pwc Isla Lipana & Co.

Bank of the Philippine Islands and Subsidiaries

Unaudited Condensed Consolidated Interim Financial Statements
As at and for the six-month period ended June 30, 2026
(With comparative figures and notes as at December 31, 2025 and for the six-month period ended June 30, 2025)



Isla Lipana & Co.

Report on the Review of Interim Financial Statements

To the Board of Directors and Shareholders of
Bank of the Philippine Islands
Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Ave., Bel-Air
Makati City

Introduction

We have reviewed the accompanying unaudited condensed consolidated interim statement of condition of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") as at June 30, 2026 and the related unaudited condensed consolidated interim statements of income, total comprehensive income, changes in capital funds and cash flows for the six-month periods ended June 30, 2026 and 2025 and the notes, comprising other explanatory information. Management is responsible for the preparation and presentation of these unaudited condensed consolidated interim financial statements in accordance with Philippine Accounting Standard 34, 'Interim Financial Reporting' as issued by the Financial and Sustainability Reporting Standards Council. Our responsibility is to express a conclusion on these unaudited condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Philippine Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with Philippine Accounting Standard 34, 'Interim Financial Reporting' as issued by the Financial and Sustainability Reporting Standards Council.

Isla Lipana & Co.



Roderick M. Danao
Partner
CPA Cert No. 88453
PTR No. 0011280; issued on January 8, 2026, Makati City
SEC A.N (individual) as general auditors 88453-SEC, Category A;
valid to audit 2025 to 2029 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2026 to 2030 financial statements
T.I.N. 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142/P-001, effective until November 14, 2028

Makati City
October 21, 2026

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CONDITION
June 30, 2026
(With Comparative Audited Consolidated December 31, 2025 Figures)
(In Millions of Pesos)

	Notes	**June 30, 2026**	December 31, 2025
A S S E T S			
CASH AND OTHER CASH ITEMS	3	**44,358**	53,018
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	3	**144,700**	106,344
DUE FROM OTHER BANKS	3	**40,600**	38,211
INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL, net	3	**31,209**	35,480
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	4	**85,043**	85,274
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	5	**295,493**	285,367
INVESTMENT SECURITIES AT AMORTIZED COST, net	6	**340,587**	353,145
LOANS AND ADVANCES, net	7	**2,604,568**	2,567,131
ASSETS HELD FOR SALE, net		**13,558**	12,417
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT, net	8	**26,036**	25,088
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net		**12,817**	13,047
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS		**23,942**	22,649
DEFERRED INCOME TAX ASSETS, net		**20,318**	19,166
OTHER ASSETS, net		**44,179**	35,151
Total assets		**3,727,408**	3,651,488

(forward)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CONDITION
June 30, 2026
(With Comparative Audited Consolidated December 31, 2025 Figures)
(In Millions of Pesos)

	Notes	**June 30, 2026**	December 31, 2025
LIABILITIES AND CAPITAL FUNDS			
DEPOSIT LIABILITIES	9	**2,850,986**	2,838,525
DUE TO BSP AND OTHER BANKS		**3,493**	3,151
DERIVATIVE FINANCIAL LIABILITIES		**4,653**	3,698
BILLS PAYABLE AND OTHER BORROWED FUNDS	10	**282,820**	223,433
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		**8,834**	10,460
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		**21,189**	20,680
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS		**19,323**	17,837
DEFERRED CREDITS AND OTHER LIABILITIES		**51,324**	54,834
Total liabilities		**3,242,622**	3,172,618
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI	11		
Share capital		**52,816**	52,747
Share premium		**144,169**	143,810
Reserves		**15,292**	16,511
Accumulated other comprehensive loss		**(24,178)**	(10,586)
Surplus		**294,454**	274,071
		482,553	476,553
NON-CONTROLLING INTERESTS		**2,233**	2,317
Total capital funds		**484,786**	478,870
Total liabilities and capital funds		**3,727,408**	3,651,488

(The notes on pages 1 to 18 are an integral part of these unaudited condensed consolidated interim financial statements.)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME
For the six-month periods ended June 30, 2026 and 2025
(In Millions of Pesos, Except Per Share Amounts)

