503
Lease contract receivables	1,813	1,490	1,738	—	—	—
Others	77	128	195	63	114	183
	₱126,583	₱116,852	₱100,539	₱107,082	₱99,661	₱84,789

As of December 31, 2025 and 2024, 73.57% and 74.71%, respectively, of the total receivables from customers of the Group, and 80.76% and 82.31%, respectively, of the total receivables from customers of the Parent Company are subject to periodic interest repricing. In 2025, 2024 and 2023, the remaining peso receivables from customers earn annual fixed interest rates ranging from 3.00% to 40.38%, from 3.00% to 40.38% and from 3.00% to 41.72%, respectively for the Group, and 6.00% to 36.00%, 3.80% to 36.00% and 3.80% to 36.00% for the Parent Company, while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 2.25% to 36.00%, from 2.25% to 36.00% and from 1.00% to 36.00%, respectively for the Group and 4.15% to 36.00%, 3.02% to 36.00% and 3.00% to 36.00%, respectively for the Parent Company.

10. Property and Equipment

The composition and movements in the account follow:

	Consolidated						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	BUC	ROU Assets	Total
2025							
Cost							
Balance at January 1	₱5,938	₱16,493	₱23,706	₱5,635	₱882	₱10,668	₱63,322
Additions	—	36	6,886	85	1,518	2,585	11,110
Disposals/early termination	—	—	(4,301)	—	—	(1,832)	(6,133)
Reclassification/others	10	311	(55)	223	(535)	(36)	(82)
Balance at December 31	5,948	16,840	26,236	5,943	1,865	11,385	68,217
Accumulated depreciation and amortization							
Balance at January 1	₱—	₱8,647	₱16,620	₱4,590	₱—	₱5,341	₱35,198
Depreciation and amortization	—	539	2,341	329	—	1,986	5,195
Disposals/early termination	—	—	(1,326)	—	—	(1,789)	(3,115)
Reclassification/others	—	10	72	(24)	—	(3)	55
Balance at December 31	—	9,196	17,707	4,895	—	5,535	37,333
Allowance for impairment losses	—	8	—	—	—	—	8
Net book value at December 31	₱5,948	₱7,636	₱8,529	₱1,048	₱1,865	₱5,850	₱30,876
2024							
Cost							
Balance at January 1	₱5,941	₱17,157	₱22,346	₱5,344	₱327	₱9,945	₱61,060
Additions	—	8	3,131	43	1,071	2,135	6,388
Disposals/early termination	—	—	(1,775)	(1)	—	(1,238)	(3,014)
Reclassification/others	(3)	(672)	4	249	(516)	(174)	(1,112)
Balance at December 31	5,938	16,493	23,706	5,635	882	10,668	63,322
Accumulated depreciation and amortization							
Balance at January 1	—	9,006	15,733	4,302	—	4,768	33,809
Depreciation and amortization	—	550	2,480	308	—	1,881	5,219
Disposals/early termination	—	—	(1,603)	(2)	—	(1,223)	(2,828)
Reclassification/others	—	(909)	10	(18)	—	(85)	(1,002)
Balance at December 31	—	8,647	16,620	4,590	—	5,341	35,198
Allowance for impairment losses	—	8	—	—	—	—	8
Net book value at December 31	₱5,938	₱7,838	₱7,086	₱1,045	₱882	₱5,327	₱28,116



Parent Company							
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	BUC	ROU Assets	Total
2025							
Cost							
Balance at January 1	₱4,801	₱15,112	₱12,804	₱3,894	₱881	₱7,037	₱44,529
Additions	—	—	2,376	1	1,518	1,640	5,535
Disposals/early termination	—	—	(334)	—	—	(1,432)	(1,766)
Reclassification/others	9	310	12	213	(533)	(16)	(5)
Balance at December 31	4,810	15,422	14,858	4,108	1,866	7,229	48,293
Accumulated depreciation and amortization							
Balance at January 1	—	7,846	9,682	2,954	—	3,143	23,625
Depreciation and amortization	—	496	1,290	265	—	1,279	3,330
Disposals	—	—	(294)	—	—	(1,413)	(1,707)
Reclassification/others	—	11	16	(14)	—	4	17
Balance at December 31	—	8,353	10,694	3,205	—	3,013	25,265
Allowance for impairment losses	—	8	—	—	—	—	8
Net book value at December 31	₱4,810	₱7,061	₱4,164	₱903	₱1,866	₱4,216	₱23,020
2024							
Cost							
Balance at January 1	₱4,804	₱15,784	₱11,952	₱3,643	₱327	₱6,358	₱42,868
Additions	—	—	1,233	1	1,071	1,464	3,769
Disposals/early termination	—	—	(413)	—	—	(788)	(1,201)
Reclassification/others	(3)	(672)	32	250	(517)	3	(907)
Balance at December 31	4,801	15,112	12,804	3,894	881	7,037	44,529
Accumulated depreciation and amortization							
Balance at January 1	—	8,251	8,835	2,727	—	2,724	22,537
Depreciation and amortization	—	507	1,181	242	—	1,193	3,123
Disposals	—	—	(368)	—	—	(782)	(1,150)
Reclassification/others	—	(912)	34	(15)	—	8	(885)
Balance at December 31	—	7,846	9,682	2,954	—	3,143	23,625
Allowance for impairment losses	—	8	—	—	—	—	8
Net book value at December 31	₱4,801	₱7,258	₱3,122	₱940	₱881	₱3,894	₱20,896

As of December 31, 2025 and 2024, the cost of fully depreciated property and equipment still in use amounted to ₱10.4 billion and ₱9.6 billion, respectively, for the Group, and ₱7.2 billion and ₱6.5 billion, respectively, for the Parent Company.

11. Investments in Subsidiaries, Associates and a Joint Venture

Investments in subsidiaries consist of:

	2025	2024
Acquisition cost		
PSBank	₱13,076	₱13,076
FMIC	11,751	11,751
MBCL	11,680	11,680
Circa	837	837
First Metro Holdings USA, Inc. (formerly MR USA)	365	365
ORIX Metro	265	265
MR Japan	102	102
FMIRBI	75	75
MR UK	31	31
MRHL	26	26
MRSPL	17	17
Others	25	25
	38,250	38,250

(Forward)



	2025	2024
Accumulated equity in net income		
Balance at January 1	₱42,681	₱38,880
Share in net income	6,148	6,422
Dividends	(5,310)	(2,621)
Balance at December 31	43,519	42,681
Equity in net unrealized loss on investment securities at FVOCI	(333)	(368)
Equity in net unrealized gain on remeasurement of retirement plan and translation adjustment and others	2,968	1,843
Equity in realized loss on sale of equity securities at FVOCI	(351)	(351)
Return of Investment – Circa	(306)	–
Allowance for impairment loss (Note 15)	(648)	(648)
Carrying value		
PSBank	40,588	38,826
FMIC	19,198	19,900
MBCL	18,531	16,970
ORIX Metro	3,794	4,463
First Metro Holdings USA, Inc. (formerly MR USA)	248	225
MRSPL	214	199
MRHL	70	88
FMIRBI	70	72
MR UK	43	37
MR Japan	35	49
Circa	–	294
Others	308	284
	₱83,099	₱81,407

As of December 31, 2025 and 2024, allowance for impairment loss amounting to ₱647.7 million pertains to investment in FMIC.

The following subsidiaries have material non-controlling interests as of December 31, 2025 and 2024:

	Country of Incorporation and Principal Place of Business	Principal Activities	Effective Ownership of Non-Controlling Interest	
			2025	2024
ORIX Metro	Philippines	Leasing, Financing	40.14%	40.14%
PSBank	Philippines	Banking	11.62%	11.62%



The following table presents financial information of subsidiaries with material non-controlling interests as of December 31, 2025 and 2024:

	2025		2024	
	PSBank	ORIX Metro	PSBank	ORIX Metro
Statement of Financial Position				
Total assets	₱237,300	₱21,404	₱216,357	₱18,209
Total liabilities	191,200	11,917	172,251	7,049
Non-controlling interest	6,539	3,831	6,308	4,500
Statement of Income				
Gross income	20,274	5,006	19,962	4,567
Operating income	15,914	4,650	15,318	4,267
Net income	3,501	1,200	5,208	1,203
Net income attributable to non-controlling interest	407	482	605	483
Total comprehensive income	3,273	1,328	5,232	1,105
Statement of Cash Flows				
Net cash provided by (used in) operating activities	2,204	689	(46,222)	2,354
Net cash used in investing activities	(1,289)	(1,150)	33,324	(1,056)
Net cash used in financing activities	3,133	729	(2,075)	(1,828)
Net increase (decrease) in cash and cash equivalents	4,048	268	(14,973)	(530)
Cash and cash equivalents at beginning of year	5,181	613	20,154	1,143
Cash and cash equivalents at end of year	9,229	881	5,181	613

Investment in CIRCA

On May 4, 2022, the stockholders of CIRCA 2000 Homes, Inc. approved the shortening of its corporate term to end on December 31, 2024 through an amendment of its Articles of Incorporation (AOI). The amended AOI was approved by the SEC on June 10, 2022.

In 2025, there was a partial return of the paid-up capital of CIRCA to the Parent Company amounting to ₱400.0 million as part of its liquidation process. The Parent Company recorded income from partial return of paid-up capital amounting to ₱94.3 million in 2025.

Investment in FMIC

On September 15, 2023, the SEC approved the following amendments on the Articles of Incorporation of FMIC:

1. Deletion of the primary purpose pertaining to the quasi- banking and trust activities of FMIC in view of BSP's approval to surrender its quasi-bank and trust license on March 25, 2021;
2. Decrease in the number of authorized common shares of FMIC from 800,000,000 to 16,000,000 shares and increase in the par value from ₱10.00 to ₱500.00 per share.

In 2024, FMIC disposed of its entire equity interest in the following subsidiaries as part of its strategic decision to streamline operations and focus on core businesses for a total consideration of ₱2.4 billion.

Subsidiary Name	Principal Activities	Percentage of Ownership	Date of Disposal
FAMI	Asset Management	70.0%	December 18, 2024
FMPEETFI	Exchange Traded Fund	25.7%	August 22, 2024
FMSLMMF	Mutual Fund	16.9%	August 22, 2024
FMSALEF	Mutual Fund	10.3%	August 22, 2024
FMSALBF	Mutual Fund	15.6%	August 22, 2024
FMSLDBF	Mutual Fund	26.1%	August 22, 2024
FMSLFIF	Mutual Fund	6.0%	August 22, 2024



Following the disposal, FMIC no longer has control or significant influence over the subsidiaries. As such, the financial position of the subsidiaries have been deconsolidated from the date of disposal, and the results of operations of these subsidiaries for the period up to the date of disposal have been included in the consolidated statement of profit or loss and other comprehensive income. In 2024, the total net loss recognized from the disposal (included in 'Profit from assets sold') amounted to ₱77.1 million.

Goodwill

As of December 31, 2025 and 2024, the carrying amount of goodwill of the Group amounted to ₱4.5 billion, of which ₱4.4 billion pertains to the goodwill arising from the acquisition of the then Solidbank Corporation, which was merged with FMIC (Note 3).

Investment in FMIRBI

On August 29, 2023, the BOD of the Parent Company approved the establishment of FMIRBI as an independent and wholly owned subsidiary subject to the approval of the BSP, Insurance Commission and Securities and Exchange Commission (SEC). This was approved by the BSP on December 11, 2023 subject to certain conditions. On April 11, 2024, the SEC approved the incorporation of FMIRBI. FMIRBI had filed an application for insurance and reinsurance license with the Insurance Commission on September 2, 2024. The Insurance Commission granted the license effective January 1, 2025 for insurance and reinsurance and effective March 5, 2025 for HMO.

Investment in MBCL

Upon completion of the regulatory requirements, on May 20, 2024, the Parent Company infused an additional investment of RMB200.0 million (equivalent to ₱1.6 billion) to MBCL as approved by the Bangko Sentral ng Pilipinas (BSP) on December 11, 2023.

Investment in First Metro Holdings USA, Inc. (formerly Metro Remittance (USA), Inc.)

On July 24, 2024, the stockholders of Metro Remittance (USA), Inc. approved the change in business name of the Company from Metro Remittance (USA), Inc. to First Metro Holdings USA, Inc. through an amendment of its Articles of Incorporation (AOI). The amended AOI was approved by the California's Secretary of State on August 30, 2024.

Investment in associates and a joint venture consist of:

	Principal Activities	Consolidated		Parent Company	
		2025	2024	2025	2024
Acquisition cost:					
Lepanto Consolidated Mining Company (LCMC) (11.91% in 2025 and 13.36% in 2024 effectively owned)	Mining	₱2,527	₱2,527	₱—	₱—
SMFC (26.52% effectively owned)*	Financing	610	610	—	—
Northpine Land, Inc. (NLI) (20.00% owned)	Real estate developer	232	232	232	232
Taal Land Inc. (TLI) (35.00% owned)	Real estate	178	178	178	178
Cathay International Resources Corporation (CIRC) (34.49% effectively owned)	Investment house	175	175	—	—
AXA Philippines Life and General Insurance Corporation (AXA Philippines) [formerly Philippine AXA Life Insurance Corporation (PALIC)] (27.97% effectively owned)	Insurance	172	172	—	—
SMBC Metro Investment Corporation (SMBC Metro) (30.00% owned)	Investment house	—	180	—	180
Others		41	41	—	—
		3,935	4,115	410	590

(Forward)



	Principal Activities	Consolidated		Parent Company	
		2025	2024	2025	2024
Accumulated equity in net income:					
Balance at January 1		₱3,832	₱3,531	₱287	₱295
Share in net income		915	765	13	(8)
Dividends		(42)	(464)	—	—
Others**		(47)	—	(47)	—
Balance at December 31		4,658	3,832	253	287
Allowance for impairment losses (Note 15)					
Balance at January 1		(1,479)	(1,342)	(101)	(101)
Reversal of (provision for) impairment losses		557	(137)	—	—
Reversal of allowance due to return of investment – SMBC Metro		23	—	23	—
Balance at December 31		(899)	(1,479)	(78)	(101)
Equity in other comprehensive income		155	71	1	1
Return of investment – SMBC Metro		—	(180)	—	(180)
Sale of investment – LCMC		(201)	—	—	—
Carrying value					
AXA Philippines		5,277	4,464	—	—
SMFC		904	892	—	—
NLI		568	555	568	555
LCMC		826	356	—	—
SMBC Metro		—	24	—	24
TLI		18	18	18	18
Others		55	50	—	—
		₱7,648	₱6,359	₱586	₱597

* Represents investment in a JV of the Group and effective ownership interest of the Parent Company through PSBank.

** Includes equity share on liquidating dividends from SMBC Metro.

The principal place of business of these associates is in the Philippines.

Investment of FMIC in LCMC

FMIC has the ability to exercise significant influence through a 5-year agreement with Philex Mining Corporation to jointly vote. As of December 31, 2025 and 2024, LCMC-A shares are trading at ₱0.185 per share and ₱0.067 per share, respectively, and LCMC-B shares are trading at ₱0.187 per share and ₱0.067 per share, respectively. In 2025, following the improvement in market conditions, the Group recognized reversal of impairment loss amounting to ₱431.4 million. The Group also sold 964 million LCMC-A shares which resulted in a loss of ₱32.1 million and an additional reversal of impairment loss of ₱125.6 million.

Investment in SMBC Metro

In 2025, there was a full liquidation of the Parent's Company's investment in SMBC Metro.

The following tables present financial information of significant associates and a JV:

	Statements of Financial Position		Statements of Income and Other Comprehensive Income				
	Total Assets	Total Liabilities	Gross Income	Operating Income (Loss)	Net Income (Loss)	Total Comprehensive OCI	Total Comprehensive Income (Loss)
December 31, 2025							
AXA Philippines	₱198,159	₱179,501	₱16,736	₱3,278	₱2,525	₱260	₱2,785
LCMC	9,500	3,927	4,407	1,584	1,562	—	1,562
NLI	2,821	83	41	(32)	16	—	16
SMFC	6,806	3,769	1,782	413	115	—	115
CIRC	1,724	1,895	521	(107)	(98)	1	(97)



	Statements of Financial Position		Statements of Income and Other Comprehensive Income				
	Total Assets	Total Liabilities	Gross Income	Operating Income (Loss)	Net Income (Loss)	OCI	Total Comprehensive Income (Loss)
December 31, 2024							
AXA Philippines	₱185,999	₱170,103	₱19,351	₱3,290	₱2,487	(₱78)	₱2,409
LCMC	8,404	4,094	2,777	157	173	—	173
NLI	2,946	258	6	(59)	(37)	—	(37)
SMFC	6,332	3,289	1,707	379	259	—	259
CIRC	1,844	1,917	493	(113)	(65)	1	(64)

Major assets of significant associates and a JV include the following:

	2025	2024
AXA Philippines		
Cash and cash equivalents	₱9,609	₱7,757
Loans and receivables - net	1,122	1,171
Investment securities at FVTPL	2,094	1,770
Investment securities at FVOCI	27,652	25,113
Property and equipment	354	368
LCMC		
Inventories	454	443
Investments and advances	959	971
Mine exploration cost	11	11
Property, plant and equipment - net	5,870	5,694
NLI		
Cash and cash equivalents	1,511	1,278
Real estate properties	621	677
Receivables - net	548	947
SMFC		
Cash and cash equivalents	389	393
Receivables - net	6,041	5,489
CIRC		
Cash and cash equivalents	96	96
Receivables - net	168	173
Property, plant and equipment - net	1,011	1,087
Condominium units for sale/inventories	155	187

Dividends declared by investee companies of the Group Company follow:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Record Date	Payment Date
2025					
Subsidiaries					
Cash Dividend					
PSBank	January 16, 2025	₱0.75	₱320	February 3, 2025	February 17, 2025
PSBank	April 24, 2025	0.75	320	May 12, 2025	May 26, 2025
PSBank	July 24, 2025	0.75	320	August 8, 2025	August 26, 2025
PSBank	October 23, 2025	0.75	320	November 10, 2025	November 24, 2025
FMIC	December 19, 2025	402.76	3,000	December 31, 2025	February 27, 2026
FMSBC	May 19, 2025	59.17	100	May 31, 2025	July 28, 2025
FMSBC	December 4, 2025	59.17	100	December 15, 2025	December 29, 2025
Orix Rental Corporation	July 18, 2025	100.00	1,500	July 31, 2025	December 31, 2025
OMLF Insurance Agency, Inc	December 15, 2025	41.99	3,000	December 15, 2025	December 23, 2025
PBC Capital Investment Corporation	September 22, 2025	20.00	60	September 22, 2025	September 30, 2025
Prima Ventures Dev. Corp.	September 22, 2025	4.04	17	September 22, 2025	September 30, 2025
Associates					
SMFC	June 19, 2025	6.33	127	June 4, 2025	July 14, 2025



Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Record Date	Payment Date
2024					
Subsidiaries					
Cash Dividend					
PSBank	January 18, 2024	₱0.75	₱320	February 2, 2024	February 19, 2024
PSBank	April 25, 2024	0.75	320	May 13, 2024	May 27, 2024
PSBank	July 25, 2024	0.75	320	August 9, 2024	August 27, 2024
PSBank	October 17, 2024	0.75	320	November 4, 2024	November 18, 2024
FMIC	April 1, 2024	201.38	1,500	April 30, 2024	June 28, 2024
FMSBC	April 15, 2024	59.17	100	April 15, 2024	July 12, 2024
OMLF Insurance Agency, Inc	January 5, 2024	28.41	71	January 5, 2024	January 31, 2024
PBC Capital Investment Corporation	April 30, 2024	10.00	30	April 30, 2024	May 31, 2024
Associates					
AXA Philippines	December 12, 2024	150.00	1,500	November 30, 2024	December 17, 2024
SMFC	June 28, 2024	5.45	109	June 13, 2024	July 23, 2024

12. Investment Properties

This account consists of foreclosed real estate properties and investments in real estate:

	Consolidated					
	2025			2024		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at January 1	₱5,144	₱5,253	₱10,397	₱5,230	₱5,445	₱10,675
Additions	395	1,035	1,430	265	579	844
Disposals	(395)	(677)	(1,072)	(351)	(771)	(1,122)
Balance at December 31	5,144	5,611	10,755	5,144	5,253	10,397
Accumulated depreciation and amortization						
Balance at January 1	—	1,215	1,215	—	1,160	1,160
Depreciation and amortization	—	178	178	—	171	171
Disposals	—	(100)	(100)	—	(116)	(116)
Balance at December 31	—	1,293	1,293	—	1,215	1,215
Allowance for impairment losses (Note 15)						
Balance at January 1	1,214	163	1,377	1,221	187	1,408
Provision for (reversal of) impairment loss	(2)	11	9	4	13	17
Disposals	(18)	(21)	(39)	(11)	(37)	(48)
Balance at December 31	1,194	153	1,347	1,214	163	1,377
Net book value at December 31	₱3,950	₱4,165	₱8,115	₱3,930	₱3,875	₱7,805

	Parent Company					
	2025			2024		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
Cost						
Balance at January 1	₱3,231	₱1,945	₱5,176	₱3,243	₱1,951	₱5,194
Additions	287	573	860	153	184	337
Disposals	(201)	(211)	(412)	(165)	(190)	(355)
Balance at December 31	3,317	2,307	5,624	3,231	1,945	5,176
Accumulated depreciation and amortization						
Balance at January 1	—	630	630	—	606	606
Depreciation and amortization	—	83	83	—	71	71
Disposals	—	(29)	(29)	—	(47)	(47)
Balance at December 31	—	684	684	—	630	630
Allowance for impairment losses (Note 15)						
Balance at January 1	943	38	981	953	38	991
Disposals	(13)	(1)	(14)	(10)	—	(10)
Balance at December 31	930	37	967	943	38	981
Net book value at December 31	₱2,387	₱1,586	₱3,973	₱2,288	₱1,277	₱3,565

As of December 31, 2025 and 2024, foreclosed investment properties still subject to redemption period by the borrowers amounted to ₱832.3 million and ₱776.1 million, respectively, for the Group, and ₱311.1 million and ₱322.7 million, respectively, for the Parent Company.



As of December 31, 2025 and 2024, aggregate market value of investment properties amounted to ₱17.4 billion and ₱16.6 billion, respectively, for the Group, and ₱9.7 billion and ₱8.9 billion, respectively, for the Parent Company, of which ₱11.0 billion and ₱10.0 billion, respectively, for the Group, and ₱9.7 billion and ₱8.9 billion, respectively, for the Parent Company were determined by independent external appraisers. Information about the fair value measurement of investment properties are also presented in Note 5.

Rental income on investment properties (included in 'Leasing income' in the statements of income) in 2025, 2024 and 2023 amounted to ₱174.9 million, ₱112.1 million and ₱92.8 million, respectively, for the Group (Note 13) and ₱55.2 million and nil consecutively, respectively, for the Parent Company.

Direct operating expenses on investment properties that did not generate rental income (included under 'Litigation expenses') in 2025, 2024 and 2023 amounted to ₱405.1 million, ₱372.5 million and ₱389.7 million, respectively, for the Group and ₱79.1 million, ₱79.7 million and ₱78.6 million, respectively, for the Parent Company (Note 25).

Net gains from sale of investment properties (included in 'Profit from assets sold' in the statements of income) in 2025, 2024 and 2023 amounted to ₱388.0 million, ₱355.3 million and ₱1.7 billion, respectively, for the Group, and ₱213.0 million, ₱139.8 million and ₱1.6 billion, respectively, for the Parent Company.

13. Leases

Group as a Lessee

As of December 31, 2025 and 2024, 60.67% and 60.14%, respectively, of the Parent Company's branch sites are under lease arrangements. Also, some of its subsidiaries lease the premises occupied by their Head Offices and most of their branches. The lease contracts are for periods ranging from one to 30 years and some are renewable at the Group's option under certain terms and conditions. Various lease contracts include escalation clauses, which bear an annual rent increase of 2.00% to 20.00% in 2025 and 2024. As of December 31, 2025 and 2024, the Group has no contingent rent payable.