	Notes	**2026**	2025
INTEREST INCOME			
On loans and advances		**98,079**	88,158
On investment securities		**16,303**	14,362
On deposits with BSP and other banks		**1,170**	1,028
		115,552	103,548
INTEREST EXPENSE			
On deposits		**28,500**	27,091
On bills payable and other borrowings		**7,020**	5,303
		35,520	32,394
NET INTEREST INCOME		**80,032**	71,154
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	7	**13,337**	7,250
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES		**66,695**	63,904
OTHER INCOME			
Fees and commissions		**8,905**	7,493
Income from foreign exchange trading		**1,479**	1,222
Securities trading gain		**640**	1,611
Income attributable to insurance operations		**2,024**	1,825
Net loss on disposals of investment securities at amortized cost		**(8)**	(7)
Other operating income, net	7,8	**10,943**	9,256
		23,983	21,400
OTHER EXPENSES			
Compensation and fringe benefits		**16,952**	15,459
Occupancy and equipment-related expenses		**14,331**	12,743
Other operating expenses		**17,351**	14,546
		48,634	42,748
PROFIT BEFORE INCOME TAX		**42,044**	42,556
INCOME TAX EXPENSE			
Current		**10,214**	9,088
Deferred		**(1,177)**	307
		9,037	9,395
NET INCOME AFTER TAX		**33,007**	33,161
Attributable to			
Equity holders of BPI		**32,833**	32,958
Non-controlling interests		**174**	203
		33,007	33,161
Basic and diluted earnings per share attributable to the equity holders of BPI		**6.20**	6.24
Dividends declared per share attributable to the equity holders of BPI		**2.58**	2.08

(The notes on pages 1 to 18 are an integral part of these unaudited condensed consolidated interim financial statements.)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
For the six-month periods ended June 30, 2026 and 2025
(In Millions of Pesos)

	2026	2025
NET INCOME FOR THE PERIOD	**33,007**	33,161
OTHER COMPREHENSIVE (LOSS) INCOME		
Items that may be subsequently reclassified to profit or loss		
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect	**(13,404)**	754
Share in other comprehensive loss of associates	**(495)**	(25)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	**(135)**	52
Currency translation differences and others	**402**	(211)
Cashflow hedge, net of tax effect	**(12)**	8
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit obligation	**(37)**	(28)
Share in other comprehensive income (loss) of associates	**54**	(80)
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect	**(35)**	317
Total other comprehensive (loss) gain, net of tax effect	**(13,662)**	787
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**19,345**	33,948
Attributable to:		
Equity holders of BPI	**19,241**	33,739
Non-controlling interests	**104**	209
	19,345	33,948

(The notes on pages 1 to 18 are an integral part of these unaudited condensed consolidated interim financial statements.)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN CAPITAL FUNDS
For the six-month periods ended June 30, 2026 and 2025
(In Millions of Pesos)

	Attributable to equity holders of BPI (Note 11)							
	Share capital	Share premium	Reserves	Accumulated other comprehensive loss	Surplus	Total	Non-controlling interests	Total capital funds
Balance, January 1, 2025	**52,610**	**143,278**	**10,889**	**(12,640)**	**236,332**	**430,469**	**2,221**	**432,690**
Comprehensive income								
Net income for the period	-	-	-	-	32,958	32,958	203	33,161
Other comprehensive income for the period	-	-	-	781	-	781	6	787
Total comprehensive income for the period	-	-	-	781	32,958	33,739	209	33,948
Transactions with owners								
Executive stock plan exercise and amortization	125	288	(5)	-	-	408	-	408
Dividends declared	-	-	-	-	(10,990)	(10,990)	(158)	(11,148)
Total transactions with owners	125	288	(5)	-	(10,990)	(10,582)	(158)	(10,740)
Other movements								
Transfer from surplus to reserves	-	-	3,918	-	(3,918)	-	-	-
Others	-	-	(2)	-	(166)	(168)	-	(168)
Total other movements	-	-	3,916	-	(4,084)	(168)	-	(168)
Balance, June 30, 2025	**52,735**	**143,566**	**14,800**	**(11,859)**	**254,216**	**453,458**	**2,272**	**455,730**
Balance, December 31, 2025	**52,747**	**143,810**	**16,511**	**(10,586)**	**274,071**	**476,553**	**2,317**	**478,870**
Comprehensive income								
Net income for the period	-	-	-	-	32,833	32,833	174	33,007
Other comprehensive loss for the period	-	-	-	(13,592)	-	(13,592)	(70)	(13,662)
Total comprehensive income for the period	-	-	-	(13,592)	32,833	19,241	104	19,345
Transactions with owners								
Executive stock plan exercise and amortization	69	359	(7)	-	-	421	-	421
Dividends declared	-	-	-	-	(13,665)	(13,665)	(188)	(13,853)
Total transactions with owners	69	359	(7)	-	(13,665)	(13,244)	(188)	(13,432)
Other movements								
Transfer from reserves to surplus	-	-	(1,214)	-	1,214	-	-	-
Others	-	-	2	-	1	3	-	3
Total other movements	-	-	(1,212)	-	1,215	3	-	3
Balance, June 30, 2026	**52,816**	**144,169**	**15,292**	**(24,178)**	**294,454**	**482,553**	**2,233**	**484,786**

(The notes on pages 1 to 18 are an integral part of these unaudited condensed consolidated interim financial statements.)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the six-month periods ended June 30, 2026 and 2025
(In Millions of Pesos)

	Notes	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**42,044**	42,556
Adjustments for:			
Impairment losses	7	**13,337**	7,250
Depreciation and amortization		**2,850**	2,667
Share in net income of associates	2	**(1,553)**	(1,410)
Dividend and other income		**(42)**	(36)
Share-based compensation		**(8)**	(5)
Profit from assets sold		**(57)**	(222)
Realized gain - investment securities		**(370)**	(790)
Interest income		**(115,552)**	(103,548)
Interest received		**115,234**	104,032
Interest expense		**35,744**	32,593
Interest paid		**(35,810)**	(31,565)
Decrease (increase) in:			
Interbank loans and receivable and securities purchased under agreements to resell		**19,631**	1,427
Financial assets at fair value through profit or loss		**279**	(49,211)
Loans and advances		**(51,710)**	(91,515)
Assets held for sale		**(1,347)**	(2,239)
Assets attributable to insurance operations		**(1,026)**	1,384
Other assets		**(8,841)**	6,198
Increase (decrease) in:			
Deposit liabilities		**12,461**	(3,161)
Due to BSP and other banks		**342**	(834)
Manager's checks and demand drafts outstanding		**(1,626)**	(626)
Accrued taxes, interest and other expenses		**(160)**	85
Liabilities attributable to insurance operations		**1,469**	(1,108)
Derivative financial instruments		**955**	(1,212)
Deferred credits and other liabilities		**(2,688)**	(1,479)
Net cash from (absorbed by) operations		**23,556**	(90,769)
Income taxes paid		**(9,181)**	(8,118)
Net cash from (used in) operating activities		**14,375**	(98,887)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of bank premises, furniture, fixtures and equipment		**(3,089)**	(2,580)
Disposal of bank premises, furniture, fixtures and equipment		**197**	330
Dividends received		**42**	36
Placements in investment securities		**(106,574)**	(102,823)
Proceeds from maturities/sales of investment securities		**96,841**	92,554
Decrease (increase) in:			
Investment in subsidiaries and associates, net		**1,338**	154
Assets attributable to insurance operations		**(410)**	(160)
Net cash used in investing activities		**(11,655)**	(12,489)

(forward)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the six-month periods ended June 30, 2026 and 2025
(In Millions of Pesos)

	Note	**2026**	2025
(forwarded)			
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid		**(13,665)**	(10,990)
Proceeds from share issuance		**428**	413
Additions to bills payable and other borrowed funds		**223,473**	170,794
Maturities and repayments of bills payable and other borrowed funds		**(164,359)**	(107,464)
Payments for principal portion of lease liabilities		**(1,154)**	(1,100)
Net cash from financing activities		**44,723**	51,653
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**47,443**	(59,723)
CASH AND CASH EQUIVALENTS	3		
Beginning of period		**211,850**	300,085
End of period		**259,293**	240,362

(The notes on pages 1 to 18 are an integral part of these unaudited condensed consolidated interim financial statements.)

BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

Notes to the unaudited condensed consolidated interim financial statements
As at and for the six-month period ended June 30, 2026
(With comparative figures and notes as at December 31, 2025 and for the six-month period ended June 30, 2025)
(In Millions of Pesos, unless otherwise stated)

1 General information

Bank of the Philippine Islands ("BPI" or the "Parent Bank") is a domestic commercial bank with an expanded banking license and was registered with the Securities and Exchange Commission (SEC) on January 4, 1943. The Parent Bank's license was extended for another 50 years on January 4, 1993.