The carrying amounts of lease liabilities (included in 'Other Liabilities' in Note 21) are as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Balance at January 1	₱5,953	₱5,764	₱4,333	₱4,018
Additions	2,585	2,135	1,640	1,464
Expiry/early termination	(42)	(12)	(20)	(8)
Accretion of interest	414	350	298	239
Payments	(2,370)	(2,194)	(1,518)	(1,384)
Others	19	(90)	6	4
Balance at December 31	₱6,559	₱5,953	₱4,739	₱4,333

The Group and the Parent Company recognized the following:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Interest expense on lease liabilities	₱415	₱350	₱340	₱298	₱239	₱223
Rent expense from short-term leases and leases of low-value assets*	1,001	1,124	930	753	859	698

* Included under 'Occupancy and equipment -related cost'



Future minimum rentals payable under non-cancelable leases follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Within one year	₱1,933	₱1,892	₱1,038	₱939
After one year but not more than five years	4,722	4,600	3,671	3,633
More than five years	1,021	675	976	604
	₱7,676	₱7,167	₱5,685	₱5,176

As of December 31, 2025 and 2024, the Parent Company has undiscounted potential future rental payments arising from extension options expected not to be exercised and thus, not included in the calculation of lease liability amounting to ₱90.4 million and ₱55.5 million, respectively.

Group as a Lessor

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's available office spaces and investment properties and lease agreements over various items of machinery and equipment which are non-cancelable and have remaining non-cancelable lease terms of between one to seven years. In 2025, 2024 and 2023, leasing income on investment properties amounted to ₱2.2 billion, ₱2.0 billion and ₱1.9 billion, respectively, for the Group, and ₱64.3 million, ₱72.1 million and ₱78.3 million, respectively, for the Parent Company.

Future minimum rentals receivable under non-cancelable operating leases follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Within one year	₱1,391	₱1,419	₱39	₱39
After one year but not more than five years	1,191	1,375	65	64
More than five years	—	—	—	—
	₱2,582	₱2,794	₱104	₱103

Finance Leases

Lease contract receivables under finance leases, which are accounts of ORIX Metro, are due in monthly installments with terms ranging from one to seven years. These are broken down as follows (Note 9):

	2025	2024
Within one year	₱194	₱433
After one year but not more than five years	1,771	1,562
Greater than five years	4	1
	₱1,969	₱1,996



14. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Software costs - net	₱4,971	₱4,177	₱4,521	₱3,687
Investment in SPVs	1,919	1,919	1,919	1,919
Prepaid expenses	1,738	1,591	1,210	1,252
Chattel properties acquired in foreclosure - net	1,320	943	46	61
Creditable withholding tax	1,132	1,082	603	542
Documentary and postage stamps on hand	1,004	610	990	581
Customized system development cost	859	2,715	859	2,715
Returned checks and other cash items	555	232	533	215
Interoffice float items	452	4	452	4
Residual value of leased assets	365	391	—	—
Assets held under joint operations (Note 32)	115	137	115	137
Miscellaneous (Note 27)	7,192	7,504	5,824	6,290
	21,622	21,305	17,072	17,403
Less: allowance for impairment losses	3,354	3,356	3,344	3,346
	₱18,268	₱17,949	₱13,728	₱14,057

Movements in software costs account follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cost				
Balance at January 1	₱13,444	₱11,501	₱10,688	₱9,013
Additions	2,545	2,036	2,344	1,682
Disposals/reclassification/others	(186)	(93)	(157)	(7)
Balance at December 31	15,803	13,444	12,875	10,688
Accumulated amortization				
Balance at January 1	9,267	8,157	7,001	6,018
Amortization	1,565	1,153	1,363	984
Disposals/others	—	(43)	(10)	(1)
Balance at December 31	10,832	9,267	8,354	7,001
Net book value at December 31	₱4,971	₱4,177	₱4,521	₱3,687

Movements in chattel properties acquired in foreclosure follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cost				
Balance at January 1	₱1,092	₱1,059	₱86	₱92
Additions	5,294	4,013	38	56
Disposals/others	(4,910)	(3,980)	(52)	(62)
Balance at December 31	1,476	1,092	72	86
Accumulated depreciation and amortization				
Balance at January 1	148	232	24	19
Depreciation and amortization	299	243	16	20
Disposals/others	(296)	(327)	(15)	(15)
Balance at December 31	151	148	25	24
Allowance for impairment losses	5	1	1	1
Net book value at December 31	₱1,320	₱943	₱46	₱61

Assets held under joint operations are parcels of land and former branch sites of the Parent Company which were contributed to separate joint operations with FLI and Federal Land Orix Corporation (Note 32). These are carried at costs, which are lower than the net realizable values.



Investment in SPVs represents subordinated notes issued by Cameron Granville 3 Asset Management, Inc. and LNC 3 Asset Management, Inc. with face amount of ₱9.4 billion and ₱2.6 billion, respectively. These notes are non-interest bearing and payable over five (5) years starting April 1, 2006, with rollover of two (2) years at the option of the note issuers. The subordinated notes which are fully provided with allowance for impairment losses have gross carrying amount (after write-off) of ₱1.9 billion as of December 31, 2025 and 2024.

Miscellaneous assets include assets held in Trust which represents the fund set aside by the Parent Company and PSBank for the specific purpose of E-money balance liquidation in compliance with BSP Circular No. 1166. As provided in the circular, the amount held in the trust account shall not fall below the required minimum balance of at least 50.00% of the outstanding e-money balances. As of December 31, 2025 and 2024, assets held in Trust amounted to ₱1.4 billion and ₱1.2 billion, respectively, for the Group, and ₱1.2 billion and ₱1.0 billion, respectively, for the Parent Company. The remaining percentage of outstanding E-money balance was covered by government securities amounting to ₱1.3 billion and ₱1.1 billion, respectively, for the Group and ₱1.2 billion and ₱1.0 billion, respectively for the Parent Company.

15. Allowance for Credit and Impairment Losses

An analysis of changes in the ECL allowances in 2025 and 2024 is as follows:

	Consolidated			
	Due from Other Banks	Interbank Loans Receivable	Investment Securities at FVOCI	Investment Securities at Amortized Cost
2025				
ECL allowance, January 1, 2025	₱68	₱61	₱869	₱321
Asset derecognized or repaid	(68)	(61)	—	—
New asset originated	69	76	—	—
Changes in assumptions	—	—	7	1
ECL allowance, December 31, 2025	₱69	₱76	₱876	₱322
2024				
ECL allowance, January 1, 2024	₱51	₱36	₱809	₱375
Asset derecognized or repaid	(51)	(36)	—	—
New asset originated	68	61	—	—
Changes in assumptions	—	—	60	(54)
ECL allowance, December 31, 2024	₱68	₱61	₱869	₱321

	Consolidated			
	Receivables from Customers			
	Stage 1	Stage 2	Stage 3	Total
2025				
Commercial loans				
ECL allowance, January 1, 2025	₱11,487	₱1,528	₱14,199	₱27,214
Newly originated assets that remained in Stage 1 as at year-end	3,525	—	—	3,525
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	2,335	986	3,321
Assets derecognized or repaid	(6,559)	(497)	(1,490)	(8,546)
Amounts written off	—	—	(28)	(28)
Transfers to/(from) Stage 1	571	—	—	571
Transfers to/(from) Stage 2	—	(558)	—	(558)
Transfers to/(from) Stage 3	—	—	(13)	(13)
Changes in assumptions	(1,941)	624	823	(494)
ECL allowance, December 31, 2025	7,083	3,432	14,477	24,992

(Forward)



	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
Residential mortgage loans				
ECL allowance, January 1, 2025	372	292	483	1,147
Newly originated assets that remained in Stage 1 as at year-end	46	–	–	46
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	2	25	27
Assets derecognized or repaid	(161)	(63)	(107)	(331)
Transfers to/(from) Stage 1	94	–	–	94
Transfers to/(from) Stage 2	–	(56)	–	(56)
Transfers to/(from) Stage 3	–	–	(38)	(38)
Changes in assumptions	(92)	(41)	29	(104)
ECL allowance, December 31, 2025	259	134	392	785
Auto loans				
ECL allowance, January 1, 2025	1,059	774	1,067	2,900
Newly originated assets that remained in Stage 1 as at year-end	481	–	–	481
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	80	319	399
Assets derecognized or repaid	(178)	(219)	(146)	(543)
Amounts written off	–	–	(559)	(559)
Transfers to/(from) Stage 1	67	–	–	67
Transfers to/(from) Stage 2	–	(169)	–	(169)
Transfers to/(from) Stage 3	–	–	102	102
Changes in assumptions	(643)	311	932	600
ECL allowance, December 31, 2025	786	777	1,715	3,278
Credit card				
ECL allowance, January 1, 2025	2,204	3,586	4,360	10,150
Newly originated assets that remained in Stage 1 as at year-end	716	–	–	716
Assets derecognized or repaid	(17)	(108)	(151)	(276)
Amounts written off	–	–	(3,095)	(3,095)
Transfers to/(from) Stage 1	417	–	–	417
Transfers to/(from) Stage 2	–	(1,737)	–	(1,737)
Transfers to/(from) Stage 3	–	–	1,320	1,320
Changes in assumptions*	(328)	2,504	7,787	9,963
ECL allowance, December 31, 2025	2,992	4,245	10,221	17,458
Trade loans				
ECL allowance, January 1, 2025	282	2	402	686
Newly originated assets that remained in Stage 1 as at year-end	327	–	–	327
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	83	397	480
Assets derecognized or repaid	(281)	(1)	(123)	(405)
Changes in assumptions	–	10	13	23
ECL allowance, December 31, 2025	328	94	689	1,111
Other loans				
ECL allowance, January 1, 2025	64	83	231	378
Newly originated assets that remained in Stage 1 as at year-end	33	–	–	33
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	13	21	34
Assets derecognized or repaid	(20)	(2)	(27)	(49)
Amounts written off	–	–	(160)	(160)
Transfers to/(from) Stage 1	(24)	–	–	(24)
Transfers to/(from) Stage 2	–	10	–	10
Transfers to/(from) Stage 3	–	–	14	14
Changes in assumptions	(12)	(13)	210	185
ECL allowance, December 31, 2025	41	91	289	421
Total receivables from customers				
ECL allowance, January 1, 2025	15,468	6,265	20,742	42,475
Newly originated assets that remained in Stage 1 as at year-end	5,128	–	–	5,128
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	2,513	1,748	4,261
Assets derecognized or repaid	(7,216)	(890)	(2,044)	(10,150)
Amounts written off	–	–	(3,842)	(3,842)
Transfers to/(from) Stage 1	1,125	–	–	1,125
Transfers to/(from) Stage 2	–	(2,510)	–	(2,510)
Transfers to/(from) Stage 3	–	–	1,385	1,385
Changes in assumptions	(3,016)	3,395	9,794	10,173
ECL allowance, December 31, 2025	₱11,489	₱8,773	₱27,783	₱48,045

(Forward)



	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
2024				
Commercial loans				
ECL allowance, January 1, 2024	₱9,079	₱8,897	₱13,678	₱31,654
Newly originated assets that remained in Stage 1 as at year-end	5,433	—	—	5,433
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	666	6,486	7,152
Assets derecognized or repaid	(5,018)	(7,717)	(4,453)	(17,188)
Amounts written off	—	—	(881)	(881)
Transfers to/(from) Stage 1	43	—	—	43
Transfers to/(from) Stage 2	—	250	—	250
Transfers to/(from) Stage 3	—	—	(293)	(293)
Changes in assumptions	1,950	(568)	(338)	1,044
ECL allowance, December 31, 2024	11,487	1,528	14,199	27,214
Residential mortgage loans				
ECL allowance, January 1, 2024	506	718	516	1,740
Newly originated assets that remained in Stage 1 as at year-end	95	—	—	95
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	3	14	17
Assets derecognized or repaid	(106)	(94)	(102)	(302)
Transfers to/(from) Stage 1	354	—	—	354
Transfers to/(from) Stage 2	—	(301)	—	(301)
Transfers to/(from) Stage 3	—	—	(53)	(53)
Changes in assumptions	(477)	(34)	108	(403)
ECL allowance, December 31, 2024	372	292	483	1,147
Auto loans				
ECL allowance, January 1, 2024	2,190	724	1,567	4,481
Newly originated assets that remained in Stage 1 as at year-end	619	—	—	619
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	135	223	358
Assets derecognized or repaid	(279)	(159)	(221)	(659)
Amounts written off	—	—	(1,102)	(1,102)
Transfers to/(from) Stage 1	(73)	—	—	(73)
Transfers to/(from) Stage 2	—	(109)	—	(109)
Transfers to/(from) Stage 3	—	—	182	182
Changes in assumptions	(1,398)	183	418	(797)
ECL allowance, December 31, 2024	1,059	774	1,067	2,900
Credit card				
ECL allowance, January 1, 2024	1,902	2,788	3,481	8,171
Newly originated assets that remained in Stage 1 as at year-end	125	—	—	125
Assets derecognized or repaid	(16)	(89)	(116)	(221)
Amounts written off	—	—	(7,233)	(7,233)
Transfers to/(from) Stage 1	322	—	—	322
Transfers to/(from) Stage 2	—	(1,052)	—	(1,052)
Transfers to/(from) Stage 3	—	—	730	730
Changes in assumptions*	(129)	1,939	7,498	9,308
ECL allowance, December 31, 2024	2,204	3,586	4,360	10,150
Trade loans				
ECL allowance, January 1, 2024	281	20	284	₱585
Newly originated assets that remained in Stage 1 as at year-end	282	—	—	282
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	123	123
Assets derecognized or repaid	(281)	(17)	(6)	(304)
Changes in assumptions	—	(1)	1	—
ECL allowance, December 31, 2024	282	2	402	686
Other loans				
ECL allowance, January 1, 2024	95	224	261	580
Newly originated assets that remained in Stage 1 as at year-end	54	—	—	54
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	19	15	34
Assets derecognized or repaid	57	(4)	(20)	33
Amounts written off	—	—	(193)	(193)

(Forward)



	Consolidated			
	Receivables from Customers			
	Stage 1	Stage 2	Stage 3	Total
Transfers to/(from) Stage 1	(P25)	P–	P–	(P25)
Transfers to/(from) Stage 2	–	(24)	–	(24)
Transfers to/(from) Stage 3	–	–	49	49
Changes in assumptions	(117)	(132)	119	(130)
ECL allowance, December 31, 2024	64	83	231	378
Total receivables from customers				
ECL allowance, January 1, 2024	14,053	13,371	19,787	47,211
Newly originated assets that remained in Stage 1 as at year-end	6,608	–	–	6,608
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	823	6,861	7,684
Assets derecognized or repaid	(5,643)	(8,080)	(4,918)	(18,641)
Amounts written off	–	–	(9,409)	(9,409)
Transfers to/(from) Stage 1	621	–	–	621
Transfers to/(from) Stage 2	–	(1,236)	–	(1,236)
Transfers to/(from) Stage 3	–	–	615	615
Changes in assumptions	(171)	1,387	7,806	9,022
ECL allowance, December 31, 2024	P15,468	P6,265	P20,742	P42,475

*includes impact on ECL of exposures transferred between stages

	Consolidated			
	Other Receivables			
	Stage 1	Stage 2	Stage 3	Total
2025				
ECL allowance, January 1, 2025	P31	P19	P564	P614
Newly originated assets that remained in Stage 1 as at year-end	11	–	–	11
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	6	13	19
Assets derecognized or repaid	(7)	(2)	(50)	(59)
Amounts written off	–	–	(21)	(21)
Transfers to/(from) Stage 1	2	–	–	2
Transfers to/(from) Stage 2	–	(4)	–	(4)
Transfers to/(from) Stage 3	–	–	2	2
Changes in assumptions	(13)	9	(18)	(22)
ECL allowance, December 31, 2025	P24	P28	P490	P542
2024				
ECL allowance, January 1, 2024	P139	P27	P883	P1,049
Newly originated assets that remained in Stage 1 as at year-end	19	–	–	19
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	6	23	29
Assets derecognized or repaid	(20)	(14)	(347)	(381)
Amounts written off	–	–	(1)	(1)
Transfers to/(from) Stage 1	(1)	–	–	(1)
Transfers to/(from) Stage 3	–	–	1	1
Changes in assumptions	(106)	–	5	(101)
ECL allowance, December 31, 2024	P31	P19	P564	P614

	Consolidated			
	Loan Commitments and Financial Guarantees			
	Stage 1	Stage 2	Stage 3	Total
2025				
ECL allowance, January 1, 2025	P775	P375	P4	P1,154
Newly originated assets that remained in Stage 1 as at year-end	918	–	–	918
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	4	–	4
Assets derecognized or repaid	(191)	(66)	(4)	(261)
Transfers to/(from) Stage 1	72	–	–	72
Transfers to/(from) Stage 2	–	(73)	–	(73)
Transfers to/(from) Stage 3	–	–	1	1
Changes in assumptions	314	92	5	411
ECL allowance, December 31, 2025	P1,888	P332	P6	P2,226



	Consolidated			
	Loan Commitments and Financial Guarantees			Total
	Stage 1	Stage 2	Stage 3	
2024				
ECL allowance, January 1, 2024	₱849	₱226	₱—	₱1,075
Newly originated assets that remained in Stage 1 as at year-end	291	—	—	291
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	—	—
Assets derecognized or repaid	(82)	(25)	—	(107)
Transfers to/(from) Stage 1	29	—	—	29
Transfers to/(from) Stage 2	—	(30)	—	(30)
Transfers to/(from) Stage 3	—	—	1	1
Changes in assumptions	(312)	204	3	(105)
ECL allowance, December 31, 2024	₱775	₱375	₱4	₱1,154

	Parent Company			
	Due from Other Banks	Interbank Loans Receivable	Investment Securities at FVOCI	Investment Securities at Amortized Cost
2025				
ECL allowance, January 1, 2025	₱62	₱54	₱863	₱310
Asset derecognized and repaid	(62)	(54)	—	—
New asset originated	65	55	—	—
Changes in assumptions	—	—	(1)	5
ECL allowance, December 31, 2025	₱65s	₱55	₱862	₱315
2024				
ECL allowance, January 1, 2024	₱36	₱33	₱809	₱361
Asset derecognized and repaid	(36)	(33)	—	—
New asset originated	62	54	—	—
Changes in assumptions	—	—	54	(51)
ECL allowance, December 31, 2024	₱62	₱54	₱863	₱310

	Parent Company			
	Receivable from Customers			Total
	Stage 1	Stage 2	Stage 3	
2025				
Commercial loans				
ECL allowance, January 1, 2025	₱9,353	₱1,485	₱12,354	₱23,192
Newly originated assets that remained in Stage 1 as at year-end	3,190	—	—	3,190
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	2,237	621	2,858
Assets derecognized or repaid	(6,014)	(480)	(669)	(7,163)
Amounts written off	—	—	(20)	(20)
Transfers to/(from) Stage 1	594	—	—	594
Transfers to/(from) Stage 2	—	(558)	—	(558)
Transfers to/(from) Stage 3	—	—	(36)	(36)
Changes in assumptions	(2,022)	620	831	(571)
ECL allowance, December 31, 2025	5,101	3,304	13,081	21,486
Residential mortgage loans				
ECL allowance, January 1, 2025	291	121	311	723
Newly originated assets that remained in Stage 1 as at year-end	31	—	—	31
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	2	14	16
Assets derecognized or repaid	(157)	(49)	(68)	(274)
Transfers to/(from) Stage 1	51	—	—	51
Transfers to/(from) Stage 2	—	(16)	—	(16)
Transfers to/(from) Stage 3	—	—	(35)	(35)
Changes in assumptions	(27)	7	60	40
ECL allowance, December 31, 2025	189	65	282	536
Auto loans				
ECL allowance, January 1, 2025	143	14	251	408
Newly originated assets that remained in Stage 1 as at year-end	35	—	—	35
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	2	6	8
Assets derecognized or repaid	(110)	(6)	(38)	(154)
Amounts written off	—	—	(17)	(17)
Transfers to/(from) Stage 1	6	—	—	6
Transfers to/(from) Stage 2	—	(4)	—	(4)
Transfers to/(from) Stage 3	—	—	(2)	(2)
Changes in assumptions	(5)	2	34	31
ECL allowance, December 31, 2025	69	8	234	311

(Forward)



	Parent Company			
	Receivable from Customers			Total
	Stage 1	Stage 2	Stage 3	
Credit card				
ECL allowance, January 1, 2025	2,204	3,586	4,360	10,150
Newly originated assets that remained in Stage 1 as at year-end	716	—	—	716
Assets derecognized or repaid	(17)	(108)	(151)	(276)
Amounts written off	—	—	(3,095)	(3,095)
Transfers to/(from) Stage 1	417	—	—	417
Transfers to/(from) Stage 2	—	(1,737)	—	(1,737)
Transfers to/(from) Stage 3	—	—	1,320	1,320
Changes in assumptions*	(328)	2,504	7,787	9,963
ECL allowance, December 31, 2025	2,992	4,245	10,221	17,458
Trade loans				
ECL allowance, January 1, 2025	₱282	₱2	₱402	₱686
Newly originated assets that remained in Stage 1 as at year-end	327	—	—	327
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	83	397	480
Assets derecognized or repaid	(281)	(1)	(123)	(405)
Changes in assumptions	—	10	13	23
ECL allowance, December 31, 2025	328	94	689	1,111
Other loans				
ECL allowance, January 1, 2025	8	11	78	97
Newly originated assets that remained in Stage 1 as at year-end	10	—	—	10
Assets derecognized or repaid	—	—	—	—
Accounts written off	—	—	(92)	(92)
Transfers to/(from) Stage 1	1	—	—	1
Transfers to/(from) Stage 2	—	(1)	—	(1)
Transfers to/(from) Stage 3	—	—	—	—
Changes in assumptions	(6)	9	145	148
ECL allowance, December 31, 2025	13	19	131	163
Total receivables from customers				
ECL allowance, January 1, 2025	12,281	5,219	17,756	35,256
Newly originated assets that remained in Stage 1 as at year-end	4,309	—	—	4,309
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	2,324	1,038	3,362
Assets derecognized or repaid	(6,579)	(644)	(1,049)	(8,272)
Amounts written off	—	—	(3,224)	(3,224)
Transfers to/(from) Stage 1	1,069	—	—	1,069
Transfers to/(from) Stage 2	—	(2,316)	—	(2,316)
Transfers to/(from) Stage 3	—	—	1,247	1,247
Changes in assumptions	(2,388)	3,152	8,870	9,634
ECL allowance, December 31, 2025	₱8,692	₱7,735	₱24,638	₱41,065

	Parent Company			
	Receivable from Customers			Total
	Stage 1	Stage 2	Stage 3	
2024				
Commercial loans				
ECL allowance, January 1, 2024	₱6,127	₱8,836	₱11,629	₱439
Newly originated assets that remained in Stage 1 as at year-end	4,895	—	—	—
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	653	5,898	—
Assets derecognized or repaid	(3,540)	(7,658)	(4,280)	—
Amounts written off	—	—	(378)	(439)
Transfers to/(from) Stage 1	(50)	—	—	—
Transfers to/(from) Stage 2	—	223	—	—
Transfers to/(from) Stage 3	—	—	(173)	—
Changes in assumptions	1,921	(569)	(342)	—
ECL allowance, December 31, 2024	9,353	1,485	12,354	—
Residential mortgage loans				
ECL allowance, January 1, 2024	312	144	321	—
Newly originated assets that remained in Stage 1 as at year-end	53	—	—	—
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	9	—
Assets derecognized or repaid	(98)	(47)	(70)	—
Transfers to/(from) Stage 1	32	—	—	—
Transfers to/(from) Stage 2	—	1	—	—
Transfers to/(from) Stage 3	—	—	(33)	—
Changes in assumptions	(8)	23	84	—
ECL allowance, December 31, 2024	291	121	311	—

(Forward)