The Parent Bank's office address, which also serves as its principal place of business, is located at Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati Ave., Bel-Air, Makati City.

BPI and its subsidiaries (collectively referred to as the "BPI Group") offer a whole breadth of financial services that include corporate banking, consumer banking, investment banking, asset management, corporate finance, securities distribution, and insurance services. At June 30, 2026, the BPI Group has 22,940 employees (December 31, 2025 - 23,036 employees) and operates 1,321 branches (December 31, 2025 - 1,315 branches) and 1,718 automated teller machines (ATMs) and cash accept machines (CAMs) (December 31, 2025 - 1,750 ATMs and CAMs), and in partnership with 7,169 partner stores (December 31, 2025 - 7,032 partner stores) 1,408 of which are offering deposit and withdrawal services (December 31, 2025 - 987), to support its delivery of services. The BPI Group also serves its customers through alternative electronic banking channels such as telephone, mobile phone and the internet.

The Parent Bank is considered a public company under Rule 3.1 of Implementing Rules and Regulations of the Securities Regulation Code (SRC), which, among others, defines a public company as any corporation with a class of equity securities listed on an exchange, or with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities. As at June 30, 2026, the Parent Bank has 11,569 common shareholders (December 31, 2025 - 11,594).

Approval and authorization for issuance of financial statements

The unaudited condensed consolidated interim financial statements have been approved by the BOD of the Parent Bank on October 21, 2026.

These condensed consolidated interim financial statements have been reviewed, not audited.

2 Segment information

Operating segments are reported in accordance with the internal reporting provided to the Chief Executive Officer (CEO), who is responsible for allocating resources to the reportable segments and assessing their performance. All operating segments used by the BPI Group individually meet the definition of a reportable segment under Philippine Financial Reporting Standard (PFRS) 8, *Operating Segments*.

The BPI Group has determined the operating segments based on the nature of the services provided and the different clients/markets served representing a strategic business unit.

The BPI Group's main operating business segments follow:

- Consumer banking - this segment serves the individual and retail markets. Services cover deposit taking and servicing, consumer lending such as personal, home mortgages, auto loans and credit card finance as well as the remittance business. The segment also includes the entire transaction processing and service delivery infrastructure consisting of network of branches, ATMs and cash acceptance machines, as well as phone and internet-based banking platforms for individual customers. Furthermore, innovative business models such as Partnership and Agency banking are incorporated in this segment.

- Corporate banking - this segment caters both high-end corporations and middle market clients. Services offered include deposit taking and servicing, loan facilities, trade, cash management and internet-based banking platforms for corporate and institutional customers.

- Investment banking - this segment includes the various business groups operating in the investment markets and dealing in activities other than lending and deposit taking. These services cover corporate finance, securities distribution, asset management, trust and fiduciary services as well as proprietary trading and investment activities.

The performance of the Parent Bank is assessed as a single unit using financial information presented in the separate or Parent only financial statements. Likewise, the CEO assesses the performance of the insurance business as a standalone business segment separate from the banking and allied financial undertakings.

The BPI Group mainly derive revenue within the Philippines; accordingly, no geographical segment is presented.

The segment report forms part of management's assessment of the performance of the segment, among other performance indicators.

There were no changes in the reportable segments during the period. Transactions between the business segments are carried out at arm's length. Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in inter-segment net interest income.

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a systematic basis. Inter-segment revenues, however, are deemed insignificant for financial reporting purposes, thus, not reported in segment analysis below.

The BPI Group's management reporting is based on a measure of operating profit comprising net interest income, credit losses, fees and commission income, other income and operating expenses.

Segment assets and liabilities comprise majority of operating assets and liabilities, measured in a manner consistent with that shown in the unaudited condensed consolidated interim statement of condition, but exclude items such as taxation.