	Parent Company				
	Receivable from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
Auto loans					
ECL allowance, January 1, 2024	₱172	₱115	₱277	₱–	₱564
Newly originated assets that remained in Stage 1 as at year-end	71	–	–	–	71
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	3	5	–	8
Assets derecognized or repaid	(110)	(25)	(55)	–	(190)
Amounts written off	–	–	(15)	–	(15)
Transfers to/(from) Stage 1	85	–	–	–	85
Transfers to/(from) Stage 2	–	(81)	–	–	(81)
Transfers to/(from) Stage 3	–	–	(4)	–	(4)
Changes in assumptions	(75)	2	43	–	(30)
ECL allowance, December 31, 2024	143	14	251	–	408
	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit card					
ECL allowance, January 1, 2024	1,902	2,788	3,481	–	8,171
Newly originated assets that remained in Stage 1 as at year-end	125	–	–	–	125
Assets derecognized or repaid	(16)	(89)	(116)	–	(221)
Amounts written off	–	–	(7,233)	–	(7,233)
Transfers to/(from) Stage 1	322	–	–	–	322
Transfers to/(from) Stage 2	–	(1,052)	–	–	(1,052)
Transfers to/(from) Stage 3	–	–	730	–	730
Changes in assumptions*	(129)	1,939	7,498	–	9,308
ECL allowance, December 31, 2024	2,204	3,586	4,360	–	10,150
Trade loans					
ECL allowance, January 1, 2024	281	20	284	–	585
Newly originated assets that remained in Stage 1 as at year-end	282	–	–	–	282
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	–	123	–	123
Assets derecognized or repaid	(281)	(17)	(6)	–	(304)
Changes in assumptions	–	(1)	1	–	–
ECL allowance, December 31, 2024	282	2	402	–	686
Other loans					
ECL allowance, January 1, 2024	–	6	72	–	78
Newly originated assets that remained in Stage 1 as at year-end	6	–	–	–	6
Assets derecognized or repaid	–	–	(1)	–	(1)
Accounts written off	–	–	(78)	–	(78)
Changes in assumptions	2	5	85	–	92
ECL allowance, December 31, 2024	8	11	78	–	97
Total receivables from customers					
ECL allowance, January 1, 2024	8,794	11,909	16,064	439	37,206
Newly originated assets that remained in Stage 1 as at year-end	5,432	–	–	–	5,432
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	656	6,035	–	6,691
Assets derecognized or repaid	(4,045)	(7,836)	(4,528)	–	(16,409)
Amounts written off	–	–	(7,704)	(439)	(8,143)
Transfers to/(from) Stage 1	389	–	–	–	389
Transfers to/(from) Stage 2	–	(909)	–	–	(909)
Transfers to/(from) Stage 3	–	–	520	–	520
Changes in assumptions	1,711	1,399	7,369	–	10,479
ECL allowance, December 31, 2024	₱12,281	₱5,219	₱17,756	₱–	₱35,256

*includes impact on ECL of exposures transferred between stages



	Parent Company			
	Other Receivables			
	Stage 1	Stage 2	Stage 3	Total
2025				
ECL allowance, January 1, 2025	₱20	₱6	₱537	₱563
Newly originated assets that remained in Stage 1 as at year-end	5	—	—	5
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	5	3	8
Assets derecognized or repaid	(6)	(1)	(48)	(55)
Amounts written off	—	—	—	—
Transfers to/(from) Stage 1	2	—	—	2
Transfers to/(from) Stage 2	—	(1)	—	(1)
Transfers to/(from) Stage 3	—	—	(1)	(1)
Changes in assumptions	(7)	2	(48)	(53)
ECL allowance, December 31, 2025	₱14	₱11	₱443	₱468
2024				
ECL allowance, January 1, 2024	₱117	₱12	₱845	₱974
Newly originated assets that remained in Stage 1 as at year-end	13	—	—	13
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	4	16	20
Assets derecognized or repaid	(18)	(10)	(315)	(343)
Amounts written off	—	—	(1)	(1)
Transfers to/(from) Stage 2	—	1	—	1
Transfers to/(from) Stage 3	—	—	(1)	(1)
Changes in assumptions	(92)	(1)	(7)	(100)
ECL allowance, December 31, 2024	₱20	₱6	₱537	₱563

	Parent Company			
	Loan Commitments and Financial Guarantees			
	Stage 1	Stage 2	Stage 3	Total
2025				
ECL allowance, January 1, 2025	₱700	₱375	₱4	₱1,079
Newly originated assets that remained in Stage 1 as at year-end	896	—	—	896
Newly originated assets that moved to Stage 2 as at year-end	—	4	—	4
Assets derecognized or repaid	(191)	(66)	(4)	(261)
Transfers to/(from) Stage 1	72	—	—	72
Transfers to/(from) Stage 2	—	(73)	—	(73)
Transfers to/(from) Stage 3	—	—	1	1
Changes in assumptions	309	92	4	405
ECL allowance, December 31, 2025	1,786	332	5	2,123
2024				
ECL allowance, January 1, 2024	₱769	₱226	₱—	₱995
Newly originated assets that remained in Stage 1 as at year-end	298	—	—	298
Newly originated assets that moved to Stage 2 as at year-end	—	—	—	—
Assets derecognized or repaid	(82)	(25)	—	(107)
Transfers to/(from) Stage 1	29	—	—	29
Transfers to/(from) Stage 2	—	(30)	—	(30)
Transfers to/(from) Stage 3	—	—	1	1
Changes in assumptions	(314)	204	3	(107)
ECL allowance, December 31, 2024	₱700	₱375	₱4	₱1,079

As of December 31, 2025 and 2024, the ECL allowances on loan commitments and financial guarantees are included in ‘Miscellaneous liabilities’ under ‘Other liabilities’ (Note 21).



The ECL allowance on accounts receivables of the Group and the Parent Company based on their aging as of December 31, 2025 and 2024 follows:

Age of accounts receivables	Consolidated		Parent Company	
	2025	2024	2025	2024
Current	₱16	₱-	₱-	₱-
Up to 1 month	52	94	49	69
> 1 to 2 months	2	6	1	5
> 2 to 3 months	3	3	1	2
More than 3 months	3,217	3,262	2,698	2,735
Total ECL	₱3,290	₱3,365	₱2,749	₱2,811

Below is the breakdown of provision for (reversal of) credit and impairment losses:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Financial assets and other credit-related exposures:						
Loans and receivables	₱12,448	₱6,035	₱8,104	₱9,987	₱6,199	₱6,252
Investment securities	1	(54)	(96)	5	(51)	(91)
Interbank loans receivable	15	25	17	1	21	18
Due from other banks	1	17	10	3	26	13
	12,465	6,023	8,035	9,996	6,195	6,192
Non-financial assets:						
Investment properties	9	17	12	-	-	-
Goodwill	-	174	474	-	-	-
Investments in subsidiaries, associates and a joint venture	(557)	137	459	-	174	474
Other assets	2	9	(2)	(2)	10	(5)
	(546)	337	943	(2)	184	469
	₱11,919	₱6,360	₱8,978	₱9,994	₱6,379	₱6,661

With the foregoing level of allowance for credit and impairment losses, management believes that the Group has sufficient allowance to take care of any losses that the Group may incur from the non-collection or non-realization of its receivables and other risk assets.

16. Deposit Liabilities

The LTNCDs of the Group and the Parent Company which matured in 2024 consist of the following:

BSP Approval Date	Interest Rate	Issue Date	Maturity Date
Parent Company			
August 12, 2016	3.88%	July 20, 2017	July 20, 2024
July 19, 2018	5.38%	October 4, 2018	April 4, 2024
PSBank			
July 13, 2018	5.00%	August 9, 2018	February 9, 2024

As of December 31, 2025 and 2024, 17.66% and 17.54%, respectively, of the total interest-bearing deposit liabilities of the Group, and 14.98% and 15.36%, respectively, of the total interest-bearing deposit liabilities of the Parent Company are subject to periodic interest repricing. In 2025, 2024 and 2023, the outstanding peso deposit liabilities (excluding LTNCDs above) of the Group and the Parent Company earn annual fixed interest rates ranging from 0.06% to 12.50%, while the outstanding foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.05% to 5.30%, from 0.05% to 6.46% and from 0.00% to 8.84%, respectively for the Group and Parent Company.



Interest expense on deposit liabilities consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
CASA	₱1,102	₱982	₱987	₱799	₱767	₱769
Time	40,364	47,779	39,043	34,226	41,250	32,042
LTNCD	–	214	1,090	–	201	829
	₱41,466	₱48,975	₱41,120	₱35,025	₱42,218	₱33,640

Reserve Requirement

In March 2025, BSP Circular No. 1211 was issued reducing the reserve requirements against deposit and deposit substitute liabilities from 7.00% to 5.00% effective reserve week starting March 28, 2025. Reserve requirements for peso-denominated LTNCDs and Other Bonds are still at 4.00% and 3.00% respectively. The required reserves can be kept in the form of deposit maintained in the demand deposit accounts with the BSP and any government securities used as compliance until they mature. The Parent Company and PSBank were in compliance with the reserve requirements as of December 31, 2025 and 2024.

The total statutory and liquidity reserves (included in ‘Due from BSP’ account) as reported to the BSP are as follows:

	2025	2024
Parent Company	₱105,641	₱148,945
PSBank	401	1,183
	₱106,042	₱150,128

17. Bills Payable and Securities Sold Under Repurchase Agreements

This account consists of borrowings from:

	Consolidated		Parent Company	
	2025	2024	2025	2024
SSURA	₱407,556	₱276,628	₱404,236	₱276,628
Local banks	43,623	3,050	45,462	2,123
BSP	40,900	–	40,900	–
Foreign banks	38,655	20,969	15,134	7,785
Deposit substitutes	–	5	–	5
	₱530,734	₱300,652	₱505,732	₱286,541

Interbank borrowings with foreign and local banks are mainly short-term borrowings. Deposit substitutes pertain to borrowings from the public.

The following are the carrying values of the debt securities (Note 8) pledged and transferred under SSURA transactions of the Group and the Parent Company:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at FVTPL	₱2,988	₱2,652	₱83,564	₱83,292	₱2,988	₱2,652	₱83,564	₱83,292
Investment securities at FVOCI								
Government	332,723	327,311	46,677	43,099	332,723	327,311	46,677	43,099
Private	3,320	3,320	–	–	–	–	–	–
Investment securities at amortized cost	80,201	74,273	168,582	150,237	80,201	74,273	168,582	150,237
	₱419,232	₱407,556	₱298,823	₱276,628	₱415,912	₱404,236	₱298,823	₱276,628



The Group's peso borrowings are subject to annual fixed interest rates ranging from 4.50% to 5.30%, from 4.75% to 5.91% and from 2.90% to 6.45% in 2025, 2024 and 2023, respectively, while the Group's foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 1.31% to 5.55%, from 0.00% to 6.63% and from 0.00% to 7.50% in 2025, 2024 and 2023, respectively. For the Parent Company, the peso borrowings are subject to annual fixed interest rates ranging from 4.50% to 5.30%, 4.75% and from 4.13% to 4.75% in 2025, 2024 and 2023, respectively, while the foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.00% to 5.55%, from 0.00% to 6.63% and from 0.00% to 7.50% in 2025, 2024 and 2023, respectively.

Interest expense on bills payable (included in the 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others' in the statements of income) in 2025, 2024 and 2023 amounted to ₱14.4 billion, ₱9.4 billion and ₱3.9 billion, respectively, for the Group and ₱14.1 billion, ₱9.0 billion and ₱3.4 billion, respectively, for the Parent Company.

18. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Accrued interest (Note 32)	₱8,437	₱10,521	₱7,324	₱9,476
Accrued other expenses	10,343	13,023	7,707	10,511
	₱18,780	₱23,544	₱15,031	₱19,987

Accrued other expenses include accruals for compensation and fringe benefits, rentals, percentage and other taxes, professional fees, advertising and information technology expenses and other expenses.

19. Bonds Payable

This account consists of the following scripless fixed rate bonds:

Issue Date	Maturity Date	Interest Rate	Face Value	Carrying Value	
				2025	2024
Parent Company					
<u>Fixed Rated Bonds</u>					
June 4, 2021	September 4, 2026	3.60%	₱19,000	₱18,982	₱18,953
<u>USD Senior Unsecured Notes</u>					
July 15, 2020	January 15, 2026	2.125%	US\$500	29,391	28,819
March 6, 2024	March 6, 2029	5.375%	500	29,187	28,646
March 6, 2024	March 6, 2034	5.500%	500	28,970	28,440
				106,530	104,858
<u>Fixed Rated Bonds</u>					
PSBank					
August 18, 2025	August 18, 2027	5.875%	₱5,000	4,961	–
MBCL					
June 25, 2024	June 25, 2027	2.60%	CN¥300	2,522	2,378
				₱114,013	₱107,236



Specific terms of these bonds follow:

Parent Company

- ₱23.7 billion fixed rate bonds issued on October 28, 2022 with issue price at 100% face value, which bear an interest rate of 5.00% per annum, payable quarterly in arrears on January 28, April 28, July 28 and October 28 of each year, commencing on January 28, 2023. The bonds matured on April 28, 2024. Total bond issuance costs amounted to ₱194.8 million.
- ₱19.0 billion fixed rate bonds issued on June 4, 2021 with issue price at 100% face value, which bear an interest rate of 3.60% per annum, payable quarterly in arrears on March 4, June 4, September 4 and December 4 of each year, commencing on September 4, 2021. The bonds will mature on September 4, 2026. Total bond issuance costs amounted to ₱156.0 million.
- US\$500.0 million senior unsecured notes issued on July 15, 2020 with issue price at 99.096% face value, which bear an interest rate of 2.125% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2021. The bonds matured on January 15, 2026. Total bond issuance costs amounted to ₱484.9 million.
- US\$500.0 million senior unsecured notes issued on March 6, 2024 with issue price at 99.879% face value, which bear an interest rate of 5.375% per annum, payable semi-annually in arrears on March 6 and September 6 of each year, commencing on September 6, 2024. The bonds will mature on March 6, 2029. Total bond issuance costs amounted to ₱326.7 million.
- US\$500.0 million senior unsecured notes issued on March 6, 2024 with issue price at 99.25% face value, which bear an interest rate of 5.50% per annum, payable semi-annually in arrears on March 6 and September 6 of each year, commencing on September 6, 2024. The bonds will mature on March 6, 2034. Total bond issuance costs amounted to ₱520.9 million.

PSBank

- ₱5.0 billion fixed rate bonds issued on August 18, 2025 with issue price at 100% face value, which bear an interest rate of 5.875% per annum, payable quarterly in arrears on November 18, February 18, May 18 and August 18 of each year, commencing on August 18, 2025. Total bond issuance costs amounted to ₱44.5 million.

MBCL

- CN¥300 million fixed rate bonds issued on June 25, 2024 with issue price at 100.00% face value, which bear an interest rate of 2.60% per annum, payable annually commencing on June 27, 2024. The bonds will mature on June 25, 2027.

Interest expense on bonds payable in 2025, 2024 and 2023 amounted to ₱5.1 billion, ₱4.8 billion and ₱3.1 billion, respectively, for the Group, and ₱4.9 billion, ₱4.7 billion and ₱3.1 billion, respectively, for the Parent Company. As of December 31, 2025 and 2024, unamortized bond issue costs amounted to ₱686.1 million and ₱909.2 million, respectively, for the Group, and ₱655.3 million and ₱909.2 million, respectively, for the Parent Company.

Reserve Requirement

Peso-denominated bonds are subject to reserves equivalent to 3.00% in 2025 and 2024. The Parent Company and PSBank were in compliance with such requirements as of December 31, 2025 and 2024.



20. Subordinated Debts

On December 20, 2013, Metrobank Card Corporation issued ₱1.2 billion subordinated notes with an issue price of 100% face value (absorbed by the Parent Company on January 3, 2020 relative to the merger), which bear an interest rate of 6.21% per annum and matured on December 20, 2023. The interest of the notes are payable quarterly in arrears every March 20, June 20, September 20 and December 20 each year, commencing on March 20, 2014. The Parent Company is in compliance with the terms and conditions upon which these subordinated notes have been issued.

In 2023, interest expense on subordinated debt included in 'Interest expense on bills payable and SSURA, bonds payable, subordinated debt and others' amounted to ₱71.2 million (including amortization of debt issue cost of ₱1.0 million).

21. Non-equity Non-controlling Interest and Other Liabilities

Non-equity Non-controlling Interest

This account arises when mutual funds are consolidated and where the Group holds less than 100.00% of the investment in these funds. When this occurs, the Group acquires a liability in respect of non-controlling interests in the funds of which the Group has control. Such non-controlling interests are distinguished from equity non-controlling interests in that the Group does not hold an equity stake in such funds. In 2024, FMIC disposed of its entire interest in these mutual funds (Note 11).

Loss attributable to non-equity non-controlling interests amounting to ₱403.0 million in 2024 and ₱124.0 million in 2023, is included under 'Trading and securities gain (loss) - net' in the statements of income (Note 8).

Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Accounts payable	₱43,370	₱40,034	₱19,010	₱20,665
Marginal deposits	15,951	18,801	399	17
Bills purchased - contra (Note 9)	14,175	13,889	14,175	13,889
Lease liability (Note 13)	6,559	5,953	4,739	4,333
Deferred revenues (Note 25)	2,300	1,769	2,300	1,769
Other credits	1,989	1,924	1,758	1,703
Retirement liability (Note 27)	1,782	3,246	1,671	3,144
Outstanding acceptances	1,547	1,178	1,547	1,178
Withholding taxes payable	1,247	1,451	1,135	1,348
Deposits on lease contracts	656	665	—	—
Miscellaneous (Notes 11 and 15)	8,504	5,240	6,525	4,257
	₱98,080	₱94,150	₱53,259	₱52,303

Deferred revenues include deferral and recognition of loyalty points program transactions and membership fees and dues for credit card business. Miscellaneous liabilities include provision on committed lines (Note 15), due to the Treasurer of the Philippines and interoffice float items.



22. Maturity Profile of Assets and Liabilities

The following tables present the assets and liabilities by contractual maturity and settlement dates:

	Consolidated					
	2025		Total	2024		Total
	Due Within One Year	Due Beyond One Year		Due Within One Year	Due Beyond One Year	
Financial Assets - at gross						
Cash and other cash items	₱34,577	₱—	₱34,577	₱33,726	₱—	₱33,726
Due from BSP	106,042	—	106,042	150,128	—	150,128
Due from other banks	64,407	—	64,407	82,136	—	82,136
Interbank loans receivable and SPURA	72,666	—	72,666	81,348	—	81,348
Investment securities at FVTPL	101,476	12,365	113,841	217,463	8,839	226,302
Investment securities at FVOCI	400,734	553,726	954,460	153,937	419,064	573,001
Investment securities at amortized cost	10,141	463,455	473,596	8,545	466,800	475,345
Loans and receivables (Note 9)						
Receivables from customers	844,697	1,148,577	1,993,274	834,909	997,932	1,832,841
Unquoted debt securities	385	—	385	403	—	403
Accrued interest receivable	27,084	—	27,084	24,805	—	24,805
Accounts receivable	30,742	—	30,742	21,630	488	22,118
Sales contract receivable	14	—	14	18	5	23
Other receivables	12	2	14	8	4	12
Other assets (Note 14)						
Investments in SPVs	1,919	—	1,919	1,919	—	1,919
Returned checks and other cash items	555	—	555	232	—	232
Inter office float items	452	—	452	4	—	4
Miscellaneous	1,378	25	1,403	1,151	26	1,177
	<u>1,697,281</u>	<u>2,178,150</u>	<u>3,875,431</u>	<u>1,612,362</u>	<u>1,893,158</u>	<u>3,505,520</u>
Non-Financial Assets - at gross						
Property and equipment (Note 10)	—	68,217	68,217	—	63,322	63,322
Investments in associates and a JV (Note 11)	—	8,570	8,570	—	7,839	7,839
Investment properties (Note 12)	—	10,755	10,755	—	10,397	10,397
Deferred tax assets (Note 28)	—	15,307	15,307	—	18,037	18,037
Goodwill (Note 11)	—	6,403	6,403	—	6,403	6,403
Assets held under joint operations (Note 14)	—	115	115	—	137	137
Residual value of leased asset (Note 14)	118	247	365	168	223	391
Other assets (Note 14)	3,874	23,926	27,800	3,283	23,578	26,861
	<u>3,992</u>	<u>133,540</u>	<u>137,532</u>	<u>3,451</u>	<u>129,936</u>	<u>133,387</u>
	<u>₱1,701,273</u>	<u>₱2,311,690</u>	<u>4,012,963</u>	<u>₱1,615,813</u>	<u>₱2,023,094</u>	<u>3,638,907</u>
Less:						
Unearned discounts and capitalized interest (Note 9)			23,198			17,738
Accumulated depreciation and amortization (Notes 10, 12 and 14)			49,607			45,828
Allowance for credit and impairment losses (Notes 10, 11, 12, 14, and 15)			59,841			54,986
			<u>₱3,880,317</u>			<u>₱3,520,355</u>
Financial Liabilities						
Deposit liabilities						
Demand	₱642,415	₱—	₱642,415	₱608,370	₱—	₱608,370
Savings	932,693	—	932,693	879,568	—	879,568
Time	1,066,153	19,695	1,085,848	1,065,219	20,721	1,085,940
	<u>2,641,261</u>	<u>19,695</u>	<u>2,660,956</u>	<u>2,553,157</u>	<u>20,721</u>	<u>2,573,878</u>
Bills payable and SSURA (Note 17)	505,599	25,135	530,734	300,652	—	300,652
Derivative liabilities (Note 8)	6,403	7,099	13,502	8,566	4,804	13,370
Manager's checks and demand drafts outstanding	7,293	—	7,293	6,901	—	6,901
Accrued interest and other expenses	17,583	—	17,583	20,782	—	20,782
Bonds payable (Note 19)	48,373	65,640	114,013	—	107,236	107,236
Other liabilities (Note 21)						
Accounts payable	43,358	12	43,370	40,032	2	40,034
Marginal deposits	14,690	1,261	15,951	18,801	—	18,801
Bills purchased - contra	14,175	—	14,175	13,889	—	13,889
Lease liability	1,726	4,833	6,559	1,468	4,485	5,953
Outstanding acceptances	1,547	—	1,547	1,178	—	1,178
Deposits on lease contracts	238	418	656	301	364	665
Dividends payable	121	—	121	88	—	88
	<u>3,302,367</u>	<u>124,093</u>	<u>3,426,460</u>	<u>2,965,815</u>	<u>137,612</u>	<u>3,103,427</u>
Non-Financial Liabilities						
Retirement liability (Notes 21 and 27)	—	1,782	1,782	—	3,246	3,246
Income taxes payable	4,792	—	4,792	4,219	—	4,219
Accrued interest and other expenses	1,197	—	1,197	2,762	—	2,762
Withholding taxes payable (Note 21)	1,247	—	1,247	1,451	—	1,451
Deferred tax and other liabilities (Notes 21 and 28)	10,683	1,989	12,672	6,921	1,924	8,845
	<u>17,919</u>	<u>3,771</u>	<u>21,690</u>	<u>15,353</u>	<u>5,170</u>	<u>20,523</u>
	<u>₱3,320,286</u>	<u>₱127,864</u>	<u>₱3,448,150</u>	<u>₱2,981,168</u>	<u>₱142,782</u>	<u>₱3,123,950</u>



	Parent Company					
	2025			2024		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial Assets - at gross						
Cash and other cash items	₱32,871	₱–	₱32,871	₱31,929	₱–	₱31,929
Due from BSP	105,641	–	105,641	148,945	–	148,945
Due from other banks	42,648	–	42,648	62,414	–	62,414
Interbank loans receivable and SPURA	35,953	–	35,953	53,961	–	53,961
Investment securities at FVTPL	101,469	12,328	113,797	217,161	8,762	225,923
Investment securities at FVOCI	372,311	504,044	876,355	123,651	388,464	512,115
Investment securities at amortized cost	8,642	436,163	444,805	5,161	439,904	445,065
Loans and receivables						
Receivables from customers	755,983	983,419	1,739,402	762,020	838,965	1,600,985
Unquoted debt securities	385	–	385	403	–	403
Accrued interest receivable	23,651	–	23,651	21,703	–	21,703
Accounts receivable	14,371	–	14,371	8,735	–	8,735
Sales contract receivable	10	–	10	13	5	18
Other receivables	2	–	2	2	–	2
Other assets						
Investments in SPVs	1,919	–	1,919	1,919	–	1,919
Inter office float items	452	–	452	4	–	4
Returned checks and other cash items	533	–	533	215	–	215
Miscellaneous	1,237	–	1,237	–	–	–
	1,498,078	1,935,954	3,434,032	1,438,236	1,676,100	3,114,336
Non-Financial Assets - at gross						
Property and equipment	–	48,293	48,293	–	44,529	44,529
Investments in subsidiaries	–	83,747	83,747	–	82,055	82,055
Investments in associates	–	663	663	–	698	698
Investment properties	–	5,623	5,623	–	5,176	5,176
Deferred tax assets	–	13,443	13,443	–	16,072	16,072
Assets held under joint operations	–	115	115	–	137	137
Retirement assets	–	35	35	–	–	–
Other assets	2,803	19,572	22,375	3,370	19,996	23,366
	2,803	171,491	174,294	3,370	168,663	172,033
	₱1,500,881	₱2,107,445	3,608,326	₱1,441,606	₱1,844,763	3,286,369
Less:						
Unearned discounts and capitalized interest			20,503			15,597
Accumulated depreciation and amortization			34,328			31,280
Allowance for credit and impairment losses			50,974			45,354
			₱3,502,521			₱3,194,138
Financial Liabilities						
Deposit liabilities						
Demand	₱586,157	₱–	₱586,157	₱559,133	₱–	₱ 559,133
Savings	884,817	–	884,817	832,157	–	832,157
Time	903,609	393	904,002	929,654	520	930,174
	2,374,583	393	2,374,976	2,320,944	520	2,321,464
Bills payable and SSURA (Note 17)	480,597	25,135	505,732	286,541	–	286,541
Derivative liabilities (Note 8)	6,402	7,098	13,500	8,565	4,804	13,369
Manager's and demand drafts outstanding	6,478	–	6,478	5,286	–	5,286
Accrued interest and other expenses	13,834	–	13,834	17,225	–	17,225
Bonds payable (Note 19)	48,372	58,158	106,530	–	104,858	104,858
Other liabilities (Note 21)						
Accounts payable	19,010	–	19,010	20,665	–	20,665
Bills purchased - contra	14,175	–	14,175	13,889	–	13,889
Lease liability	822	3,917	4,739	767	3,566	4,333
Outstanding acceptances	1,547	–	1,547	1,178	–	1,178
Marginal deposits	399	–	399	17	–	17
	2,966,219	94,701	3,060,920	2,675,077	113,748	2,788,825
Non-Financial Liabilities						
Retirement benefit liability	–	1,671	1,671	–	3,144	3,144
Income taxes payable	4,625	–	4,625	4,143	–	4,143
Accrued interest and other expenses	1,197	–	1,197	2,762	–	2,762
Withholding taxes payable (Note 21)	1,135	–	1,135	1,348	–	1,348
Other liabilities (Note 21)	8,825	1,758	10,583	6,026	1,703	7,729
	15,782	3,429	19,211	14,279	4,847	19,126
	₱2,982,001	₱98,130	₱3,080,131	₱2,689,356	₱118,595	₱2,807,951



23. Capital Stock

As of December 31, 2025 and 2024, this account consists of (amounts in millions, except par value and number of shares):

	Shares	Amount
Authorized		
Common stock – ₱20.00 par value	6,000,000,000	
Preferred stock – ₱20.00 par value	1,000,000,000	
Common stock issued and outstanding		
Balance at January 1 and December 31	4,497,415,555	₱89,948

As of December 31, 2025 and 2024, the Parent Company had no treasury shares outstanding. The treasury shares held by FMIC's mutual fund were disposed in 2024 (Note 11).