The segment assets and liabilities as at June 30, 2026 and December 31, 2025 and the results of the operations of the reportable segments of the BPI Group for the six-month periods ended June 30, 2026 and 2025 follow:

	June 30, 2026			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
Net interest income	54,135	21,789	7,552	83,476
Provision for credit and impairment losses	12,904	448	(16)	13,336
Net interest income after provision for credit and impairment losses	41,231	21,341	7,568	70,140
Fees, commissions and other income, net	12,914	2,345	6,310	21,569
Total income	54,145	23,686	13,878	91,709
Compensation and fringe benefits	12,343	2,130	1,277	15,750
Occupancy and equipment-related expenses	5,338	224	713	6,275
Other operating expenses	17,678	2,617	1,155	21,450
Total operating expenses	35,359	4,971	3,145	43,475
Operating profit	18,786	18,715	10,733	48,234
Income tax expense				9,037
Net income				33,007
Share in net income of associates				1,553
Total assets	936,146	1,762,462	926,068	3,624,676
Total liabilities	1,935,912	967,834	297,947	3,201,693

	June 30, 2025			
	Consumer banking	Corporate banking	Investment banking	Total per management Reporting
Net interest income	47,644	18,673	7,887	74,204
Provision for credit and impairment losses	8,634	(1,348)	63	7,349
Net interest income after provision for credit and impairment losses	39,010	20,021	7,824	66,855
Fees, commissions and other income, net	12,905	1,814	4,736	19,455
Total income	51,915	21,835	12,560	86,310
Compensation and fringe benefits	11,238	1,927	1,168	14,333
Occupancy and equipment-related expenses	4,380	257	506	5,143
Other operating expenses	14,811	2,083	1,060	17,954
Total operating expenses	30,429	4,267	2,734	37,430
Operating profit	21,486	17,568	9,826	48,880
Income tax expense				9,395
Net income				33,161
Share in net income of associates				1,410
	December 31, 2025			
Total assets	995,884	1,816,740	773,948	3,586,572
Total liabilities	1,976,928	921,785	235,189	3,133,902

Reconciliation of segment results to consolidated results of operations are presented as follows:

	June 30, 2026		
	Total per management reporting	Consolidation adjustments/ Others	**Total per consolidated financial statements**
Net interest income	83,476	(3,444)	**80,032**
Provision for credit and impairment losses	13,336	1	**13,337**
Net interest income after provision for credit and impairment losses	70,140	(3,445)	**66,695**
Fees, commissions and other income, net	21,569	2,414	**23,983**
Total income	91,709	(1,031)	**90,678**
Compensation and fringe benefits	15,750	1,202	**16,952**
Occupancy and equipment- related expenses	6,275	8,056	**14,331**
Other operating expenses	21,450	(4,099)	**17,351**
Total operating expenses	43,475	5,159	**48,634**
Operating profit	48,234	(6,190)	**42,044**
Income tax expense	9,037		**9,037**
Net income	33,007		**33,007**
Share in net income of associates	1,553		**1,553**
Total assets	3,624,676	102,732	**3,727,408**
Total liabilities	3,201,693	40,929	**3,242,622**

	June 30, 2025		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
Net interest income	74,204	(3,050)	71,154
Provision for credit and impairment losses	7,349	(99)	7,250
Net interest income after provision for credit and impairment losses	66,855	(2,951)	63,904
Fees, commissions and other income, net	19,455	1,945	21,400
Total income	86,310	(1,006)	85,304
Compensation and fringe benefits	14,333	1,126	15,459
Occupancy and equipment- related expenses	5,143	7,600	12,743
Other operating expenses	17,954	(3,408)	14,546
Total operating expenses	37,430	5,318	42,748
Operating profit	48,880	(6,324)	42,556
Income tax expense	9,395		9,395
Net income	33,161		33,161
Share in net income of associates	1,410		1,410
	December 31, 2025		
Total assets	3,586,572	64,916	3,651,488
Total liabilities	3,133,902	38,716	3,172,618

“Consolidation adjustments/Other” pertain to balances of support units and inter-segment elimination in accordance with BPI Group’s internal reporting.

3 Cash and cash equivalents

Cash and cash equivalents consist of:

	June 30, 2026	December 31, 2025
Cash and other cash items	**44,358**	53,018
Due from Bangko Sentral ng Pilipinas (BSP)	**144,700**	106,344
Due from other banks	**40,600**	38,211
Interbank loans receivable and securities purchased under agreement to resell (SPAR)	**29,268**	13,902
Cash and cash equivalents attributable to insurance operations	**367**	375
	259,293	211,850

As at June 30, 2026, interbank loans receivable and SPAR amounts to P31,209 million (December 31, 2025 - P35,480 million), of which P29,268 million (December 31, 2025 - P13,902 million; June 30, 2025 - P24,422) are expected to mature within 90 days from the date of acquisition and are classified as cash equivalents in the unaudited condensed consolidated interim statement of cash flows. Interbank loans receivable and SPAR decreased primarily due to the maturity of placements.

4 Financial assets at fair value through profit or loss (FVTPL)

The account consists of:

	June 30, 2026	December 31, 2025
Debt securities		
Government securities	**74,402**	75,610
Commercial papers of private companies	**4,762**	4,946
Equity securities		
Listed	**39**	173
Unlisted	**46**	46
Derivative financial assets	**5,794**	4,499
	85,043	85,274

The decrease in the account reflects the BPI Group’s active management and rebalancing of its investment securities portfolio in response to changing market conditions and interest rate expectations.

Derivatives held by the BPI Group for non-hedging purposes mainly consist of foreign exchange swaps, foreign exchange forwards, non-deliverable forwards, cross-currency swaps and interest rate swaps.

5 Financial assets at fair value through other comprehensive income (FVOCI)

The account consists of:

	June 30, 2026	December 31, 2025
Debt securities		
Government securities	**251,816**	228,174
Commercial papers of private companies	**35,454**	49,704
	287,270	277,878
Accrued interest receivable	**5,056**	4,358
	292,326	282,236
Equity securities		
Listed	**1,765**	1,687
Unlisted	**1,402**	1,444
	3,167	3,131
	295,493	285,367

The increase in the account is mainly driven by net purchases of government securities during the period.

6 Investment securities at amortized cost, net

The account consists of:

	June 30, 2026	December 31, 2025
Government securities	**292,053**	300,921
Commercial papers of private companies	**44,547**	48,468
	336,600	349,389
Accrued interest receivable	**4,008**	3,789
	340,608	353,178
Allowance for credit losses	**(21)**	(33)
	340,587	353,145

The decrease in the account is mainly attributable to maturities and close-to-maturity sales during the period.

7 Loans and advances, net

The account consists of:

	June 30, 2026	December 31, 2025
Corporate loans		
Large corporate customers	**1,788,532**	1,800,399
Small and medium enterprise	**135,669**	125,397
Retail loans		
Real estate mortgages	**288,808**	275,596
Credit cards	**261,695**	238,503
Auto loans	**127,501**	120,349
Others	**67,596**	63,022
	2,669,801	2,623,266
Accrued interest receivable	**18,300**	18,941
Unearned discount/income	**(20,863)**	(18,342)
	2,667,238	2,623,865
Allowance for impairment	**(62,670)**	(56,734)
	2,604,568	2,567,131

Others include personal loans, microfinance loans and bills purchased for the BPI Group and the Parent Bank as at June 30, 2026 and December 31, 2025.

At June 30, 2026 and December 31, 2025, the BPI Group has no outstanding loans and advances used as security for bills payable (Note 10).

Loans and advances include amounts due from related parties (Note 13).

The increase in loans and advances is due to the higher demand, increased customer confidence, and increased volume of transactions.

For the six-month period ended June 30, 2026, the increase in the volume of credit card transactions and number of cardholders resulted in higher credit card income such as membership fees, interchange fees and service charges amounting to P5,581 million (June 30, 2025 - P5,007 million). This is presented as part of Other operating income, net in the unaudited condensed consolidated interim statement of income.

The movements in allowance for credit losses on loans and advances are summarized below:

	June 30, 2026	December 31, 2025
Beginning balance	**56,734**	54,102
Provision for impairment losses	**13,632**	16,951
Transfers/reallocation	**(552)**	(1,767)
Write-off	**(7,133)**	(12,545)
Accretion/unwinding of discount	**(11)**	(7)
Ending balance	**62,670**	56,734

Provision for credit and impairment losses

The BPI Group's provision for (reversal of) credit and impairment losses for the six-month periods ended June 30 are attributable to the following accounts:

	2026	2025
Loans and advances	**13,632**	6,535
Assets held for sale	**206**	44
Undrawn loan commitments	**107**	218
Interbank loans receivable and SPAR	**(1)**	10
Investment securities at amortized cost, net	**(13)**	(41)
Accounts receivable	**(660)**	497
Other assets	**66**	(13)
	13,337	7,250

The expected credit loss allowance related to undrawn loan commitments is recognized as part of "Deferred credits and other liabilities".

The movement in provision for credit and impairment losses recognized during the six-month period ended June 30, 2026 is primarily driven by the growth in the total loan portfolio, the higher level of non-performing loans, as well as the increase in expected credit losses reflected in the consumer loan portfolios and corporate accounts classified under Stage 2.