Preferred shares are non-voting except as provided by law; have preference over Common Shares in the distribution of dividends; subject to such terms and conditions as may be determined by the BOD and to the extent permitted by applicable law, may or may not be redeemable; and shall have such other features as may be determined by the BOD at the time of issuance.

On March 15, 2013, the BOD of the Parent Company approved (a) the amendment of the Articles of Incorporation (AOI) to increase the authorized capital stock and (b) the declaration of 30.00% stock dividend, which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 15, 2013. These were subsequently approved by the BSP on May 15, 2013 and by the SEC on August 13, 2013. Following this, the authorized capital stock of the Parent Company increased from ₱50.0 billion to ₱100.0 billion consisting of 4.0 billion common shares and 1.0 billion preferred shares, both with par value of ₱20.0 per share. The 30.00% stock dividend equivalent to 633,415,049 common shares amounting to ₱12.7 billion represents at least the minimum 25.00% subscribed and paid-up capital for the increase in the authorized capital stock referred to above which was issued/paid on September 16, 2013 with record date on September 3, 2013.

On September 10, 2013, the PSE approved the listing of such additional common shares.

On January 21, 2015, the Parent Company's BOD approved the Stock Rights Offer (SRO) by way of issuance from the unissued portion of the authorized capital stock which was noted by BSP with the issuance of a letter of no objection to the Rights Issue on February 17, 2015. On February 24, 2015, the SEC confirmed the exemption of this issuance of ₱32.0 billion worth of common shares from the registration requirements under Section 8 of the SRC. On February 25, 2015, the PSE approved the listing of up to 500.0 million common shares to cover the SRO to all stockholders of record as of March 18, 2015. On April 7, 2015, following regulatory approvals, the Parent Company concluded the ₱32.0 billion SRO, involving 435,371,720 common shares with par value of ₱20.0 priced at ₱73.5 per share and listed with the PSE on the same date. The difference between the issued price and the par value is recognized as 'Capital paid in excess of par value'.

On January 17, 2018, the Parent Company's BOD approved the SRO by way of issuance of up to a maximum of 819,827,214 common shares to raise additional capital of up to ₱60.0 billion. This was noted by the BSP with the issuance of a letter of no objection to the rights issue on January 29, 2018. On April 4, 2018, following the regulatory approvals, the Parent Company concluded the ₱60.0 billion SRO, involving 799,842,250 common shares with par value of ₱20.0 priced at ₱75.0 per share and listed on the PSE on April 12, 2018. Transaction costs on the SRO amounting to ₱878.2 million were charged against 'Capital paid in excess of par value'.



On February 13, 2019, the BOD of the Parent Company approved (a) the amendment of the AOI to increase the authorized capital stock from ₱100.0 billion to ₱140.0 billion and (b) the declaration of a 13.00% stock dividend equivalent to 517,401,955 shares amounting to ₱10.3 billion representing the minimum 25.00% subscription and paid-up capital for the increase in the authorized capital stock which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 24, 2019. These were approved by the BSP on August 8, 2019 and by the SEC on October 4, 2019. Following this, the authorized capital stock of the Parent Company increased from ₱100.0 billion to ₱140.0 billion consisting of 6.0 billion common shares and 1.0 billion preferred shares, both with par value of ₱20.0 per share. On October 16, 2019, the Parent Company received the SEC Order fixing the Record Date of the 13.00% stock dividend on October 31, 2019.

The 13.00% stock dividend was issued on November 26, 2019 with record date on October 31, 2019.

On November 19, 2019, the PSE approved the listing of such stock dividend.

All issued and outstanding shares of the Parent Company are listed with the PSE (Note 1). As of December 31, 2025 and 2024, there are 2,901 and 2,922 holders, respectively, of the listed shares of the Parent Company, with share price closed at ₱68.5 and ₱72.0 per share, respectively.

The history of share issuances during the last ten years follows:

Year	Issuance	Listing Date	Number of Shares Issued
2019	Stock dividend	November 26, 2019	517,400,519
2018	Stock rights	April 12, 2018	799,842,250
2015	Stock rights	April 7, 2015	435,371,720

Details of the Parent Company's cash dividend distributions from 2023 to 2025 follow:

Date of Declaration	Per Share	Total Amount	Record Date	Payment Date
February 19, 2025	₱1.5 (regular)	₱6,746	September 8, 2025	September 23, 2025
February 19, 2025	1.5 (regular)	6,746	March 6, 2025	March 28, 2025
February 19, 2025	2.0 (special)	8,995	March 6, 2025	March 28, 2025
February 21, 2024	1.5 (regular)	6,746	September 5, 2024	September 20, 2024
February 21, 2024	1.5 (regular)	6,746	March 8, 2024	March 25, 2024
February 21, 2024	2.0 (special)	8,995	March 8, 2024	March 25, 2024
February 22, 2023	0.8 (regular)	3,598	September 8, 2023	September 22, 2023
February 22, 2023	0.8 (regular)	3,598	March 17, 2023	March 31, 2023
February 22, 2023	1.4 (special)	6,296	March 17, 2023	March 31, 2023

On February 19, 2025, the BOD of the Parent Company approved the declaration of regular cash dividend of ₱3.0 per share for the year, payable on semi-annual basis at ₱1.5 per share. In addition, a special cash dividend of ₱2.0 per share was also declared.

On February 21, 2024, the BOD of the Parent Company approved a new dividend policy of increasing the regular cash dividends from ₱1.6 to ₱3.0 per share for the year, payable on semi-annual basis at ₱1.5 per share.

On February 23, 2022, the BOD of the Parent Company approved a new dividend policy of increasing the regular cash dividends from ₱1.0 to ₱1.6 per share for the year, payable on semi-annual basis at ₱0.8 per share.

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 16 issued in September 2023 differs to a certain extent from the computation following BSP guidelines.



24. Surplus Reserves

This account consists of:

	2025	2024
Reserve for trust business (Note 29)	₱2,406	₱2,278
Reserve for self-insurance	631	610
	₱3,037	₱2,888

In compliance with existing BSP regulations, 10.00% of the Group and Parent Company's income from trust business is appropriated to surplus reserves. This yearly appropriation is required until the surplus reserve for trust business equals 20.00% of the Group and Parent Company's regulatory net worth.

Reserve for self-insurance represents the amount set aside to cover losses due to fire, defalcation by and other unlawful acts of the Parent Company's personnel or third parties.

25. Other Operating Income and Expenses

Service Charges, Fees and Commissions

The table below presents the disaggregation of service charges, fees and commission by business segment:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Consumer banking	₱9,524	₱9,101	₱8,036	₱8,886	₱8,464	₱7,486
Branch banking	3,693	3,893	4,017	2,756	2,780	2,898
Investment banking/treasury	1,677	1,058	750	1,221	944	552
Corporate banking	962	826	1,007	848	741	937
Others*	2,026	2,054	2,580	727	804	1,206
	₱17,882	₱16,932	₱16,390	₱14,438	₱13,733	₱13,079

*Others include the remittance business of the Group and the Parent Company.

The remaining performance obligations on revenue contracts with customers of the Group under PFRS 15, which are expected to be recognized beyond one year amounting to ₱1.6 billion and ₱1.3 billion (included in 'Deferred revenues' under 'Other liabilities') as of December 31, 2025 and 2024, respectively, refer to the customer loyalty program of the Parent Company. The customer loyalty points have no expiration and redemptions can go beyond one year.

Miscellaneous Income and Expenses

In 2025, 2024 and 2023, miscellaneous income includes gain on initial recognition of investment properties and other non-financial assets amounting to ₱654.7 million, ₱876.6 million and ₱836.1 million, respectively, for the Group, and ₱249.9 million, ₱148.2 millions and ₱104.6 million, respectively, for the Parent Company; recovery on charged-off assets amounting to ₱1.2 billion, ₱1.2 billion and ₱1.2 billion, respectively, for the Group, and ₱785.4 million, ₱867.8 million and ₱856.4 million, respectively, for the Parent Company; and IT service fees and other income amounting to ₱820.1 million, ₱606.1 million and ₱471.1 million, respectively, for the Group, and ₱647.1 million, ₱471.2 million and ₱294.3 million, respectively, for the Parent Company (Note 32).



Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Security, messengerial, janitorial and other services	₱5,252	₱4,893	₱4,570	₱4,555	₱4,239	₱4,054
Insurance	4,981	4,852	4,490	4,274	4,326	3,925
Information technology (Note 32)	3,646	3,164	2,641	3,288	2,801	2,317
Advertising	2,420	2,181	1,878	2,339	2,108	1,796
Management, professional and supervision fees	1,523	1,343	1,665	1,325	1,142	1,350
Repairs and maintenance	775	786	692	287	322	267
Litigation (Note 12)	661	594	587	330	283	296
Entertainment, amusement and representation (EAR) (Note 28)	611	672	448	536	604	392
Transportation and travel	572	593	455	481	498	369
Communications	491	514	545	305	318	327
Stationery and supplies used	417	427	380	335	353	311
Others*	3,531	2,807	2,560	2,872	2,139	1,711
	₱24,880	₱22,826	₱20,911	₱20,927	₱19,133	₱17,115

* Other expenses mainly include membership fees, donation, freight charges and other business expenses.

26. Notes to Statements of Cash Flows

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

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Interbank loans receivable and SPURA	₱72,666	₱81,348	₱73,015	₱35,953	₱53,960	₱59,219
Interbank loans receivable and SPURA not considered as cash and cash equivalents	(16,226)	(11,818)	(9,333)	(4,553)	(2,314)	(477)
	₱56,440	₱69,530	₱63,682	₱31,400	₱51,646	₱58,742

Significant non-cash transactions of the Group and the Parent Company include:

- Additions to ROU assets as disclosed in Note 10;
- Foreclosures of properties or additions to investment and chattel properties as disclosed in Notes 12 and 14, respectively;
- Reclassifications of BUC and Furniture, Fixtures and Equipment (FFE) (Note 10);
- Reclassifications of software cost from customized system development costs (Note 14).

The table below provides for the changes in liabilities arising from financing activities in 2025, 2024 and 2023:

	Consolidated			
	Beginning	Net Cash Flows	Others	Ending
2025				
Bills payable and SSURA (Note 17)	₱300,652	₱230,087	(₱5)	₱530,734
Bonds payable (Note 19)	107,236	4,961	1,816	114,013
Dividends payable (Note 21)	88	33	—	121
Total liabilities from financing activities	₱407,976	₱235,081	₱1,812	₱644,868
2024				
Bills payable and SSURA (Note 17)	₱156,896	₱143,764	(₱8)	₱300,652
Bonds payable (Note 19)	70,089	33,751	3,396	107,236
Dividends payable (Note 21)	89	(1)	—	88
Total liabilities from financing activities	₱227,074	₱177,514	₱3,388	₱407,976

(Forward)



Consolidated				
	Beginning	Net Cash Flows	Others	Ending
2023				
Bills payable and SSURA (Note 17)	P91,322	P66,629	(P1,055)	P156,896
Bonds payable (Note 19)	88,409	(18,400)	80	70,089
Subordinated debts (Note 20)	1,169	(1,170)	1	—
Dividends payable (Note 21)	90	(1)	—	89
Total liabilities from financing activities	P180,990	P47,058	(P974)	P227,074
Parent Company				
	Beginning	Net Cash Flows	Others	Ending
2025				
Bills payable and SSURA (Note 17)	P286,541	P219,196	(P5)	P505,732
Bonds payable (Note 19)	104,858	—	1,672	106,530
Total liabilities from financing activities	P391,399	P219,196	P1,667	P612,262
2024				
Bills payable and SSURA (Note 17)	P141,081	P145,466	(P6)	P286,541
Bonds payable (Note 19)	70,089	31,324	3,445	104,858
Total liabilities from financing activities	P211,170	P176,790	P3,439	P391,399
2023				
Bills payable and SSURA (Note 17)	P76,456	P65,000	(P375)	P141,081
Bonds payable (Note 19)	83,761	(13,750)	78	70,089
Subordinated debts (Note 20)	1,169	(1,170)	1	—
Total liabilities from financing activities	P161,386	P50,080	(P296)	P211,170

Others include the effect of cash flows of liabilities arising from operating activities.

27. Retirement Plan and Other Employee Benefits

The Parent Company and most of its subsidiaries have funded non-contributory defined benefit retirement plans covering all their respective permanent and full-time employees. Benefits are based on the employee's years of service and final plan salary.

For employees of the Parent Company, retirement from service is compulsory upon the attainment of the 55th birthday or 30th year of service, whichever comes first.

The existing regulatory framework, RA No. 7641, *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided, however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Parent Company and most of its subsidiaries meet the minimum retirement benefit specified under RA No. 7641.

The principal actuarial assumptions used in determining retirement liability of the Parent Company and significant subsidiaries are shown below:

	Parent Company	FMIC	PSBank	ORIX Metro
As of January 1, 2025				
Average remaining working life	9.77 years	6 to 9 years	8 years	9 to 15 years
Discount rate	6.07%	6.12%	6.12%	5.77 % to 5.94 %
Future salary increases	7.00%	6.00%	5.50%	7.00% to 8.00%
As of January 1, 2024				
Average remaining working life	9.62 years	7 to 9 years	8 years	10.10 to 18.20 years
Discount rate	6.08%	6.03% to 6.09%	6.06%	6.50%
Future salary increases	8.00%	6.00%	6.00%	7.00%



Discount rates used in computing for the present value of the DBO of the Parent Company and significant subsidiaries as of December 31, 2025 and 2024 follow:

	Parent Company	FMIC	PSBank	ORIX Metro
2025	6.25%	6.17% to 6.33%	6.24%	6.04% to 6.40%
2024	6.07%	6.12%	6.12%	5.77 to 5.94%

The net retirement liability of the Group and the Parent Company is presented in the following accounts in the statements of financial position:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Other assets (Note 14)	(P389)	(P155)	P-	P-
Other liabilities (Note 21)	1,782	3,246	1,671	3,144
	P1,393	P3,091	P1,671	P3,144

The defined benefit plan exposes the Group and the Parent Company to actuarial risk, such as longevity risk, interest rate risk and market (investment risk).

The fair value of plan assets by each class as at the end of the statement of financial position date are as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cash and cash equivalents	P-	P3	P-	P-
Deposits in banks	213	448	-	-
Investment securities* (Note 32)	26,019	24,767	20,563	20,014
Other assets	279	330	224	271
Total assets	26,511	25,548	20,787	20,285
Total liabilities	(8)	(8)	(4)	(4)
Fair value of net plan assets	P26,503	P25,540	P20,783	P20,281

*includes debt and equity securities and unit investment trust fund and others

Changes in net defined benefit liability (asset) are as follows:

	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability/(Asset)
Consolidated			
January 1, 2025	P28,631	P25,540	P3,091
Net benefit cost			
Current service cost	2,323	-	2,323
Net interest	1,601	1,496	105
Sub-total	3,924	1,496	2,428
Benefits paid	(2,338)	(2,338)	-
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	-	(1,003)	1,003
Actuarial changes arising from experience adjustments	151	-	151
Actuarial changes arising from changes in financial/demographic assumptions	(2,498)	35	(2,533)
Changes in effect of asset ceiling	-	(26)	26
Sub-total	(2,347)	(994)	(1,353)
Contributions paid	-	2,773	(2,773)
December 31, 2025	P27,870	P26,477	P1,393



Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability/(Asset)
January 1, 2025	₱23,425	₱20,281	₱3,144
Net benefit cost			
Current service cost	1,929	–	1,929
Net interest	1,297	1,175	122
Sub-total	3,226	1,175	2,051
Benefits paid	(1,961)	(1,961)	–
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	–	(999)	999
Actuarial changes arising from experience adjustments	85	–	85
Actuarial changes arising from changes in financial/demographic assumptions	(2,321)	–	(2,321)
Sub-total	(2,236)	(999)	(1,237)
Contributions paid	–	2,287	(2,287)
December 31, 2025	₱22,454	₱20,783	₱1,671

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability/(Asset)
January 1, 2024	₱28,387	(₱25,689)	₱2,698
Net benefit cost			
Current service cost	2,261	–	2,261
Past service cost	18	–	18
Net interest	1,611	(1,496)	115
Sub-total	3,890	(1,496)	2,394
Benefits paid	(2,338)	2,338	–
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	–	(155)	(155)
Actuarial changes arising from experience adjustments	183	–	183
Actuarial changes arising from changes in financial/demographic assumptions	(1,491)	64	(1,427)
Sub-total	(1,308)	(91)	(1,399)
Contributions paid	–	(602)	(602)
December 31, 2024	₱28,631	(₱25,540)	₱3,091

Parent Company	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability/(Asset)
January 1, 2024	₱23,410	(₱20,857)	₱2,553
Net benefit cost			
Current service cost	1,884	–	1,884
Net interest	1,322	(1,202)	120
Sub-total	3,206	(1,202)	2,004
Benefits paid	(1,948)	1,948	–
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	–	(170)	(170)
Actuarial changes arising from experience adjustments	156	–	156
Actuarial changes arising from changes in financial/demographic assumptions	(1,399)	–	(1,399)
Sub-total	(1,243)	(170)	(1,413)
Contributions paid	–	–	–
December 31, 2024	₱23,425	(₱20,281)	₱3,144

In 2025, 2024 and 2023, deferred tax on remeasurements on retirement plans charged to OCI amounted to ₱338.4 million, ₱630.4 million, and ₱460.0 million, respectively, for the Group, and ₱309.2 million, ₱344.1 million and ₱250.0 million, respectively, for the Parent Company (Note 28).



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the balance of DBO as of December 31, 2025 and 2024, assuming all other assumptions were held constant:

	Parent Company	FMIC	PSBank	ORIX Metro
As of December 31, 2025				
Discount rate				
+100 basis points (bps)	(P1,252)	(P14)	(P267)	(P82)
- 100 bps	1,405	16	299	96
Salary increase rate				
+100 bps	1,359	18	318	95
- 100 bps	(1,236)	(16)	(288)	(82)
Turnover rate				
+20% of actual rate	(232)	(5)	(26)	—
-20% of actual rate	252	5	29	—
As of December 31, 2024				
Discount rate				
+100 basis points (bps)	(1,425)	(14)	(256)	(92)
-100 bps	1,611	16	287	108
Salary increase rate				
+100 bps	P1,497	P18	P305	(P110)
-100 bps	(1,359)	(16)	(276)	95
Turnover rate				
+20% of actual rate	(319)	(4)	(29)	(17)
-20% of actual rate	347	5	32	(18)

The Group and the Parent Company expect to contribute to the defined benefit retirement plans the required funding for normal cost in 2026 amounting to P2.6 billion.

The average duration of the DBO of the Group as of December 31, 2025 and 2024 are as follows:

	Parent Company	FMIC	PSBank	ORIX Metro
2025	8.7 years	5.63 to 11.07 years	8.65 years	7 to 9.9 years
2024	9.72 years	5.62 to 11.45 years	8.79 years	8.3 to 15.87 years

Shown below is the maturity analysis of the undiscounted benefit payments:

	Parent Company	FMIC	PSBank	ORIX Metro
As of December 31, 2025				
Less than 1 year	P4,634	P87	P460	P157
1 to less than 5 years	9,913	202	1,827	231
5 to less than 10 years	13,086	275	2,744	486
10 to less than 15 years	16,491	289	3,248	—
15 to less than 20 years	14,633	285	1,945	—
20 years and above	12,258	257	1,722	—
As of December 31, 2024				
Less than 1 year	3,471	32	352	43
1 to less than 5 years	10,947	209	1,888	293
5 to less than 10 years	12,999	181	2,501	409
10 to less than 15 years	18,427	175	2,997	926
15 to less than 20 years	16,112	155	1,925	1,251
20 years and above	20,172	129	1,714	3,698



In addition, the Parent Company has a Provident Plan which is a supplementary contributory retirement plan to and forms part of the main plan, the Retirement Plan, for the exclusive benefit of eligible employees of the Parent Company in the Philippines. Based on the provisions of the plan, upon retirement or resignation, a member shall be entitled to receive as retirement or resignation benefits 100.00% of the accumulated value of the personal contribution plus a percentage of the accumulated value arising from the Parent Company's contributions in accordance with the completed number of years serviced. The Parent Company's contribution to the Provident Fund in 2025 and 2024 amounted to ₱398.3 million and ₱364.5 million, respectively.

As of December 31, 2025 and 2024, the retirement funds of the Group's employees amounting to ₱26.5 billion and ₱25.5 billion, respectively, are being managed by its trust banking units. The Parent Company has a Trust Committee that is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the retirement plan. Certain members of the BOD of the Parent Company are represented in the Trust Committee.

28. Income and Other Taxes

Under Philippine tax laws, the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income), as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include regular corporate income tax (RCIT) and final taxes paid on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate for large corporations from 30.00% to 25.00% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33.33% to 20.00% of the interest income subjected to final tax.

The regulations also provide for Minimum Corporate Income Tax (MCIT) of 2.00% (provided that effective July 1, 2020 until June 30, 2023, the rate shall be 1.00%) on modified gross income and allow Net Operating Loss carry-over (NOLCO). The MCIT and NOLCO may be applied against the Parent Company's and its domestic subsidiaries' income tax liability and taxable income, respectively, over a three-year period from the year of inception. RA No. 11494 or the Bayanihan to Recover as One Act (Bayanihan Act) extended the allowable carry-over period of NOLCO to the next five (5) consecutive years following the year of loss for losses incurred during the taxable years 2020 and 2021. The NOLCO for such can be carried over as deduction even after the expiration of the Bayanihan Act, provided that same are claimed within the next five (5) consecutive taxable years immediately following the year of the loss.

Current tax regulations also provide for the ceiling on the amount of EAR expense (Note 25) that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and its domestic subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

Income derived by the FCDU from foreign currency-denominated transactions with non-residents, OBUs, local commercial banks including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 15.00%.



Following are the applicable taxes and tax rates for the foreign branches of the Parent Company:

Foreign Branches	Tax Rates
USA - New York Branch	21.00% federal income tax; state tax 6.5% in 2025 and 7.5% in 2023-2024; city tax of 9.00%; MTAs tax of 1.95% in 2025 and 2.175% in 2023-2024
Japan - Tokyo and Osaka Branches	23.20% income tax; various rates for business taxes and local business taxes
Korea - Seoul and Pusan Branches	20.90% income tax; 0.50% education tax,
Taiwan - Taipei Branch	20.00% income tax; 5.00% gross business receipts tax; 5.0% value-added tax

The provision for income tax consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Current:						
Final tax	₱10,132	₱10,854	₱9,606	₱9,537	₱9,992	₱8,315
RCIT*	3,690	6,094	4,323	2,964	5,567	3,873
MCIT	20	1	3	12	—	—
	13,842	16,949	13,932	12,513	15,559	12,188
Deferred*	1,987	(5,604)	(1,042)	1,922	(5,700)	(128)
	₱15,829	₱11,345	₱12,890	₱14,435	₱9,859	₱12,060

* Includes income taxes of foreign subsidiaries.

Components of net deferred tax assets of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Deferred tax asset on:				
Allowance for credit and impairment losses	₱12,486	₱10,465	₱10,960	₱8,662
Unamortized past service cost	1,046	1,228	883	1,026
Changes in fair market value and revaluation	(175)	4,283	(232)	4,314
Accrued expenses	850	886	832	869
Accumulated depreciation of investment properties	255	247	139	127
Retirement liability	750	1,153	436	804
Others	836	490	627	430
	16,048	18,752	13,645	16,232
Deferred tax liability on:				
Unrealized gain on initial measurement of investment properties	592	560	202	160
Leasing income differential between finance and operating lease	144	120	—	—
Retirement asset	—	29	—	—
Others	5	6	—	—
	741	715	202	160
Net deferred tax assets	₱15,307	₱18,037	₱13,443	₱16,072

In 2025 and 2024, deferred tax credited to OCI amounted to ₱686.5 million and ₱1.3 billion, respectively, for the Group, and ₱700.0 million and ₱1.1 billion, respectively, for the Parent Company.

The Parent Company and certain subsidiaries did not recognize deferred tax assets on the following temporary differences:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Allowance for credit and impairment losses	₱2,096	₱2,096	₱2,096	₱2,096
NOLCO	1,176	1,066	260	899
MCIT	69	9	—	—
Others	138	135	—	—
	₱3,479	₱3,306	₱2,356	₱2,995



The Group believes that it is not reasonably probable that the tax benefits of these temporary differences will be realized in the future.

There are no income tax consequences attaching to the payment of dividends by the Group to its shareholders. There are no temporary differences arising from undistributed profits of subsidiaries, branches, associates and a JV.

Details of the excess MCIT credits of the Group and the Parent Company follow:

Inception Year	Expiry Year	Consolidated			Parent Company		
		Amount	Used/Expired	Balance	Amount	Used/Expired	Balance
2022	2025	₱3	₱3	₱—	₱—	₱—	₱—
2023	2026	4	—	4	—	—	—
2024	2027	33	—	33	—	—	—
2025	2028	69	—	69	12	—	12
		₱109	₱3	₱106	₱12	₱—	₱12

As of December 31, 2025, details of the Group and the Parent Company's NOLCO follow:

Inception Year	Expiry Year	Consolidated			Parent Company		
		Amount	Used/Expired	Balance	Amount	Used/Expired	Balance
2020	2025	₱191	₱191	₱—	₱—	₱—	₱—
2021	2026	481	477	4	210	210	—
2022	2025	810	810	—	287	287	—
2023	2026	1,818	1,216	602	1,315	1,054	261
2024	2027	459	16	443	—	—	—
2025	2028	849	—	849	486	—	486
		₱4,608	₱2,710	₱1,898	₱2,298	₱1,551	₱747

A reconciliation of the statutory income tax rates and the effective income tax rates follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Tax effects of:						
Tax-paid, tax-exempt and other non-taxable income	(6.83)	(7.73)	(6.83)	(6.37)	(7.66)	(6.16)
Non-deductible expense	3.57	4.14	4.04	3.47	4.00	3.59
FCDU income	(2.37)	(1.00)	(0.90)	(2.44)	(1.07)	(0.95)
Change in unrecognized deferred tax assets	1.34	(4.79)	(1.32)	1.42	(4.87)	—
Others - net	3.11	3.10	3.09	1.42	1.58	0.73
Effective income tax rate	23.82%	18.72%	23.08%	22.50%	16.98%	22.21%

29. Trust Operations

Properties held by the Parent Company and PSBank in fiduciary or agency capacity for their customers are not included in the accompanying statements of financial position since these are not their resources.



In compliance with current banking regulations relative to the Parent Company and PSBank's trust functions, the following are the carrying values of the government securities deposited with the BSP:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Investment securities at amortized cost	₱7,663	₱7,610	₱7,663	₱7,610
Investment securities at FVOCI	120	120	—	—
	₱7,783	₱7,730	₱7,663	₱7,610

30. 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 financial statements. No material losses are anticipated as a result of these transactions. The summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Derivatives	₱1,487,567	₱1,506,378	₱1,419,591	₱1,471,890
Trust department accounts	955,848	581,367	938,889	565,936
Commitments	508,521	393,304	508,491	393,244
Performance standby letters of credit	60,546	41,320	60,546	41,300
Spot foreign exchange contracts	48,017	52,588	47,929	52,559
Commercial letters of credit	29,397	30,284	9,570	16,140
Guarantees issued	26,789	20,829	25,528	20,829
Trade related guarantees	604	923	604	923
Others	42,193	33,936	12,855	10,568
	₱3,159,482	₱2,660,929	₱3,024,003	₱2,573,389

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.

31. Earnings per Share

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):

	2025	2024	2023
a. Net income attributable to equity holders of the Parent Company	₱49,720	₱48,137	₱42,238
b. Weighted average number of outstanding common shares of the Parent Company	4,497	4,496	4,496
c. Basic/diluted earnings per share (a/b)	₱11.06	₱10.71	₱9.39

32. 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 (Notes 2 and 11).

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 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 monthly or as the need arises. On the other hand, RPTMC members are appointed annually by the President, currently composed of seven (7) members. RPTC'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 other sources of comparable products or services.

The Group established policies and procedures on related party transactions in accordance with the regulations of the BSP and SEC. All related party transactions, exceeding the established materiality thresholds, must undergo prior review by the RPTC before being endorsed to the BOD for approval.

Material related party transactions, either individually or in aggregate over a twelve-month period with the same party, amounting to ten percent (10.00%) or more of the Bank's total consolidated assets, require the evaluation of an appointed external independent party and approval by at least a two-thirds vote of the BOD, with at least a majority of the independent directors.

The committees ensured that all related party transactions for the financial year are conducted in fair and at arm's-length terms.



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 such 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.

Details on significant related party transactions of the Group and the Parent Company follow (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Category	Consolidated	
	Amount	Terms and Conditions/Nature
2025		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱239	With annual fixed interest rates ranging from 0.05% to 3.75%, including time deposits with maturity terms ranging from 31 to 32 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(1,035)	Generally similar to terms and conditions above
Interest expense	16	Interest expense on deposit liabilities (Note 16)
Subsidiaries		
<u>Outstanding Balance:</u>		
Receivables from customers*	4,629	Secured - ₱318.7 million, unsecured - ₱4,310.0 million with ECL of ₱19.2 million; With annual fixed interest rates at 4.8% to 5.0% and maturity terms ranging from 31 to 181 days (Note 9)
Accounts receivable	3,232	Non-interest bearing receivables on ATM, remittance and rental fees (Note 9)
Deposit liabilities*	6,407	With annual fixed interest rates ranging from 0.05% to 5.20% including time deposits with maturity terms ranging from 4 to 63 days (Note 16)
Bills Payable	9,825	Peso borrowing subject to annual fixed interest rate of 4.59% with maturity term of 4 days
<u>Amount/Volume:</u>		
Interbank loans receivable	(2,161)	Generally similar to terms and conditions above
Receivables from customers	1,014	Generally similar to terms and conditions above
Accounts receivable	3,067	Generally similar to terms and conditions above
Deposit liabilities	(762)	Generally similar to terms and conditions above
Bills Payable	9,825	Generally similar to terms and conditions above
Interest income	144	Interest income on receivables from customers and interbank loan receivables (Notes 7 and 9)
Service charges, fees and commissions	4	Income on transactional fees
Trading and securities gain - net	3	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	(4,076)	Net loss from foreign exchange transactions
Leasing income	19	Income from leasing agreements with various lease terms
Miscellaneous income	226	Information technology, internal audit fees and other fees (Note 25)
Interest expense	394	Interest expense on deposit liabilities and bills payable (Note 16 and 17)
Securities transactions		
Purchases	32,773	Outright purchases of investment securities at FVTPL and FVOCI
Sales	20,387	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	10,317	Outright purchases of foreign currency
Sell	4,507	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱1,408	Unsecured, with ECL of ₱2.7 million; With annual fixed interest rates ranging from 4.6% to 5.33% and maturity terms ranging from 91 days to 2 years (Note 9)
Accounts Receivable	1	Non Interest bearing receivable on rental fees
Deposit liabilities*	2,185	With annual fixed interest rates ranging from 0.05% to 4.38% including time deposits with maturity terms ranging from 30 to 32 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	152	Generally similar to terms and conditions above
Accounts Receivable	1	Generally similar to terms and conditions above
Deposit liabilities	553	Generally similar to terms and conditions above



Category	Consolidated	
	Amount	Terms and Conditions/Nature
Interest Income	72	Interest income on receivables from customers (Note 9)
Trading and securities gain - net	10	Net gain from securities transactions (Note 8)
Foreign exchange gain- net	6	Net gain from foreign exchange transactions
Leasing income	20	Income from leasing agreements with various lease terms
Interest expense	35	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	886	Outright purchases of FVTPL securities
Outright sales	3,482	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	94	Outright purchases of foreign currency
Sell	1,823	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	46,118	Secured - ₱5.6 billion, unsecured - ₱40.5 billion with ECL of ₱101.9 million. With annual fixed interest rates ranging from 4.25% to 7.62% and maturity terms ranging from 4 days to 5 years. (Note 9)
Assets held under joint operations	114	Parcels of land and former branch sites of the Parent Company contributed to joint operations. (Note 14)
Deposit liabilities*	19,584	With annual fixed interest rates ranging from 0.05% to 4.75% including time deposits with maturity terms ranging from 4 to 350 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	5,009	Generally similar to terms and conditions above
Deposit liabilities	3,267	Generally similar to terms and conditions above
Interest income	2,350	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(32)	Net loss from foreign exchange transactions
Leasing income	9	Income from leasing agreements with various lease terms
Interest expense	852	Interest expense on deposit liabilities (Note 16)
Lease payments	285	Payments for leasing agreements with various lease terms
Contingent		
Unused commercial LCs	31	LC transactions with various terms
Others	2	Bank guaranty with indemnity agreement
Securities transactions		
Outright Purchases	822	Outright purchases of investment securities at FVTPL
Outright Sales	1,398	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	825	Outright purchases of foreign currency
Sell	162,044	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱136	Secured - ₱104.7 million, unsecured - ₱31.7 million, no impairment; With annual fixed interest rates ranging from 6.00% to 9.00% and maturity terms from 2 to 16 years (Note 9)
Deposit liabilities	497	With various terms and minimum annual interest rate of 0.05% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(12)	Generally similar to terms and conditions above
Deposit liabilities	(333)	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)
2024		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,274	With annual fixed interest rates ranging from 0.05% to 5.25%, including time deposits with maturity terms ranging from 30 to 63 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(1,257)	Generally similar to terms and conditions above
Interest expense	31	Interest expense on deposit liabilities (Note 16)
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱2,161	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 2.1% to 3.0% with maturity terms from 9 to 14 days with minimal expected credit loss (Note 7)
Receivables from customers*	3,615	Secured - ₱495.6 million, unsecured - ₱3.1 billion with ECL of ₱11.7 million; With annual fixed interest rates at 5.40% and maturity terms ranging from 6 to 350 days (Note 9)
Accounts receivable	165	Non-interest bearing receivables on ATM, remittance and rental fees (Note 9)
Other receivables	32	Non-interest bearing receivables on rental fees (Note 9)
Deposit liabilities*	7,169	With annual fixed interest rates ranging from 0.05% to 6.13% including time deposits with maturity terms ranging from 6 to 90 days (Note 16)

(Forward)



Category	Consolidated	
	Amount	Terms and Conditions/Nature
<u>Amount/Volume:</u>		
Interbank loans receivable	(P6,480)	Generally similar to terms and conditions above
Receivables from customers	1,896	Generally similar to terms and conditions above
Accounts receivable	(5)	Generally similar to terms and conditions above
Deposit liabilities	1,330	Generally similar to terms and conditions above
Interest income	119	Interest income on receivables from customers and interbank loan receivables (Notes 7 and 9)
Service charges, fees and commissions	25	Income on transactional fees
Trading and securities gain - net	607	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	(17)	Net loss from foreign exchange transactions
Leasing income	9	Income from leasing agreements with various lease terms
Miscellaneous income	191	Information technology services and other fees (Note 25)
Interest expense	235	Interest expense on deposit liabilities and bills payable (Note 16 and 17)
Securities transactions		
Purchases	21,967	Outright purchases of investment securities at FVTPL and FVOCI
Sales	39,840	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	4,878	Outright purchases of foreign currency
Sell	14,121	Outright sale of foreign currency
<u>Associates</u>		
<u>Outstanding Balance:</u>		
Receivables from customers	P1,256	Unsecured, with ECL of P5.3 million; With annual fixed interest rates ranging from 5.65% to 6.55% and maturity terms ranging from 64 to 730 days (Note 9)
Deposit liabilities*	1,632	With annual fixed interest rates ranging from 0.05% to 5.00% including time deposits with maturity terms ranging from 41 to 45 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(775)	Generally similar to terms and conditions above
Deposit liabilities	(1,614)	Generally similar to terms and conditions above
Interest Income	122	Interest income on receivables from customers (Note 9)
Trading and securities gain - net	49	Net gain from securities transactions (Note 8)
Foreign exchange gain- net	5	Net gain from foreign exchange transactions
Leasing income	21	Income from leasing agreements with various lease terms
Interest expense	3	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	2,476	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	6,528	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	500	Outright purchases of foreign currency
Sell	1,542	Outright sale of foreign currency
<u>Other Related Parties</u>		
<u>Outstanding Balance:</u>		
Receivables from customers*	P41,109	Secured - P6.2 billion, unsecured - P34.6 billion with ECL of P249.5 million, annual fixed interest rates ranging from 4.15% to 7.89% and maturity terms ranging from 6 days to 5 years. (Note 9)
Assets held under joint operations	137	Parcels of land and former branch sites of the Parent Company contributed to joint operations. (Note 14)
Deposit liabilities*	16,317	With annual fixed interest rates ranging from 0.05% to 5.75% including time deposits with maturity terms ranging from 6 to 364 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	3,211	Generally similar to terms and conditions above
Deposit liabilities	(1,203)	Generally similar to terms and conditions above
Interest income	2,193	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(111)	Net loss from foreign exchange transactions
Leasing income	12	Income from leasing agreements with various lease terms
Interest expense	357	Interest expense on deposit liabilities (Note 16)
Lease payments	265	Payments for leasing agreements with various lease terms.
Contingent		
Unused commercial LCs	55	LC transactions with various terms
Others	1	Bank guaranty with indemnity agreement
Securities transactions		
Outright Purchases	326	Outright purchases of investment securities at FVTPL
Outright Sales	939	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	855	Outright purchases of foreign currency
Sell	147,913	Outright sale of foreign currency



Category	Consolidated	
	Amount	Terms and Conditions/Nature
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱148	Secured - ₱117.6 million, unsecured - ₱30.6 million, no impairment; With annual fixed interest rates ranging from 6.00% to 9.00% and maturity terms from 1 to 16 years (Note 9)
Deposit liabilities	830	With various terms and minimum annual interest rate of 0.05% (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	232	Generally similar to terms and conditions above
Interest income	4	Interest income on receivables from customers (Note 9)
2023		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱2,531	With annual fixed interest rates ranging from 0.05% to 5.00%, including time deposits with maturity terms ranging from 19 to 30 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(6,514)	Generally similar to terms and conditions above
Interest expense	59	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Sales	29	Outright sale of FVTPL
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱8,641	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 3.51% to 6.25% with maturity terms from 8 to 153 days (Note 7)
Receivables from customers*	1,719	Unsecured, with ECL of ₱7.1 million; With annual fixed interest rates ranging from 0.00% to 6.45% and maturity terms ranging from 4 to 240 days (Note 9)
Accounts receivable	170	Non-interest bearing receivables on remittance and rental fees (Note 9)
Other receivables	8	Non-interest bearing receivables on rental fees (Note 9)
Deposit liabilities*	5,839	With annual fixed interest rates ranging from 0.05% to 5.96% including time deposits with maturity terms ranging from 4 to 91 days (Note 16)
Treasury stock	70	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
<u>Amount/Volume:</u>		
Interbank loans receivable	(2,565)	Generally similar to terms and conditions above
Receivables from customers	(1,618)	Generally similar to terms and conditions above
Accounts receivable	(50)	Generally similar to terms and conditions above
Deposit liabilities	(152)	Generally similar to terms and conditions above
Interest income	401	Interest income on receivables from customers and interbank loan receivables (Notes 7 and 9)
Service charges, fees and commissions	29	Income on transactional fees
Trading and securities gain - net	1,002	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	(13)	Net gain from foreign exchange transactions
Leasing income	12	Income from leasing agreements with various lease terms
Miscellaneous income	171	Information technology services and other fees (Note 25)
Interest expense	272	Interest expense on deposit liabilities and bills payable (Note 16 and 17)
Securities transactions		
Purchases	43,789	Outright purchases of investment securities at FVTPL and FVOCI
Sales	77,931	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	6,181	Outright purchases of foreign currency
Sell	11,052	Outright sale of foreign currency

(Forward)



Category	Consolidated	
	Amount	Terms and Conditions/Nature
Associates		
Outstanding Balance:		
Receivables from customers	₱2,031	Unsecured, with ECL of ₱9.4 million; With annual fixed interest rates ranging from 6.30% to 6.55% and maturity terms ranging from 183 to 730 days (Note 9)
Deposit liabilities*	2,699	With annual fixed interest rates ranging from 0.05% to 5.13% including time deposits with maturity terms ranging from 32 to 45 days (Note 16)
Amount/Volume:		
Receivables from customers	1,324	Generally similar to terms and conditions above
Deposit liabilities	1,169	Generally similar to terms and conditions above
Interest Income	91	Interest income on receivables from customers (Note 9)
Trading and securities gain - net	69	Net gain from securities transactions (Note 8)
Foreign exchange gain- net	4	Net gain from foreign exchange transactions
Leasing income	2	Income from leasing agreements with various lease terms
Interest expense	1	Interest expense on deposit liabilities
Securities transactions		
Outright purchases	2,460	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	7,024	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	311	Outright purchases of foreign currency
Sell	1,197	Outright sale of foreign currency
Other Related Parties		
Outstanding Balance:		
Receivables from customers*	₱37,898	Unsecured with ECL of ₱192.2 million, annual fixed interest rates ranging from 3.20% to 7.37% and maturity terms ranging from 9 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. (Note 14)
Deposit liabilities*	17,520	With annual fixed interest rates ranging from 0.05% to 6.00% including time deposits with maturity terms ranging from 4 to 360 days (Note 16)
Amount/Volume:		
Receivables from customers	3,265	Generally similar to terms and conditions above
Deposit liabilities	(13,618)	Generally similar to terms and conditions above
Interest income	2,112	Interest income on receivables from customers (Note 9)
Foreign exchange gain - net	159	Net gain from foreign exchange transactions
Profits from assets sold	1,299	Gain on sale of ropa
Interest expense	65	Interest expense on deposit liabilities (Note 16)
Lease payments	249	Payments for leasing agreements with various lease terms.
Securities transactions		
Outright Purchases	225	Outright purchases of investment securities at FVTPL
Outright Sales	1,332	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	6,852	Outright purchases of foreign currency
Sell	129,951	Outright sale of foreign currency
Key Personnel		
Outstanding Balance:		
Receivables from customers	₱139	Secured - ₱108.4 million, unsecured - ₱30.6 million, no impairment; With annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years (Note 9)
Deposit liabilities	397	With various terms and minimum annual interest rate of 0.05% (Note 16)
Amount Volume:		
Deposit liabilities	65	Generally similar to terms and conditions above
Interest income	4	Interest income on receivables from customers (Note 9)

* Includes accrued interest



Category	Parent Company	
	Amount	Terms and Conditions/Nature
2025		
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱168	With annual fixed interest rate ranging from 0.05% to 3.75% including time deposits with maturity terms ranging from 31 to 32 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(1,106)	Generally similar to terms and conditions above
Interest expense	10	Interest expense on deposit liabilities (Note 16)
Subsidiaries		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱4,629	Secured – ₱319 million, unsecured – ₱4,310 million, with ECL of ₱19.2 million; With annual fixed interest rates ranging of 4.8% to 5.0% and maturity terms ranging from 31 to 181 days (Note 9)
Accounts receivable	38	Non-interest bearing receivables on ATM, remittance and rental fees (Note 9)
Deposit liabilities*	5,840	With annual fixed interest rates ranging from 0.05% to 5.20% including time deposits with maturity terms ranging from 4 to 63 days (Note 16)
Bills payable*	5,544	Peso borrowing subject to annual fixed interest rate of 4.59% with maturity term of 4 days
<u>Amount/Volume:</u>		
Interbank loans receivable	(2,161)	Generally similar to terms and conditions above
Receivables from customers	1,014	Generally similar to terms and conditions above
Accounts receivable	(58)	Generally similar to terms and conditions above
Deposit liabilities	(599)	Generally similar to terms and conditions above
Interest income	144	Interest income on receivables from customers and interbank loans receivables (Note 7 and 9)
Service charges, fees and commissions	2	Income from transactional fees
Trading and securities gain - net	3	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	(4,076)	Net loss from foreign exchange transactions
Leasing income	10	Income from leasing agreements with various lease terms
Miscellaneous income	226	Information technology services and other fees (Note 25)
Interest expense	394	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Purchases	32,773	Outright purchases of investment securities at FVTPL and FVOCI
Sales	20,387	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	10,317	Outright purchases of foreign currency
Sell	4,507	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱1,408	Unsecured, with ECL of ₱2.7 million; With annual fixed interest rates ranging from 4.6% to 5.33% and maturity terms ranging from 91 days to 2 years (Note 9)
Deposit liabilities*	1,607	With annual fixed interest rates ranging from 0.05% to 4.38% including time deposits with maturity terms from 30 to 32 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	152	Generally similar to terms and conditions above
Deposit liabilities	(11)	Generally similar to terms and conditions above
Interest Income	72	Interest income on receivables from customers
Trading and securities gain - net	10	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	6	Net gain from foreign exchange transactions
Leasing income	1	Income from leasing agreements with various lease terms
Interest expense	3	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	886	Outright purchases of FVTPL securities
Outright sales	3,482	Outright sale of investment securities at FVTPL and FVOCI

(Forward)