8 Bank premises, furniture, fixtures and equipment, net

The details of and movements in the account are summarized below:

	June 30, 2026			
	Land	Buildings and leasehold improvements	Furniture and equipment	**Total**
Cost				
January 1, 2026	3,061	38,320	18,649	**60,030**
Additions	-	2,843	657	**3,500**
Disposals	(33)	(514)	(769)	**(1,316)**
Transfers	-	206	-	**206**
Other changes	-	26	3	**29**
June 30, 2026	3,028	40,881	18,540	**62,449**
Accumulated depreciation				
January 1, 2026	-	19,200	15,742	**34,942**
Depreciation and amortization	-	1,737	756	**2,493**
Disposals	-	(508)	(657)	**(1,165)**
Transfers	-	144	-	**144**
Other changes	-	(3)	2	**(1)**
June 30, 2026	-	20,570	15,843	**36,413**
Net book value, June 30, 2026	3,028	20,311	2,697	**26,036**

	December 31, 2025			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
Cost				
January 1, 2025	2,986	38,122	16,940	58,048
Additions	68	6,337	2,563	8,968
Disposals	(1)	(6,393)	(823)	(7,217)
Transfers	8	(33)	22	(3)
Other changes	-	287	(53)	234
December 31, 2025	3,061	38,320	18,649	60,030
Accumulated depreciation				
January 1, 2025	-	21,909	14,930	36,839
Depreciation and amortization	-	3,359	1,398	4,757
Disposals	-	(6,044)	(561)	(6,605)
Transfers	-	(33)	22	(11)
Other changes	-	9	(47)	(38)
December 31, 2025	-	19,200	15,742	34,942
Net book value, December 31, 2025	3,061	19,120	2,907	25,088

The BPI Group has recognized construction-in-progress in relation to the redevelopment of its head office. As at June 30, 2026, the construction-in-progress amounts to P4.98 billion (December 31, 2025 - P3.87 billion), of which P1.12 billion is recognized during the six-month period ended June 30, 2026 (June 30, 2025 - P684.65 million). Construction-in-progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of construction in-progress includes the cost of materials and direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets during the construction period. However, the construction-in-progress is internally funded by the Parent Bank, hence, no borrowing costs were capitalized. The construction-in-progress is recorded as part of Buildings and leasehold improvements in the table above.

In August 2025, the Parent Bank amended its 2021 Memorandum of Agreement (MOA) with a related party for the development of its new head office building and the sale to the same related party of certain units therein. The amendment increased the Parent Bank's allocation of units in the new building. In January 2026, the Parent Bank obtained a Certificate of Non-Coverage from the Philippine Competition Commission (PCC) covering the transaction as amended.

For the six-month period ended June 30, 2026, the BPI Group realized a gain of P57 million (June 30, 2025 - P222 million) from the disposal of certain bank premises, furniture, fixtures, and equipment. This is presented as part of Other operating income, net in the unaudited condensed consolidated interim statement of income.

Other changes pertain to additions and remeasurement of right-of-use assets due to renewal of lease agreements, extension of lease terms and rate adjustments.

9 Deposit liabilities

The account consists of:

	June 30, 2026	December 31, 2025
Demand	**441,839**	431,962
Savings	**1,284,066**	1,291,009
Time	**1,125,081**	1,115,554
	2,850,986	2,838,525

10 Bills payable and other borrowed funds

The account consists of:

	June 30, 2026	December 31, 2025
Bills payable		
Local banks	**73,560**	15,298
Foreign banks	**31,124**	49,874
Other borrowed funds	**178,136**	158,261
	282,820	223,433

Bills payable

Bills payable include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group in accordance with the agreed financing programs. The payment terms of these bills payable ranges from 3 days to 5 years (2025 - 2 days to 5 years).

As a result of the merger with Robinsons Bank Corporation in 2024, BPI assumed peso-denominated borrowings with the Development Bank of the Philippines. As at June 30, 2026, the carrying amount of the borrowings amounts to P4,994 million (2025 - P4,990 million) and is presented as part of bills payable to local banks.