Category	Parent Company	
	Amount	Terms and Conditions/Nature
Foreign currency		
Buy	₱94	Outright purchase of foreign currency
Sell	1,823	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱46,118	Secured – ₱5.6 billion, unsecured – ₱40.5 billion, with ECL of ₱101.9 million. With annual fixed interest rates ranging from 4.25% to 7.62% and maturity terms ranging from 4 days to 5 years (Note 9)
Assets held under joint operations	114	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	16,284	With annual fixed interest rates ranging from 0.05% to 4.75% including time deposits with maturity terms ranging from 4 to 350 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	5,009	Generally similar to terms and conditions above
Deposit liabilities	(33)	Generally similar to terms and conditions above
Interest income	2,350	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(32)	Net loss from foreign exchange transactions
Interest expense	540	Interest expense on deposit liabilities (Note 16)
Lease Payments	285	Payments for leasing agreements with various lease terms
Contingent		
Unused commercial LCs	31	LC transactions with various terms
Others	1	Bank guaranty with indemnity agreement
Securities transactions		
Outright purchases	822	Outright purchases of FVTPL securities
Sales	1,398	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	825	Outright purchases of foreign currency
Sell	162,044	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱110	Secured - ₱93.6 million and unsecured - ₱16.4 million, no impairment; With annual fixed interest rates ranging from 6.00% to 9.00% and maturity terms from 5 to 16 years (Note 9)
Deposit liabilities	286	With various terms and minimum annual interest rate of 0.05% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(24)	Generally similar to terms and conditions above
Deposit liabilities	(132)	Generally similar to terms and conditions above
Interest income	1	Interest income on receivables from customers (Note 9)
2024		
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,274	With annual fixed interest rate ranging from 0.05% to 5.25% including time deposits with maturity terms ranging from 30 to 63 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(1,257)	Generally similar to terms and conditions above
Interest expense	31	Interest expense on deposit liabilities (Note 16)
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱2,161	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 2.1% to 3.0% with maturity terms from 9 to 14 days with minimal expected credit loss (Note 7)
Receivables from customers*	3,615	Secured - ₱495.6 million, unsecured - ₱3,118.9 million, with ECL of ₱11.7 million; With annual fixed interest rates of 5.40% and maturity terms ranging from 6 to 350 days (Note 9)
Accounts receivable	96	Non-interest bearing receivables on ATM, remittance and rental fees (Note 9)
Other receivables	32	Non-interest bearing receivables on rental fees (Note 9)
Deposit liabilities*	6,439	With annual fixed interest rates ranging from 0.05% to 6.13% including time deposits with maturity terms ranging from 6 to 90 days (Note 16)

(Forward)



Category	Parent Company	
	Amount	Terms and Conditions/Nature
<u>Amount/Volume:</u>		
Interbank loans receivable	(P6,480)	Generally similar to terms and conditions above
Receivables from customers	1,896	Generally similar to terms and conditions above
Accounts receivable	3	Generally similar to terms and conditions above
Deposit liabilities	1,724	Generally similar to terms and conditions above
Interest income	119	Interest income on receivables from customers and interbank loans receivables (Note 7 and 9)
Service charges, fees and commissions	25	Income from transactional fees
Trading and securities gain - net	593	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	(17)	Net loss from foreign exchange transactions
Leasing income	9	Income from leasing agreements with various lease terms
Miscellaneous income	191	Information technology services and other fees (Note 25)
Interest expense	235	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Purchases	21,789	Outright purchases of investment securities at FVTPL and FVOCI
Sales	39,322	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	4,878	Outright purchases of foreign currency
Sell	14,121	Outright sale of foreign currency
<u>Associates</u>		
<u>Outstanding Balance:</u>		
Receivables from customers	P1,256	Unsecured, with ECL of P5.3 million; With annual fixed interest rates ranging from 5.65% to 6.55% and maturity terms ranging from 64 to 730 days (Note 9)
Deposit liabilities*	1,618	With annual fixed interest rates ranging from 0.05% to 5.00% including time deposits with maturity terms from 41 to 45 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(775)	Generally similar to terms and conditions above
Deposit liabilities	(1,081)	Generally similar to terms and conditions above
Interest Income	122	Interest income on receivables from customers
Trading and securities gain - net	49	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	5	Net gain from foreign exchange transactions
Leasing income	2	Income from leasing agreements with various lease terms
Interest expense	4	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	2,118	Outright purchases of HFT securities and AFS investments
Outright sales	5,620	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	500	Outright purchase of foreign currency
Sell	1,542	Outright sale of foreign currency
<u>Other Related Parties</u>		
<u>Outstanding Balance:</u>		
Receivables from customers*	P41,109	Secured – P6.2 billion, unsecured – P34.7 billion, with ECL of P249.5 million. With annual fixed interest rates ranging from 4.15% to 7.89% and maturity terms ranging from 6 days to 5 years (Note 9)
Assets held under joint operations	137	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	16,317	With annual fixed interest rates ranging from 0.05% to 5.75% including time deposits with maturity terms ranging from 6 to 364 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	3,211	Generally similar to terms and conditions above
Deposit liabilities	(1,203)	Generally similar to terms and conditions above
Interest income	2,193	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(111)	Net loss from foreign exchange transactions
Interest expense	357	Interest expense on deposit liabilities (Note 16)
Lease Payments	265	Payments for leasing agreements with various lease terms
Contingent		
Unused commercial LCs	55	LC transactions with various terms
Others	1	Bank guaranty with indemnity agreement
Securities transactions		
Outright purchases	326	Outright purchases of FVTPL securities and FVOCI investments
Sales	332	Outright sale of investment securities at FVTPL and FVOCI

(Forward)



Category	Parent Company	
	Amount	Terms and Conditions/Nature
Foreign currency		
Buy	₱855	Outright purchases of foreign currency
Sell	147,913	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱134	Secured - ₱117.1 million and unsecured - ₱16.5 million, no impairment; With annual fixed interest rates ranging from 6.00% to 9.00% and maturity terms from 5 to 16 years (Note 9)
Deposit liabilities	418	With various terms and minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	10	Generally similar to terms and conditions above
Deposit liabilities	21	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)
2023		
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱2,531	With annual fixed interest rate ranging from 0.05% to 5.00% including time deposits with maturity terms ranging from 19 to 30 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(6,514)	Generally similar to terms and conditions above
Interest expense	59	Interest expense on deposit liabilities (Note 16)
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱8,641	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 3.51% to 5.05% with maturity terms from 31 to 243 days with minimal expected credit loss (Note 7)
Receivables from customers*	1,719	Unsecured, with ECL of ₱7.1 million; With annual fixed interest rates ranging from 0.00% to 6.45% and maturity terms ranging from 4 to 240 days (Note 9)
Accounts receivable	93	Non-interest bearing receivables on remittance and rental fees (Note 9)
Other receivables	8	Non-interest bearing receivables on remittance (Note 9)
Deposit liabilities*	4,715	With annual fixed interest rates ranging from 0.05% to 5.96% including time deposits with maturity terms ranging from 4 to 91 days (Note 16)
Treasury stock	70	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
<u>Amount/Volume:</u>		
Interbank loans receivable	(2,565)	Generally similar to terms and conditions above
Receivables from customers	(1,618)	Generally similar to terms and conditions above
Accounts receivable	(91)	Generally similar to terms and conditions above
Deposit liabilities	(1,276)	Generally similar to terms and conditions above
Interest income	401	Interest income on receivables from customers and interbank loans receivables (Note 7 and 9)
Service charges, fees and commissions	1	Income from transactional fees
Trading and securities gain - net	998	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	(13)	Net loss from foreign exchange transactions
Leasing income	8	Income from leasing agreements with various lease terms
Miscellaneous income	170	Information technology services and other fees (Note 25)
Interest expense	125	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Purchases	43,656	Outright purchases of investment securities at FVTPL and FVOCI
Sales	77,497	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	6,181	Outright purchases of foreign currency
Sell	11,052	Outright sale of foreign currency



Category	Parent Companies	
	Amount	Terms and Conditions/Nature
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱2,031	Unsecured, with ECL of ₱9.4 million; With annual fixed interest rates ranging from 6.30% to 6.55% and maturity terms ranging from 183 to 730 days (Note 9)
Deposit liabilities*	2,699	With annual fixed interest rates ranging from 0.05% to 5.13% including time deposits with maturity terms from 32 to 45 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	1,324	Generally similar to terms and conditions above
Deposit liabilities	741	Generally similar to terms and conditions above
Interest Income	91	Interest income on receivables from customers
Trading and securities gain - net	69	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	4	Net gain from foreign exchange transactions
Leasing income	2	Income from leasing agreements with various lease terms
Interest expense	1	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	2,350	Outright purchases of HFT securities and AFS investments
Outright sales	3,446	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	311	Outright purchase of foreign currency
Sell	1,197	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱37,898	Unsecured, with ECL of ₱192.2 million. With annual fixed interest rates ranging from 3.20% to 7.37% and maturity terms ranging from 9 days to 5 years (Note 9)
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	17,520	With annual fixed interest rates ranging from 0.05% to 6.00% including time deposits with maturity terms ranging from 5 to 360 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	3,265	Generally similar to terms and conditions above
Deposit liabilities	(11,212)	Generally similar to terms and conditions above
Interest income	2,112	Interest income on receivables from customers (Note 9)
Foreign exchange gain - net	159	Net gain from foreign exchange transactions
Interest expense	65	Interest expense on deposit liabilities (Note 16)
Lease Payments	249	Payments for leasing agreements with various lease terms
Foreign currency		
Buy	6,852	Outright purchases of foreign currency
Sell	129,951	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱124	Secured - ₱88.89 million and unsecured - ₱15.96 million, no impairment; With annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years (Note 9)
Deposit liabilities	397	With various terms and minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	19	Generally similar to terms and conditions above
Deposit liabilities	65	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)

* Includes accrued interest

As of December 31, 2025 and 2024, government bonds with total face value of ₱60.0 million (classified as 'Investment securities at amortized cost as of December 31, 2025 and 2024'), are pledged by PSBank to the Parent Company to secure the latter's payroll account with PSBank. Also, the Parent Company has assigned to PSBank government securities with total face value of ₱3.5 billion (classified as 'Investment securities at amortized cost') to secure PSBank's deposits to the Parent Company.



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 and the Parent Company. Together with the sale of investment properties, borrowings, contingent accounts including derivative transactions, outright purchases and sales of securities and foreign currency buy and sell, leasing of office premises, securing of insurance coverage on loans and property risk, and other management services rendered, these are conducted in the normal course of business, at arm's-length transactions and are generally settled in cash. The amounts and related volumes and changes are presented in the summary above. Terms of receivables from customers, deposit liabilities and borrowings are also disclosed in Notes 9, 16 and 17, respectively, while other related party transactions above have been referred to their respective note disclosures.

The compensation of the key management personnel of the Group and the Parent Company follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Short-term employee benefits	₱5,807	₱5,485	₱4,734	₱4,836	₱4,616	₱3,832
Post-employment benefits	89	103	116	63	94	81
	₱5,896	₱5,588	₱4,850	₱4,899	₱4,710	₱3,913

Director's fees and bonuses of the Parent Company in 2025, 2024 and 2023 amounted to ₱81.5 million, ₱70.7 million and ₱70.2 million, respectively.

Transactions with Retirement Plans

Under PFRS Accounting Standards, 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 ₱134.3 million, ₱135.7 million and ₱160.2 million in 2025, 2024 and 2023, respectively. In 2025, 2024 and 2023, the Parent Company purchased securities totaling ₱2.8 billion, ₱5.4 billion and ₱8.1 billion, respectively, from its related party retirement plans and also sold securities totaling ₱5.5 billion, ₱5.6 billion and ₱10.4 billion, respectively, and recognized net trading gains/(losses) of (₱39.5 thousand), ₱7.2 thousand and (₱427.5 thousand), respectively. Further, as of December 31, 2025 and 2024, the total outstanding deposit liabilities of the Group from these related party retirement funds amounted to ₱94.8 million and ₱144.3 million, respectively. Interest expense on deposit liabilities amounted to ₱3.1 million, ₱1.2 million and ₱25.3 million in 2025, 2024 and 2023, respectively.

As of December 31, 2025 and 2024, the related party retirement plans also hold investments in the equity shares of various companies within the Group amounting to ₱107.5 million and ₱138.7 million, respectively, with unrealized trading losses of ₱19.8 million and ₱13.3 million, respectively, and investments in mutual funds and trust funds of various companies within the Group amounting to ₱1.9 billion and ₱1.6 billion, respectively, with unrealized trading gains of ₱88.1 million and ₱51.2 million, respectively. In 2025, 2024 and 2023, realized trading gains/(losses) recognized by the related party retirement plans amounted to ₱48.7 million, ₱61.6 million and (₱5.9 million), respectively, and dividend income recognized amounted to ₱41.0 million, ₱2.5 million, and ₱1.4 million, respectively.



33. Foreign Exchange

Closing rates as of December 31 and WAR for each of the year ended December 31 are as follows:

		BAP	
	2025	2024	2023
Closing	₱58.79	₱57.85	₱55.37
WAR	57.51	57.28	55.63

34. Other Matters

The Group has no significant matters to report in 2025 on the following:

- 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 cyclicalities of operations.
- c. Issuances, repurchases and repayments of debt and equity securities except for the issuance of the ₱5.0 billion bonds of PSBank as discussed in Note 19.
- d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payment of cash dividends by the Parent Company, as discussed in Note 23.
- e. Effect of changes in the composition of the Group during the year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

35. Subsequent Events

- a. The US\$500.0 million senior unsecured notes issued by the Parent Company on July 15, 2020 which bear an interest rate of 2.125% per annum matured on January 15, 2026.
- b. On January 15, 2026, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2025 amounting to ₱320.14 million or ₱0.75 per share payable on February 16, 2026 to all stockholders at record date as of January 30, 2026.
- c. On February 18, 2026, the BOD of the Parent Company approved the following:
 - i. Declaration of ₱3.00 regular cash dividend, payable on a semi-annual basis. The first payout of ₱1.50 per share is payable on March 26, 2026 to all stockholders of record as of March 9, 2026. Record and payment dates for the second payout of ₱1.50 per share will be determined during the regular meeting of the BOD in August 2026; and
 - ii. Declaration of ₱2.00 special cash dividend payable on March 26, 2026 to all stockholders of record as of March 9, 2026.

36. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the BOD on February 18, 2026.



37. Report on the Supplementary Information Required under Section 174 of the Manual of Regulations for Banks

Supplementary Information Under Section 174 of the Manual of Regulations for Banks

On January 8, 2020, the Monetary Board approved the amendments to the relevant provisions of the Manual of Regulations for Banks and Manual of Regulations for Foreign Exchange Transactions. Among the provisions is the requirement to include the following additional information to the Audited Financial Statements.

a. *Quantitative indicators of financial performance*

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Return on average equity ⁽¹⁾	12.32%	12.97%	12.51%	12.30%	12.95%	12.49%
Return on average assets ⁽²⁾	1.34%	1.45%	1.42%	1.48%	1.62%	1.61%
Net interest margin on average earning assets ⁽³⁾	3.64%	3.77%	3.90%	3.51%	3.67%	3.83%

⁽¹⁾ Net income attributable to equity holders of the Parent Company for the year divided by average total equity attributable to the Parent Company.

⁽²⁾ Net income attributable to equity holders of the Parent Company for the year divided by average total assets.

⁽³⁾ Net interest income for the year divided by average interest-earning assets.

b. *Description of capital instrument issued*

The Group and the Parent Company consider its common stock and subordinated debts as capital instruments eligible as Tier 1 and Tier 2 capitals.

c. *Significant Credit Exposures*

Significant credit exposures of loans as to industry, gross of unearned discount and capitalized interest, follows:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Real estate activities	₱365,208	18.32	₱327,236	17.85	₱320,774	18.44	₱286,257	17.88
Wholesale and retail trade, repair of motor vehicles and motorcycles	263,444	13.22	260,229	14.20	233,819	13.44	227,930	14.24
Manufacturing	178,171	8.94	198,032	10.81	173,431	9.97	194,411	12.14
Financial and insurance activities	170,631	8.56	176,043	9.60	163,758	9.42	170,072	10.62
Electricity, gas, steam and air conditioning supply	138,668	6.96	76,059	4.15	137,438	7.90	73,990	4.62
Information and communication	131,767	6.61	127,555	6.97	131,687	7.57	127,456	7.96
Transportation and storage	123,776	6.21	110,927	6.05	121,448	6.98	108,711	6.79
Activities of household employees	102,074	5.12	94,864	5.18	1,921	0.11	2,069	0.13
Construction	70,212	3.52	72,739	3.97	41,011	2.36	47,530	2.97
Water supply, sewerage, waste management and remediation activities	39,583	1.98	31,794	1.73	39,494	2.27	31,717	1.98
Administrative and support service activities	28,294	1.42	21,987	1.20	6,269	0.36	6,093	0.38
Agriculture, forestry, and fishing	23,263	1.16	21,875	1.19	22,090	1.27	20,842	1.30
Accommodation and food service activities	22,567	1.13	13,858	0.76	22,049	1.27	13,567	0.85
Arts, entertainment and recreation	3,167	0.16	3,192	0.17	3,086	0.18	3,112	0.20
Mining and quarrying	2,187	0.11	1,453	0.08	1,797	0.10	1,173	0.07
Professional, scientific and technical activities	1,533	0.08	1,444	0.08	1,385	0.08	1,303	0.08
Other service activities	1,531	0.08	1,689	0.09	1,529	0.09	1,689	0.11
Education	1,362	0.07	1,586	0.09	1,077	0.06	1,306	0.08
Human health and social work activities	758	0.04	606	0.03	656	0.04	522	0.03
Others*	325,078	16.31	289,673	15.80	314,684	18.09	281,235	17.57
	₱1,993,274	100.00	₱1,832,841	100.00	₱1,739,403	100.00	₱1,600,985	100.00

*Others include public administration and defense and other industries

The Group considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio or 10.00% of Tier 1 capital (see Note 4).



d. *Breakdown of loans*

The following table shows information relating to receivables from customers by collateral, gross of unearned discounts and capitalized interest:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by:								
Other securities*	₱290,673	14.58	₱294,928	16.09	₱290,673	16.71	₱294,928	18.42
Chattel	123,069	6.17	102,980	5.62	23,973	1.38	21,622	1.35
Real estate	100,021	5.02	94,333	5.15	63,864	3.67	60,875	3.80
Equity securities	64,607	3.24	60,356	3.29	6,260	0.36	6,379	0.40
Deposit hold-out	57,705	2.90	46,739	2.55	57,208	3.29	46,239	2.89
Others	21,224	1.07	20,768	1.13	9,535	0.55	7,518	0.47
	657,299	32.98	620,104	33.83	451,513	25.96	437,561	27.33
Unsecured	1,335,975	67.02	1,212,737	66.17	1,287,890	74.04	1,163,424	72.67
	₱1,993,274	100.00	₱1,832,841	100.00	₱1,739,403	100.00	₱1,600,985	100.00

*Other securities include mixed collaterals (combination of chattel mortgage, deposit hold-outs), money market placements and surety bond.

Non-performing loans (NPLs) included in the total loan portfolio of the Group and the Parent Company, as reported to the BSP, are presented below:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Gross NPLs	₱34,134	₱25,985	₱26,827	₱20,277
Less allowance for credit losses	26,102	19,635	22,912	16,647
Net carrying amount	₱8,032	₱6,350	₱3,915	₱3,630

Under banking regulations, loan accounts shall be considered non-performing, even without any missed contractual payments, when they are considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal or interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Moreover, NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least six (6) months; or (b) written-off. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

e. *Information on related party loans*

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 Parent Company, PSBank, FMIC, and ORIX Metro.



The following table shows information on related party loans as reported to the BSP:

	2025		2024	
	DOSRI Loans	Related Party Loans	DOSRI Loans	Related Party Loans
Consolidated				
Total outstanding loans	₱5,341	₱99,712	₱7,032	₱79,707
Percent of DOSRI/Related Party Loans to total loan portfolio	0.26%	4.88%	0.37%	4.20%
Percent of unsecured DOSRI/Related Party Loans to total DOSRI/Related Party Loans	9.19%	99.39%	11.57%	99.30%
Percent of past due DOSRI/Related Party Loans to total DOSRI/Related Party Loans	0.04%	0.03%	0.02%	0.01%
Percent of non-performing DOSRI/Related Party Loans to total DOSRI/Related Party Loans	0.02%	0.02%	0.01%	0.01%
Parent Company				
Total outstanding loans	₱5,143	₱102,418	₱6,816	₱88,385
Percent of DOSRI/Related Party Loans to total loan portfolio	0.29%	5.84%	0.42%	5.21%
Percent of unsecured DOSRI/Related Party Loans to total DOSRI/Related Party Loans	5.97%	99.40%	8.92%	99.34%
Percent of past due DOSRI/Related Party Loans to total DOSRI/Related Party Loans	0.04%	0.03%	0.02%	0.01%
Percent of non-performing DOSRI/Related Party Loans to total DOSRI/Related Party Loans	0.02%	0.02%	0.01%	0.01%

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 December 31, 2025 and 2024, 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 11.94% and 11.26%, 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.

Total interest income on DOSRI loans in 2025, 2024 and 2023 amounted to ₱406.0 million, ₱419.3 million and ₱461.9 million, respectively, for the Group, and ₱393.7 million, ₱407.3 million and ₱457.1 million, respectively, for the Parent Company.



f. Secured Liabilities and Assets Pledged as Security

The following are the carrying values of the debt securities pledged and transferred under SSURA transactions of the Group and the Parent Company:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at FVTPL	₱2,988	₱2,652	₱83,564	₱83,292	₱2,988	₱2,652	₱83,564	₱83,292
Investment securities at FVOCI								
Government	332,723	327,311	46,677	43,099	332,723	327,311	46,677	43,099
Private	3,320	3,320	—	—	—	—	—	—
Investment securities at amortized cost	80,201	74,273	168,582	150,237	80,201	74,273	168,582	150,237
	₱419,232	₱407,556	₱298,823	₱276,628	₱415,912	₱404,236	₱298,823	₱276,628

g. Contingencies and commitments arising from off-balance sheet items

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

	Consolidated		Parent Company	
	2025	2024	2025	2024
Derivatives	₱1,487,567	₱1,506,378	₱1,419,591	₱1,471,890
Trust department accounts	955,848	581,367	938,889	565,936
Commitments	508,521	393,304	508,491	393,244
Performance standby letters of credit	60,546	41,320	60,546	41,300
Spot foreign exchange contracts	48,017	52,588	47,929	52,559
Commercial letters of credit	29,397	30,284	9,570	16,140
Guarantees issued	26,789	20,829	25,528	20,829
Trade related guarantees	604	923	604	923
Others	42,193	33,936	12,855	10,568
	₱3,159,482	₱2,660,929	₱3,024,003	₱2,573,389

38. Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

Supplementary Information Under RR No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002 which provides that starting 2010, the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Parent Company reported the following types of taxes for the year ended December 31, 2025 included under 'Taxes and licenses' account in the statement of income:

GRT	₱6,157
DST	4,745
Local taxes	309
Real estate tax	107
Others	438
	₱11,756



Details of the total withholding taxes remittances for the taxable year December 31, 2025 follow:

Taxes withheld on compensation	₱3,701
Final withholding taxes	9,661
Expanded withholding taxes	1,667
	<u>₱15,029</u>

As of December 31, 2025, the Parent Company has no outstanding tax cases under preliminary investigation, litigation, and/or prosecution in courts or bodies outside the BIR.

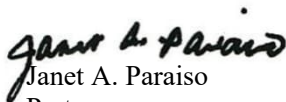


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Metropolitan Bank & Trust Company
GT Tower International
6813 Ayala Ave., corner H.V. Dela Costa St.,
Brgy. Bel-Air, 1227, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Metropolitan Bank & Trust Company (the Bank) as at December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, and have issued our report thereon dated February 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Bank's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso

Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

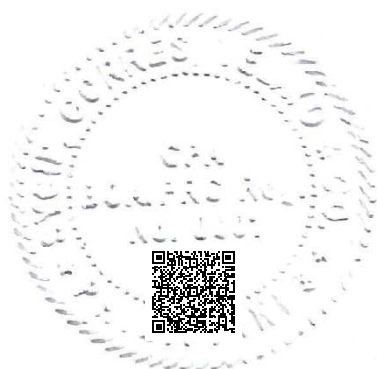
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

February 18, 2026

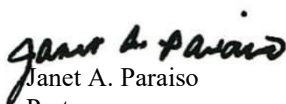


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Metropolitan Bank & Trust Company
GT Tower International
6813 Ayala Ave., corner H.V. Dela Costa St.,
Brgy. Bel-Air, 1227, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Metropolitan Bank & Trust Company (the Bank) as at December 31, 2025 and 2024 and for each of the three years ended December 31, 2025, and have issued our report thereon dated February 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Bank's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Bank's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso

Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

February 18, 2026



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68

Schedule	Description	Page No.
A	Financial Assets Financial Assets at Fair Value Through Profit of Loss Financial Assets at Fair Value Through Other Comprehensive Income Financial Assets at Amortized Cost-Unquoted Debt Securities	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-Term Debt	4
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7

Other Required Schedules/Information

Reconciliation of Retained Earnings Available for Dividend Declaration	8
Map Showing the Relationship Between and Among Related Entities	9-12
Financial Indicators	13
Supplementary Schedule of External Auditor Fee-Related Information	14

Metropolitan Bank & Trust Company and Subsidiaries
Schedule A - Financial Assets
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes (in million)	Amount shown in the balance sheet (in ₱ million)	Valued based on market quotation at end of reporting period (in ₱ million)	Income received and accrued (in ₱ million)
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)				
Held-for-Trading (HFT) Securities				
Debt Securities				
Philippine Government Bonds (including its agencies)	67,425	68,047	68,047	
Other Government Bonds	13,919	13,814	13,814	
Private	13,014	13,012	13,012	
		94,873	94,873	3,997
Equity Securities	7	135	135	5
Derivative Assets		18,833	18,833	-
TOTAL FINANCIAL ASSETS AT FVTPL		113,841	113,841	4,002
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)				
Debt Securities				
Philippine Government Bonds (including its agencies)	547,823	553,463	553,463	
Other Government Bonds	364,223	363,446	363,446	
Private	35,445	35,397	35,397	
		952,306	952,306	25,121
Equity Securities	179	2,154	2,154	48
TOTAL FINANCIAL ASSETS AT FVOCI		954,460	954,460	25,169
FINANCIAL ASSETS AT AMORTIZED COST				
Debt Securities				
Philippine Government Bonds (including its agencies)	461,306	464,440	469,514	
Other Government Bonds	8,650	8,642	8,597	
Private	189	192	201	
TOTAL FINANCIAL ASSETS AT AMORTIZED COST*		473,274	478,312	26,977
UNQUOTED DEBT SECURITIES*	528	-	-	-

* net of allowance

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders (Other Than Related Parties)
December 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
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NOT APPLICABLE

Note: Transactions with these parties are made in the ordinary course of business.

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2025
(in millions)

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Not Current	Balance at end of period
			Amounts collected	Amounts written off			
First Metro Investment Corporation	509	4,509	1,709	-	3,309	-	3,309
Metropolitan Bank (China) Ltd.	2,162	-	2,162	-	-	-	-
Orix Metro Leasing and Finance Corporation	3,120	13,462	12,272	-	4,310	-	4,310
Philippine Savings Bank	95	1,479	1,358	-	216	-	216
Remittance Centers :							
First Metro Holdings (USA), Inc.	56	647	699	-	4	-	4
Metro Remittance (UK) Limited	27	85	112	-	-	-	-
Metro Remittance (Hong Kong) Limited	5	5	10	-	-	-	-
Others	10	36	18	-	28	-	28
	5,984	20,223	18,340	-	7,867	-	7,867

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule D - Long Term Debt
December 31, 2025
(in millions)

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
<i>Bonds Payable</i>					
Bonds Payable - Fixed Rate Bonds	\$ 500	29,391	-	2.125%	January 15, 2026
Bonds Payable - Fixed Rate Bonds	₱ 19,000	18,982	-	3.600%	September 4, 2026
Bonds Payable - Fixed Rate Bonds	CNY 300	-	2,522	2.600%	June 25, 2027
Bonds Payable - Fixed Rate Bonds	₱ 5,000	-	4,961	5.875%	August 18, 2027
Bonds Payable - Fixed Rate Bonds	\$ 500	-	29,187	5.375%	March 6, 2029
Bonds Payable - Fixed Rate Bonds	\$ 500	-	28,970	5.500%	March 6, 2034
<i>Total Bonds Payable</i>		<u>48,373</u>	<u>65,640</u>		
<i>Bills Payable and SSURA</i>					
	530,734	<u>505,599</u>	<u>25,135</u>	various	various
		<u>553,972</u>	<u>90,775</u>		

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2025

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
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NOT APPLICABLE

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Schedule F - Guarantees of Securities of Other Issuers

December 31, 2025

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which this Statement is Filed	Nature of Guarantee
--	---	---	--	---------------------

NOT APPLICABLE

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

Schedule G - Capital Stock

December 31, 2025

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Authorized						
Preferred stock - P20 par value	1,000,000,000					
Common stock - P20 par value	6,000,000,000					
Issued and outstanding						
Common stock - P20 par value		4,497,415,555		2,310,262,523	34,957,621	2,152,195,411

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
For the reporting period ended December 31, 2025
(In ₱ Millions)

Metropolitan Bank & Trust Company
GT Tower International, 6813 Ayala Ave., corner H.V. Dela Cost St. Brgy. Bel-Air, Makati City

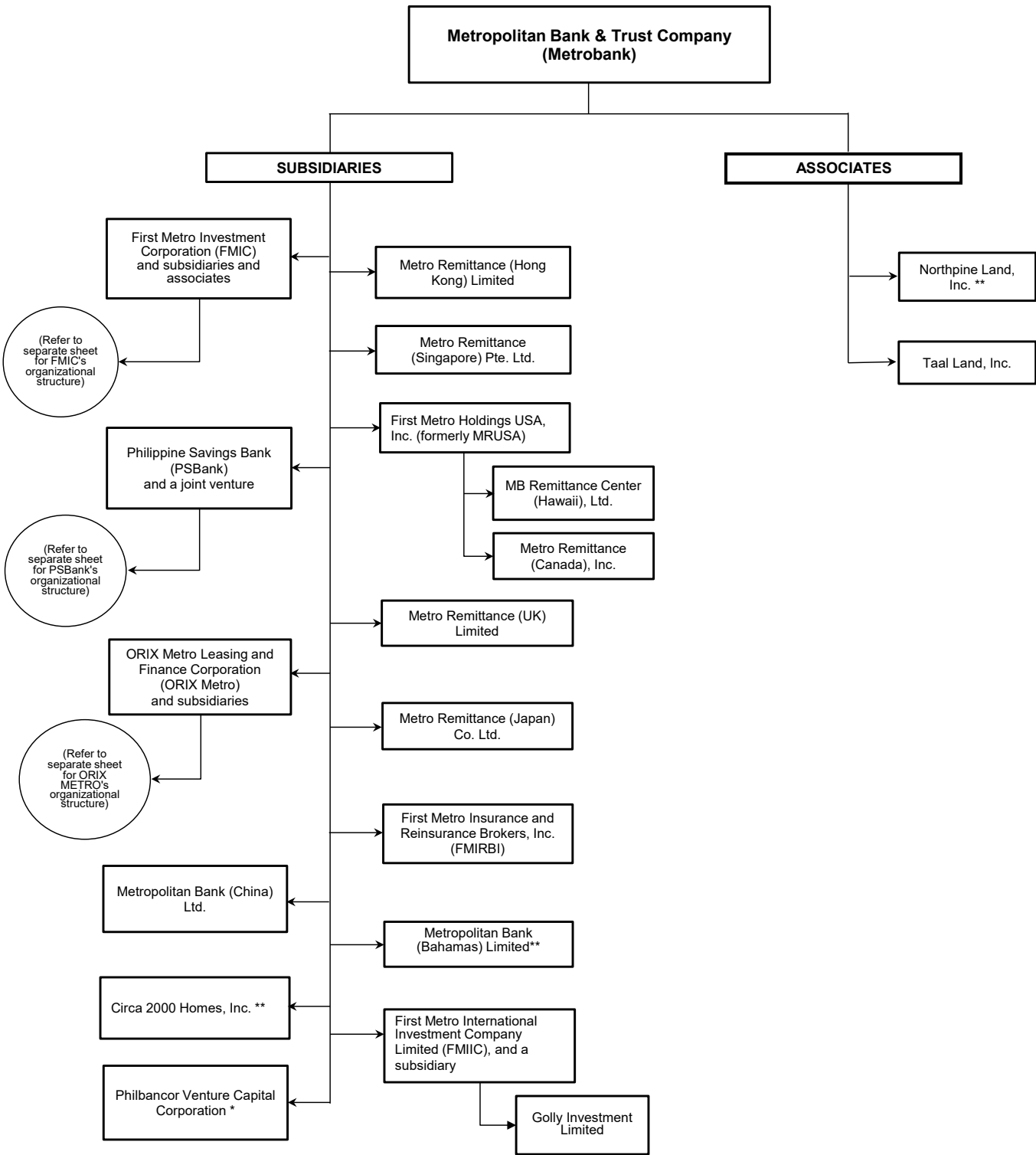
Unappropriated Retained Earnings, beginning of reporting period	₱	164,918
Mark-to-market gain subsequently realized		6,933
Less: Items that are directly debited (credited) to Unappropriated Retained Earnings		
Dividend declaration during reporting period	22,487	
Retained Earnings appropriated during the reporting period	149	
Realized gain on sale of equity securities at FVOCI	(71)	22,565
Unappropriated Retained Earnings, as adjusted		149,286
Add/Less: Net Income for the current year		49,720
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of subsidiaries and associates, net of dividends declared **	804	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	691	
Unrealized gains on foreclosure of investment properties - net of accumulated depreciation	128	
Movement on DTA	(1,922)	(299)
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	1,232	
Others ***	236	1,468
Adjusted Net Income		51,487
Total Retained Earnings, end of reporting period available for dividend	₱	200,773

* The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 16 issued in September 2023 differs to a certain extent from the computation following Bangko Sentral ng Pilipinas guidelines.

** Includes equity share on liquidation from SMBC Metro Investment Corporation

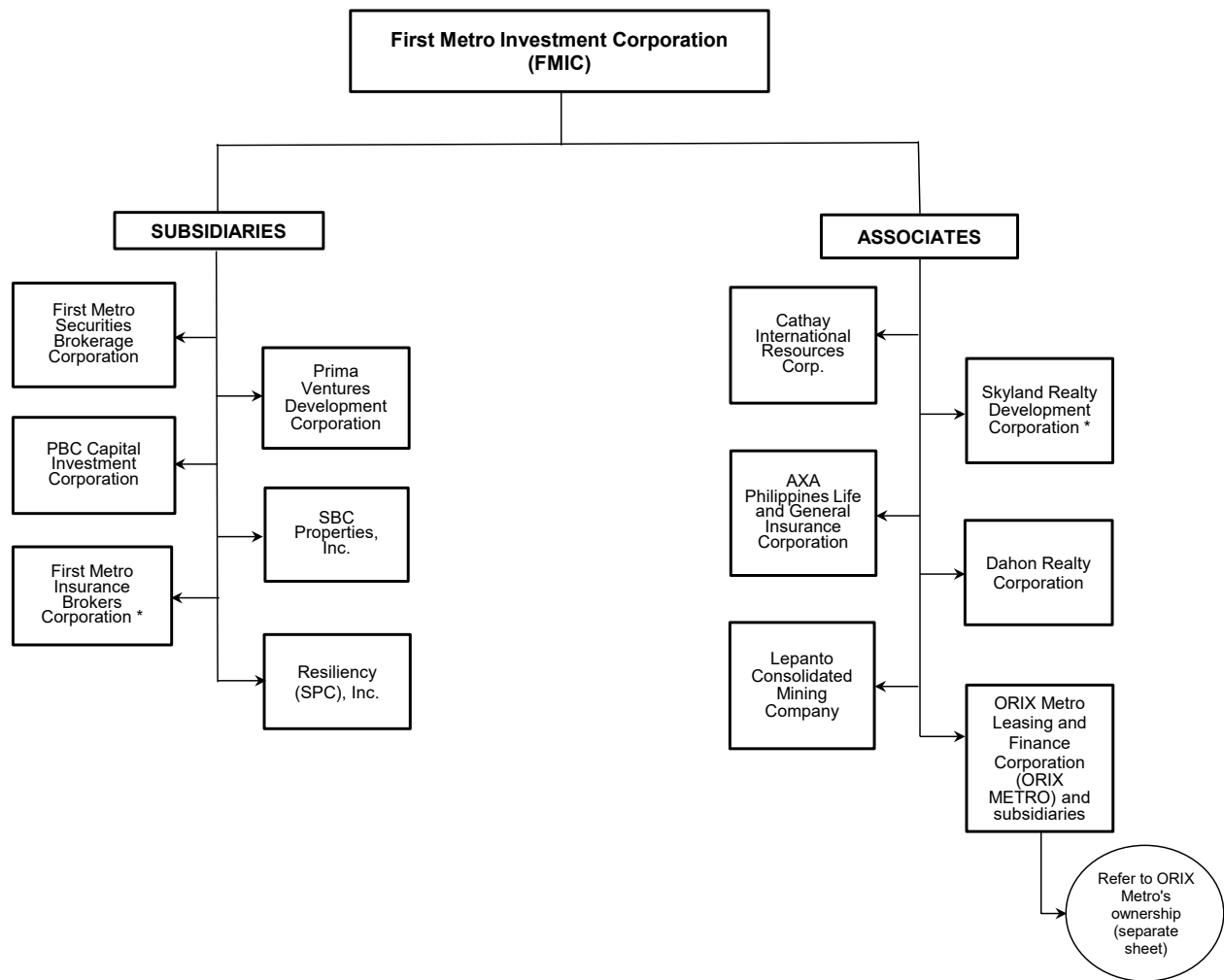
*** Others primarily represent previously unrealized gain that were subsequently realized.

Metropolitan Bank & Trust Company
Subsidiaries and Associates
As of December 31, 2025

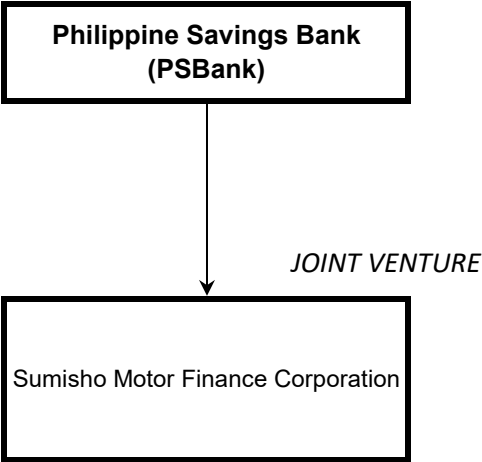


* In process of dissolution
 ** In process of liquidation

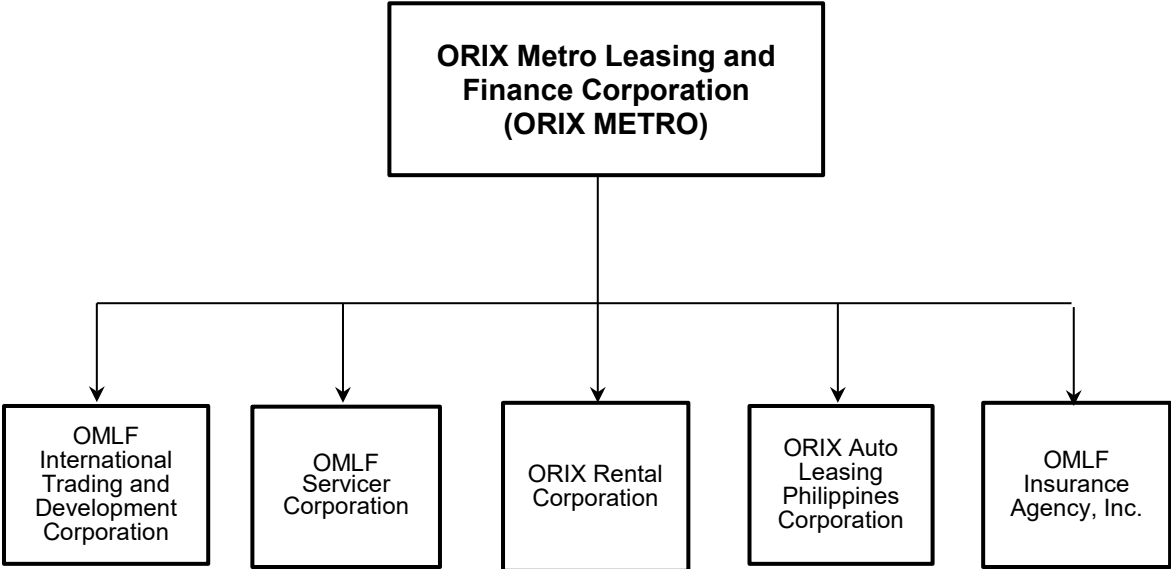
First Metro Investment Corporation
Subsidiaries and Associates
As of December 31, 2025



* In process of dissolution



ORIX Metro Leasing and Finance Corporation (ORIX METRO)
Subsidiaries
As of December 31, 2025



METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
FINANCIAL INDICATORS
AS OF DECEMBER 31, 2025 AND 2024

RATIO	FORMULA	2025	2024
a) Liquidity Ratio	Liquid Assets	46.92%	46.09%
	Total Assets		
b) Loans to Deposits Ratio	Total Loans	74.91%	71.21%
	Total Deposit Liabilities		
c) Debt to Equity Ratio	Total Liabilities	817.67%	810.36%
	Total Equity Attributable to Equity Holders of the Parent Company		
d) Asset to Equity Ratio	Total Assets	920.15%	913.19%
	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	12.32%	12.97%
	Average Equity		
f) Return on Average Assets	Net Income Attributable to Equity Holders of the Parent Company	1.34%	1.45%
	Average Assets		
g) Net Interest Margin on Average Earning Assets	Net Interest Income	3.64%	3.77%
	Average Earning Assets		
h) Operating Efficiency Ratio	Total Operating Expenses	50.72%	53.83%
	Net Operating Income		
i) Interest Coverage Ratio	Earnings Before Interest and Taxes	208.21%	195.32%
	Interest Expense		
j) Net Profit Margin	Net Income	23.06%	23.71%
	Total Income		
k) Capital Adequacy Ratio	Total Qualifying Capital	16.81%	16.68%
	Total Risk-Weighted Assets		
l) Common Equity Tier 1 Ratio	Net Tier 1 Capital	16.12%	15.94%
	Total Risk-Weighted Assets		

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
(in millions)

		2025	2024
Total Audit Fees (Section 2.1a) ¹	₱	33.13	28.71
Non-audit service fees:			
Other assurance services		6.58	9.73
Tax services		0.58	0.41
All other services		19.38	0.10
Total Non-audit Fees (Section 2.1b) ²		26.54	10.24
Total Audit and Non-audit Fees	₱	59.67	38.95
Audit and Non-audit fees of other related entities (Section 2.1c) ³			
Audit Fees	₱	-	-
Non-audit service fees:			
Other assurance services		-	-
Tax services		-	-
All other service fees		-	-
Total Audit and Non-audit Fees of other related entities ₱		-	-

Notes:

- 1 Section 2.1a: Disclose agreed fees (excluding out-of-pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.*
- 2 Section 2.1b: Disclose charged or billed fees (excluding out-of-pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.*
- 3 Section 2.1c: Disclose fees for services (excluding out-of-pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standards (PFRS) 10 applicable to investment entities, if the external auditor/audit firm's independence as communicated by the external auditor/audit firm with the covered company's Those Charged with Governance or equivalent (e.g. Audit Committee).*

Minutes of the Annual Stockholders' Meeting

Virtually via Cisco WebEx Platform

April 23, 2025 at 2:00 P.M.

I. CALL TO ORDER

The Chairman of the Board of Directors, Mr. Arthur Ty, presided over and called the meeting to order at 2:00 in the afternoon. The Corporate Secretary, Atty. Regis V. Puno recorded the minutes of the meeting while the audio/video recordings of the meeting were secured by the Office of the Corporate Secretary.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary informed the Chairman and the stockholders that the meeting was duly convened and that the Notice for the 2025 Annual Stockholders' Meeting were duly published and distributed to the stockholders as of Record Date 06 March 2025 pursuant to existing regulations of the Securities and Exchange Commission (SEC).

Present in person or by proxy were 3,167,892,392 common shares or 70.44% of the outstanding capital stock of 4,497,415,555 as of the meeting Record Date. There was 100% attendance by the following members of the Board of Directors:

- | | |
|------------------------------|-----------------------------|
| 1. Arthur Ty | - Chairman |
| 2. Francisco C. Sebastian | - Vice Chairman |
| 3. Fabian S. Dee | - President |
| 4. Alfred V. Ty | - Director |
| 5. Vicente R. Cuna, Jr. | - Director |
| 6. Solomon S. Cua | - Director |
| 7. Jose Vicente L. Alde | - Director |
| 8. Edgar O. Chua | - Independent Director |
| 9. Angelica H. Lavares | - Independent Director |
| 10. Philip G. Soliven | - Lead Independent Director |
| 11. Marcelo C. Fernando, Jr. | - Independent Director |
| 12. Juan Miguel L. Escaler | - Independent Director |

The list of stockholders in attendance was provided herewith as Annex A.

Thereupon the Corporate Secretary attested that the required quorum is present for the transaction of the business included in the agenda.

III. APPROVAL OF THE MINUTES FOR THE ANNUAL STOCKHOLDERS' MEETING HELD ON 26 APRIL 2023

The Chairman proceeded to the next item in the agenda which was the approval of the Minutes of the Annual Stockholders' Meeting held on April 24, 2024, copies of which were included in the Information Statement disseminated accordingly and posted in the company website pursuant to applicable SEC regulations.

Upon tabulation of the votes cast, the Corporate Secretary stated that 99.96% of shareholders virtually present and represented voted in favor of the proposal, none against and 0.04% abstained.

Thereafter, the following resolution was approved adopted:

RESOLUTION NO. 001- MBTC-SH-2025

RESOLVED, that the Minutes of the Annual Stockholders' Meeting held on April 24, 2024 be, as they are hereby approved.

The Chairman then requested the Bank's President, Mr. Fabian Dee to deliver his annual report.

IV. PRESIDENT'S REPORT

The following is the pre-recorded report of the President on the highlights of Metrobank's performance for the year 2024:

"Thank you, Chairman Arthur Ty. Good afternoon to our esteemed guests and our shareholders attending this year's virtual Annual Stockholders Meeting. I hope everyone is doing well.

Let me begin the presentation by briefly recapping how the Philippine economy performed in 2024 and how Metrobank was able to deliver improved operating results and set new record highs amidst this macro backdrop.

I will also give an update on our evolving role as one of the country's leading financial intermediaries and show how we continue to help transform communities.

Macroeconomy

In 2024, most central banks across the world began with their respective easing cycles. Although the year was still full of market volatility given persistent geopolitical tensions, policy uncertainties towards the much-anticipated U.S. presidential elections last November and extreme weather conditions, the Philippine economy showed continued signs of recovery. We were still among one of the fastest growing economies in the Asian region

Rice, together with other food commodity items, has been the major contributor to inflation in 2024.

However, towards the latter half of the year, rice prices showed signs of easing as government lowered tariff rates, giving the BSP space to finally begin its easing cycle last August.

In 2024, inflation settled at 3.2%, well within the BSP's 2-4% target range.

The BSP reduced policy rates by 75 basis points, and recently cut by another 25 basis points earlier this month, bringing the RRP rate to 5.5%.

Moving forward, inflation is expected to stay within the said BSP target range, which could pave the way for the central bank to continue easing in the next 2 years to support economic growth and help normalize borrowing rates.

In 2024, the Philippines emerged as one of the fastest-growing economies among major Asian countries with GDP rising by 5.6%, despite some moderation in growth of consumption and investments.

We believe the continued easing cycle by the BSP in 2025 is positive to consumption and investment, which could cushion the economy against the weak global outlook if the U.S pushes to implement tariffs that are more aggressive in the following months.

Metrobank Operating and Financial Highlights

Metrobank stayed resilient in 2024, with robust financial and operating results surpassing, once again, its record earnings in 2023.

Thanks to asset expansion, manageable cost growth, lower cost of risk and better asset quality, the Bank's net income reached a record high of 48.1 billion pesos in 2024, 14.0% higher year-on-year.

We saw a robust 17.0% expansion in our total loans, outpacing industry's 12.5% growth.

Commercial loans surged by 17.7% year-on-year, as corporates resumed capital spending and replenished their inventories as demand picked up.

On the consumer front, loans increased by 14.4% on the back of an 18.6% rise in net credit card receivables.

Auto loans, where we have the leading market position, likewise posted a robust 18.2% growth.

Meanwhile, our total deposits increased by 8.0% to 2.6 trillion pesos, of which 57.8% came from low-cost, current and savings account (CASA) deposits.

Net interest income modestly grew by 8.7% to 114 billion pesos with a net interest margin of 3.8% in 2024.

Our non-interest income edged up to 30.0 billion pesos in 2024, with our fee and trust income supported by the growth in our consumer business. We also generated significant trading and foreign exchange gains partly driven by strong customer flows.

Meanwhile, our operating expenses increased by 11.0% year-on-year driven by:

- transaction-related taxes*
- higher manpower cost in-line with capacity expansion; and,*
- technology related expenses as we continue to invest for growth.*

Despite the fast growth of our loan portfolio, our asset quality continued to improve, with our non-performing loans ratio falling from 1.7% to 1.4% in 2024. The Bank was thus able to lower provisions for credit losses by 25.6%, keeping NPL cover more than adequate at 163.5%. This reflects our strong ability to cover any potential risks to our loan portfolio's health.

Our capital ratios remain to be one of the highest in the industry, with a capital adequacy ratio of 16.7% and common equity tier 1 ratio of 15.9%, all well-above the minimum regulatory requirements. This truly showcases the strength of Metrobank's formidable balance sheet.

In summary, our solid performance in 2024 led total consolidated assets to rise by 13.4% from the previous year, reaching 3.5 trillion, cementing our position as the second largest private universal bank in the country.

As we sustained our growth trajectory and high capital ratios, our Board of Directors approved to pay dividends of 22.5 billion pesos to our stockholders, equivalent to a total cash dividend of 5.0 pesos per common share, aligned with our payment last year.

The regular dividend of 3.0 pesos per share will be paid out on a semi-annual basis at 1.5 pesos per share. Meanwhile, a special cash dividend of 2.0 pesos per share was also declared.

This translates to a current dividend yield of 7.4% and a 46.7% pay-out ratio against 2024 earnings.

By sustaining this dividend level Metrobank demonstrates its commitment to shareholder interests, while also maintaining adequate capital to support the Bank's growth plans as enabled by the Bank's prudent capital planning.

Subsidiaries and Affiliates

Let's now move on over to our key domestic subsidiaries and affiliates which likewise contributed to the robust performance of Metrobank in 2024.

First, our thrift bank, for the third year in a row, Philippine Savings Bank posted another all-time-high net income of 5.2 billion pesos for 2024, up 15% from last year. This came from double digit growth in loans, solid fee and commission contribution to Non-interest income, and muted costs brought by operational efficiencies.

As for our investment-banking subsidiary, First Metro Investment Corporation participated in 14 capital-raising deals last year, earning recognition once again from top regional publications. Alpha Southeast Asia named FMIC "Best Local Currency Bond Deal", and "Most Innovative Deal" in the country in 2024 for its work with 15 billion peso blue bonds of Maynilad Water Services and 14 billion peso sustainability-linked bonds of Ayala Land

Our insurance affiliate, AXA Philippines, having celebrated its 25th anniversary in 2024, continues to offer a full range of life and non-life insurance services to nearly 2 million customers. Last year, they have introduced new products like AXA Health Max Elite which covers more than 150 critical illnesses, including mental health conditions, up to 400% of medical expenses. AXA Philippines also launched AXA Secure Future, which is a seven-pay endowment plan that guarantees cash benefits and substantial life insurance cover.

Lastly, ORIX METRO Leasing and Finance Corporation, posted a net income of PHP1.2 billion last year, more than double its 2023 earnings. The result was driven by strategic cost management owing to greater operational efficiencies - ORIX realized along with a diversified product offering designed to meet the evolving needs of its clients.

Institutional Awards

Our efforts were again recognized by top financial publications in 2024.

Our fortress balance sheet continues to be acknowledged by top financial publications.

The Asian Banker named us as the country's Strongest Bank for the fourth consecutive year.

The same publication also cited Metrobank as the Most Recommended Retail Bank in the Philippines, based on feedback from over 12,000 customers across Asia.

We were also honored as the Best Bank for Ultra High-Net-Worth Filipinos, at the Euromoney Global Private Banking Awards 2024.

Key Objectives and Strategies

Our hard work in 2024 has kept us on track with our objectives. We at Metrobank are dedicated to empowering both our corporate and individual clients, to reach their business goals and unlock their full potential.

We aim to further solidify and grow our market share and position as the preferred bank for our target customers, through greater agility and innovation.

By diversifying our distribution channels, entering into fruitful partnerships, ramping up our marketing push, and continuing to grow our branch network, we increase our reach.

This results in enhanced customer experience, and satisfaction as we couple this with a competitive pricing strategy for a better value proposition.

We offer personalized financial solutions that foster long-term relationships.

Cognizant of the paramount importance of exceptional customer service in retaining and expanding market share,

Our tools, such as Customer Feedback Management platform, and bank-wide mandatory training on the Bank's Customer Protection Policy, provide valuable insights into customer needs, streamline complaint management, and ensure quicker resolutions.

Since we treat customer experience as a collective responsibility, The Customer Governance Committee ensures consistent adherence to customer protection standards across the organization.

In pursuit of improved client experience, we are continuously optimizing our internal processes.

Across Metrobank Group, we undertake process reengineering, use of robotics, and automation to eliminate redundancies, reduce turnaround times, and enhance productivity. On the client-facing end, we are also shifting our retail and corporate clients toward digital banking to provide convenient, self-service options. This complements our investments in robust IT infrastructure, to support the Group's ongoing digital transformation.

Metrobank recognizes the importance of evolving the way we engage with customers.

We are committed to digitalizing customer engagement, bringing customers from multi-channel interactions to a seamless, mobile-enabled, omni-channel experience.

We continue to upgrade our digital platforms by migrating relevant services to online and mobile channels.



At Metrobank, we uphold strong corporate governance and compliance standards, ensuring a culture of integrity while adapting to the rapidly- evolving business environment.

We are proactive in aligning processes to meet regulatory requirements and best practices.

To this end, we align with national and global economic development and sustainability roadmaps, we commit to ESG goals by driving sustainable finance anchored on our principle:

Do No Harm, Do Good, and Do More.

Lastly, we continuously refine our risk management framework, integrating best practices to enhance resilience

Metrobank believes that an engaged workforce is key to customer satisfaction. The Bank invests in ongoing employee development and manpower optimization by conducting training programs meant to enhance priority skill sets, measure progress aligned with the Bank's values and goals by setting Key Result Areas, and recognizing the same thru fair career advancement policies.

Across the whole group, we also practice effective succession planning and business continuity programs.

Our strategic focus is on the growth of our core businesses, operational efficiency, and customer-centric relationship rooted in our commitment to "Meaningful Banking". We remain steadfast in delivering relevant financial solutions, exceptional customer experience, and secure, efficient operations.

Through these initiatives, we reinforce our mission to benefit employees, customers, and stakeholders, proving that "You're in Good Hands with Metrobank".

Sustainability Contributions

While we prioritize the Bank's profitability and growth, we are also making sure that behind these numbers, real-world needs are being met and that we are bringing value to our individual customers, businesses, and local communities.

Metrobank's commitment to a sustainable and resilient future is guided by our aspiration to support the just transition towards a low-carbon economy. We are managing our exposure to coal and support the fast tracking of transition to clean energy.

Our Sustainable Finance Framework outlines how we integrate environmental and social risk assessments into our lending and investment decisions. By embedding sustainability into our financial practices, we uphold our responsibility to drive long-term economic adaptability and stability.

In addition, our sustainable finance initiatives reflect our belief that financial institutions must actively support the transition to a sustainable future. We facilitated green loans with industry leaders, directly funding clean energy projects that contribute to lowering carbon emissions and promoting renewable energy adoption.

Our active involvement in ESG themed bond issuance underscores our commitment to driving capital toward responsible, forward-thinking projects that address the most pressing sustainability challenges.

While we pursue our long-term strategy and goals as an enterprise, we are mindful that our role goes beyond being a financial intermediary. In 2024, Metrobank was again a significant player in raising and deploying capital for national development.

We are also continuing to do our part in contributing back to the community through our corporate social responsibility arm, the Metrobank Foundation. In 2024, we were able to give back 155.9 million pesos in community investments and donations to communities' health, education, livelihood, and disaster relief programs.

Together with our subsidiaries, we aim to be the trusted partner of our customers by delivering tailored products and services through innovative approaches

In summary, I wish to express my utmost gratitude to our employees and management team, for the hard work, commitment, and dedication to the Bank.

We will continue to excel and thrive as we perform our fiduciary responsibility.

We also extend our thanks to our partners, stakeholders, and clients for their steadfast loyalty and trust in Metrobank. Thank you."

V. RATIFICATION OF CORPORATE ACTS

After thanking President Dee, the Chairman presented the next item in the agenda which was the ratification of all acts and resolutions of the Board of Directors, Management and all Committees, during the year 2024 including among others, the approval of loans, investments, new Bank products and services and related party transactions, from April 24, 2024 to April 22, 2025.

The Corporate Secretary reported that upon tabulation of votes cast, 99.80% of shareholders virtually present and represented voted in favor, 0.10% voted against while 0.10 % abstained.

Thereafter, the following resolution was approved and adopted:

RESOLUTION NO. 002 - MBTC-SH-2025

RESOLVED, that all acts, transactions and resolutions of Management, Board and Management Committees, and the Board of Directors, including among others, the approval of loans, investments, new Bank products and services and related party transactions, from April 24, 2024 to April 22, 2025, are hereby ratified and confirmed.

VI. ELECTION OF TWELVE (12) DIRECTORS FOR THE YEAR 2025 – 2026

At the request of the Chairman, Mr. Juan Miguel L. Escaler, Chairman of the Nominations Committee, reported that the following twelve (12) nominees, including the nominees for Independent Directors, were qualified to serve as members of the Board of Directors of Metrobank for the year 2025 – 2026:

1. Arthur Ty
2. Francisco C. Sebastian



3. Fabian S. Dee
4. Alfred V. Ty
5. Vicente R. Cuna, Jr.
6. Solomon S. Cua
7. Jose Vicente L. Alde
8. Edgar O. Chua (Independent Director)
9. Angelica H. Lavares (Independent Director)
10. Philip G. Soliven (Lead Independent Director)
11. Marcelo C. Fernando, Jr. (Independent Director)
12. Juan Miguel L. Escaler (Independent Director)

The Corporate Secretary then reported that upon the tabulation of votes casts, each Director received at least 96.18% votes from shareholders virtually present and represented.

Thereafter, the following resolution was passed and adopted accordingly:

RESOLUTION NO. 003 - MBTC-SH-2025

RESOLVED, that the following are hereby elected as directors of Metrobank effective immediately and until the successors are elected and qualified:

2. Arthur Ty
2. Francisco C. Sebastian
3. Fabian S. Dee
4. Alfred V. Ty
5. Vicente R. Cuna, Jr.
6. Solomon S. Cua
7. Jose Vicente L. Alde
8. Edgar O. Chua (Independent Director)
9. Angelica H. Lavares (Independent Director)
10. Philip G. Soliven (Lead Independent Director)
11. Marcelo C. Fernando, Jr. (Independent Director)
12. Juan Miguel L. Escaler (Independent Director)

VII. APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR 2025

The Chairman continued on with final matter for the voting and ratification by the stockholders which was the appointment of the bank's external auditor for the year 2025.

Upon tabulation of votes cast, the Corporate Secretary reported that 97% of shareholders virtually present and represented voted in favor, 3% voted against while none abstained to retain SGV & Co. as the Bank's external auditor for the year 2025.

Thereafter, the following shareholder resolution was approved and adopted:



RESOLUTION NO. 004- MBTC-SH-2025

RESOLVED, that, as recommended by the Audit Committee and approved by the Board of Directors, SGV & Co. is hereby appointed as the External Auditors of Metrobank for the year 2025.

The proxies, attendance and votes cast at the Meeting were tabulated by the Bank's Stock Transfer Agent (the Metrobank -Trust Banking Group), and validated by SGV & Co. in its capacity as third-party validator.

VIII. OTHER MATTERS

With no other matters presented or having properly come before the meeting, the Chairman announced that questions and comments from the shareholders will now be addressed. He requested Ms. Minda A. Olonan, Head of Investors Relations Department to read aloud the questions and comments received from the stockholders.

QUESTIONS AND COMMENTS FROM THE STOCKHOLDERS

Host-Moderator Minda A. Olonan selected questions received via email and/or sent via the Q&A panel at ASMregistration@metrobank.com.ph

1. From *Bea Olba, proxy for Ma. Soledad S. De Leon*

With impressive lending growth in 2024 outpacing the industry, what is your outlook moving forward and what can be the possible drivers of loan growth this year?

President Dee replied that Metrobank has been growing its portfolio at 1.5 to 2 times real GDP (9 to 12%), which is its base forecast for this year. He opined that potential upsidess could come from the power sector, telecoms and the housing industry, particularly in the countryside, as critical components in driving growth for this year.

2. From *Micah Alvarez proxy for Atty. Rizalino C. Vineza:*

What is Metrobank's strategy and will it open more branches?

President Dee discussed that branch expansion is part of the Bank's strategy to sustain business growth, primarily in servicing the needs of its commercial customers and high net worth clients. With the opening of 14 branches this year and the consolidation of 3 which were not in optimal areas, the net increase in branches totaled 11. He added that management is also investing highly on Information Technology, focusing predominantly on self-served and digital platforms to complement its corporate and retail customers' need for convenience coming off a traditional branch.



Ms. Olonan then confirmed that that was the last questions received.

IX. ADJOURNMENT

The Chairman thanked the stockholders for their questions and participation in the meeting.

There being no further questions or comments from the shareholders, the meeting adjourned at 3:00 P.M.

Prepared by:



REGIS V. PUNO
Corporate Secretary

Attested by:



ARTHUR TY
Chairman

A handwritten signature in black ink, likely of the Chairman, located at the bottom right of the page.

Metropolitan Bank & Trust Company
2025 Annual Stockholders' Meeting - April 23, 2025
Record Date: March 06, 2025

	NAME OF SHAREHOLDERS	SHARES	% TO TOTAL
1	Justin Jerold T. Sy	1,602	0.00%
2	CHARITO COLE-ALFARO	500	0.00%
3	Manny Lynne Burton	21	0.00%
4	Paolo Miguel P. Magtajas	10	0.00%
5	Christian Louie E. Cruz	3,100	0.00%
6	Victoria Machilig for Metrobank Foundation, Inc	25,379,981	0.56%
7	Normie Ureta for Norberto & Tytana Ty Foundation, Inc	1,358,973	0.03%
8	Philip Dy for Metrobankers Foundation, Inc	4,815,037	0.11%
9	Bea Olba for Maria Soledad S. De Leon	452,340	0.01%
10	Laiza Sioson for June Uy Go	14,953	0.00%
11	Kimberly Vargas for Marie T. Yu	223,250	0.00%
12	Maco Ravanzo for Yu Chuen Yan	1,200,000	0.03%
13	Micah Alvarez for Atty. Rizalino C. Vineza	2,938	0.00%
14	Adrian Constantino for Rene H. Gochangco	22,035	0.00%
15	Aira Geli for Marissa Blanca S. Juson	4,725	0.00%
16	Justine Abad for Mariel S. Salvacion	4,725	0.00%
17	Camille Sta. Ana for Rosemarie Omengan	1,200	0.00%
18	Kurt Enriquez for Alan M. Lirio	3,390	0.00%
19	MAPA, III, J. PLACIDO T.	884,371	0.02%
DIRECTORS			
20	TY, ARTHUR	15,627,513	0.35%
21	TY, ALFRED VY	17,087,722	0.38%
22	SEBASTIAN, FRANCISCO C.	742,283	0.02%
23	DEE, FABIAN SY	734	0.00%
24	CHUA, EDGAR O.	113	0.00%
25	LAVARES, ANGELICA HERNANDEZ	113	0.00%
26	CUA, SOLOMON S.	113	0.00%
27	CUNA, JR., VICENTE R.	32,899	0.00%
28	SOLIVEN, PHILIP G.	30,100	0.00%
29	FERNANDO, JR., MARCELO CORDERO	100	0.00%
30	ALDE, JOSE VICENTE L.	100	0.00%
31	ESCALER, JUAN MIGUEL DE LEON	100	0.00%
OFFICERS			
32	Aniceto M. Sobrepena	9,088	0.00%
33	Fernand A. Tansingco	258,184	0.01%
34	Anthony Paul C. Yap	43,551	0.00%
35	Angelica S. Reyes	11,000	0.00%
36	Regis V. Puno	30,000	0.00%
37	Marthyn S. Cuan	631	0.00%
38	Maria Nelia S. Medalla	900	0.00%
39	Randell D. Victoriano	500	0.00%
AFFILIATES			
TOTAL IN PERSON		68,248,895	1.51%

	NAME OF SHAREHOLDERS	SHARES	% TO TOTAL
1	GT CAPITAL HOLDINGS, INC.	1,674,025,950	37.22%
2	BPI SECURITIES CORPORATION	583,461	0.01%
3	LBP-TBG THIRD PARTY CUSTODIANSHIP & REGISTRY DEPT (trcd1000000)	2,631,790	0.06%
4	HSBC MNL CNC NOM 2510450	324,287,215	7.21%
5	HSBC MNL CNC NOM 2510451	35,630,833	0.79%
6	Various Non-Resident Foreign Corporation	101,091,419	2.25%
7	Various Non-Resident Foreign Corporation Clients	21,321,840	0.47%
8	SCB OBO SCBLSGID-PPLA-PH000317400089	430,190	0.01%
9	SCB OBOSLGINDEX	3,045,387	0.07%
10	SCB OBO SLGGROWP	7,685,141	0.17%
11	SCB OBO SLGROW	827,899	0.02%
12	SCB OBO SLGEQTY	1,167,654	0.03%
13	SCB OBO SLGDYN	494,406	0.01%

14	SCB OBO SLGBAL	294,280	0.01%
15	SCB OBO SLGOBPHP	663,204	0.01%
16	SCB OBO SLGNBPHP	230,953	0.01%
17	SCB OBO SLGNBPHP	88,700	0.00%
18	SCB OBO SLGLGCYP	2,150	0.00%
19	SCB OBO SLGMF25	12,882	0.00%
20	SCB OBO SLGOPTRC	166,430	0.00%
21	SCB OBO SLGOPP	1,176,720	0.03%
22	SCB OBO SLGMF55	24,740	0.00%
23	SCB OBO SLGMF50	24,360	0.00%
24	SCB OBO SLGMF45	24,190	0.00%
25	SCB OBO SLGMF40	41,759	0.00%
26	SCB OBO SLGMF35	29,092	0.00%
27	SCB OBO SLGMF30	33,930	0.00%
28	BPI ASSET MANAGEMENT AND TRUST CORPORATION	8,541,989	0.19%
29	CITIOMNIFOR	13,590	0.00%
30	CITIOMNIFOR	1,987,500	0.04%
31	CITIOMNIFOR	173,900	0.00%
32	CITIOMNIFOR	94,240	0.00%
33	CITIOMNIFOR	166,550	0.00%
34	CITIOMNIFOR	1,059,070	0.02%
35	CITIOMNIFOR	80,875	0.00%
36	CITIOMNIFOR	44,000	0.00%
37	CITIOMNIFOR	159,995	0.00%
38	CITIOMNIFOR	83,614	0.00%
39	CITIOMNIFOR	858,410	0.02%
40	CITIOMNIFOR	113,793	0.00%
41	CITIOMNIFOR	185,310	0.00%
42	CITIOMNIFOR	1,067,430	0.02%
43	CITIOMNIFOR	5,674,904	0.13%
44	CITIOMNIFOR	17,220	0.00%
45	CITIOMNIFOR	337,459	0.01%
46	CITIOMNIFOR	569,300	0.01%
47	CITIOMNIFOR	98,650	0.00%
48	CITIOMNIFOR	70,420	0.00%
49	CITIOMNIFOR	62,296	0.00%
50	CITIOMNIFOR	282,220	0.01%
51	CITIOMNIFOR	65,959	0.00%
52	CITIOMNIFOR	8,428	0.00%
53	CITIOMNIFOR	3,949,200	0.09%
54	CITIOMNIFOR	117,158	0.00%
55	CITIOMNIFOR	76,183	0.00%
56	CITIOMNIFOR	7,685,482	0.17%
57	CITIOMNIFOR	2,596,828	0.06%
58	CITIOMNIFOR	5,602,829	0.12%
59	CITIOMNIFOR	304,300	0.01%
60	CITIOMNIFOR	796,280	0.02%
61	CITIOMNIFOR	4,856,340	0.11%
62	CITIOMNIFOR	624,501	0.01%
63	CITIOMNIFOR	77,410	0.00%
64	CITIOMNIFOR	36,530	0.00%
65	CITIOMNIFOR	65,642	0.00%
66	CITIOMNIFOR	749,140	0.02%
67	CITIOMNIFOR	275,503	0.01%
68	CITIOMNIFOR	223,169	0.00%
69	CITIOMNIFOR	67,100	0.00%
70	CITIOMNILOC	5,580	0.00%
71	CITIOMNILOC	2,862,581	0.06%
72	CITIOMNILOC	5,258,359	0.12%
73	CITIOMNILOC	224,710	0.00%
74	CITIOMNILOC	156,772	0.00%
75	CITIOMNILOC	17,000	0.00%
76	CITIOMNILOC	3,277,691	0.07%
77	CITIOMNILOC	279,576	0.01%
78	CITIOMNILOC	5,136,397	0.11%
79	CITIOMNILOC	1,974,169	0.04%
80	CITIOMNILOC	27,700	0.00%
81	CITIOMNILOC	18,786,292	0.42%
82	CITIOMNILOC	874,886	0.02%
83	CITIOMNILOC	111,083	0.00%
84	CITIOMNILOC	35,625	0.00%
85	CITIOMNILOC	25,291	0.00%

86	CITIOMNILOC	59,259	0.00%
87	CITIOMNILOC	1,835,238	0.04%
88	CITIOMNILOC	9,220	0.00%
89	CITIOMNILOC	23,593	0.00%
90	CITIOMNILOC	22,205	0.00%
91	CITIOMNILOC	15,470	0.00%
92	CITIFAOSUNLIFE	227,973	0.01%
93	CITIFAOSUNLIFE	32,770	0.00%
94	CITIFAOSUNLIFE	3,343,750	0.07%
95	CITIFAOSUNLIFE	668,922	0.01%
96	CITIFAOSUNLIFE	19,776,527	0.44%
97	CITIFAOSUNLIFE	863,910	0.02%
98	CITIFAOSUNLIFE	619,532	0.01%
99	CITIFAOSUNLIFE	21,366,145	0.48%
100	CITIFAOSUNLIFE	4,430,599	0.10%
101	CITIFAOSUNLIFE	15,094,599	0.34%
102	CITIFAOSUNLIFE	20,405,086	0.45%
103	CITIFAOSUNLIFE	22,510	0.00%
104	CITIFAOSUNLIFE	77,070	0.00%
105	CITIFAOSUNLIFE	73,850	0.00%
106	CITIFAOSUNLIFE	121,060	0.00%
107	CITIFAOSUNLIFE	3,721,302	0.08%
108	CITIFAOSUNLIFE	612,216	0.01%
109	CITIFAOSUNLIFE	416,549	0.01%
110	CITIFAOPHILAM	1,597,101	0.04%
111	CITIFAOPHILAM	926,534	0.02%
112	CITIFAOPHILAM	4,806,227	0.11%
113	CITIFAOPHILAM	680,102	0.02%
114	CITIFAOPHILAM	100,002	0.00%
115	CITIFAOPHILAM	2,653,941	0.06%
116	CITIFAOPHILAM	19,214,846	0.43%
117	CITIFAOPHILAM	10,377,414	0.23%
118	DEUTSCHE BANK MANILA-CLIENTS A/C	171,605,208	3.82%
119	DEUTSCHE BANK MANILA-CLIENTS A/C	57,602,879	1.28%
120	TY, MARY VY	41,165	0.00%
121	PHILIPPINE GEIKO HOLDINGS, INC.	28,276,333	0.63%
122	NOVE FERUM HOLDINGS, INC.	76,226,918	1.69%
123	TY, ALESANDRA VY	7,708,695	0.17%
124	82 ALPHA HOLDINGS CORPORATION	54,871,292	1.22%
125	GRAND TITAN CAPITAL HOLDINGS, INC.	203,246,909	4.52%
126	MBTC - TRUST BANKING GROUP	33,410,932	0.74%
127	GRAND ESTATE PROPERTY CORPORATION	3,252,694	0.07%
128	AUSAN RESOURCES CORPORATION	5,000,000	0.11%
129	INTER-PAR PHILIPPINES RESOURCES CORPORATION	11,440,580	0.25%
130	HORIZON ROYALE HOLDINGS, INC.	11,769,104	0.26%
131	DY BUNCIO, ANJANETTE	7,377,216	0.16%
132	NEIMAN RHODES HOLDINGS, INC.	28,607,046	0.64%
TOTAL PROXY		3,099,643,497	68.92%
TOTAL BY PROXY AND IN PERSON		3,167,892,392	70.44%
TOTAL ISSUED AND OUTSTANDING SHARES		4,497,415,555	