On August 24, 2023, the Parent Bank signed a facility agreement for an unsecured syndicated term loan amounting to USD 300 million. The three-year loan which was drawn down on August 24, 2023 bears a floating interest payable on a quarterly basis commencing in November 2023. On August 29, 2025, the Parent Bank prepaid the unsecured syndicated term loan ahead of its maturity on August 24, 2026. No pretermination fees were incurred upon full prepayment of the loan. The bills payable was presented under foreign banks.

In early 2025, the Parent Bank entered into bilateral loan agreements with three foreign banks, obtaining a total facility amount of USD 300 million with Philippine peso equivalent of P17,592 million. On June 30, 2026, it has a carrying amount of P18,372 million (December 31, 2025 - P16,792 million). The facilities carry floating rates, with interest payable quarterly. Maturities of these bilateral loans range from two to three years.

The range of average interest rates (%) of bills payable for the period follows:

	Consolidated	
	June 30, 2026	December 31, 2025
Private firms and local banks - Peso - denominated	**4.95 - 5.80**	0.52 - 6.09
Foreign banks - Foreign currency-denominated	**3.76 - 4.45**	3.87 - 4.98

Other borrowed funds

This represents funds raised via the BPI Group's debt issuance programs as follows:

(a) Peso Bond and Commercial Paper Program

On May 18, 2022, the BOD of the Parent Bank approved a new P100 billion Bond Program to be issued in one or more tranches over a period of three years. On January 30, 2023, BPI issued the first tranche called BPI Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs) Bonds ("BPI RISE Bonds"). The net proceeds amounting to P20,123 million were used to finance or refinance the business requirements of eligible MSMEs, consistent with BPI's Sustainable Funding Framework. On November 13, 2023, BPI issued the second tranche of this Bond Program. The net proceeds amounting to P36,371 million were used for general corporate purposes. On August 9, 2024, BPI issued the third tranche called BPI Sustainable, Environmental and Equitable Development Bonds ("BPI SEED Bonds"). The net proceeds of P33,412 million were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

Details of the outstanding balances as at June 30, 2026 and December 31, 2025 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Carrying amount		
				Face amount	June 30, 2026	December 31, 2025
				(In Millions of Pesos)		
Fixed rate bond, unconditional, unsecured and unsubordinated	August 9, 2024	6.20%	February 9, 2026	33,700	-	33,678

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program following the full utilization of the Parent Bank's Bond Program established in 2022. On June 10, 2025, BPI issued the first tranche called BPI Supporting Inclusion, Nature and Growth Bonds ("BPI SINAG Bonds"). The net proceeds of P39,661 million were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework. On February 13, 2026, BPI launched the second tranche called BPI Supporting Individuals Grow, Lead, and Achieve Bonds ("BPI SIGLA Bonds") with an option for early redemption. The net proceeds of P49,583 were used for the financing or refinancing of eligible social projects under the Parent Bank's Sustainable Funding Framework consistent with the ASEAN Social Bonds Standards.

Details of the outstanding balances as at June 30, 2026 and December 31, 2025 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Carrying amount		
				Face amount	June 30, 2026	December 31, 2025
				(In Millions of Pesos)		
Fixed rate bond, unconditional, unsecured and unsubordinated	February 13, 2026	5.405%	February 13, 2028	50,000	49,682	-
Fixed rate bond, unconditional, unsecured and unsubordinated	June 10, 2025	5.85%	December 10, 2026	40,000	39,895	39,783

**The carrying amount includes bond issuance cost amounting to P27 million paid to related parties that are eliminated for consolidation.*

(b) Medium-Term Note (MTN) Program

On June 21, 2018, the BOD of the Parent Bank approved the establishment of the MTN Program in the aggregate amount of up to USD 2,000 million. On December 13, 2023, the BOD approved the increase in size of this program to USD 3,000. Details of outstanding balances as at June 30, 2026 and December 31, 2025 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Carrying amount		
				Face amount	June 30, 2026	December 31, 2025
				(In Millions of Pesos)		
USD 400 million, 5-year senior unsecured fixed rate Bonds	March 26, 2024	5.25%	March 26, 2029	23,516	24,422	23,379
USD 500 million, 5-year senior unsecured fixed rate bonds	April 7, 2025	5.00%	April 7, 2030	29,395	30,476	29,177
USD 300 million, 10-year senior unsecured fixed rate bonds	April 7, 2025	5.63%	April 7, 2035	17,637	18,322	17,552

(c) Private Placement

On August 25, 2023, the Parent Bank issued a green bond amounting to USD 250 million with the International Finance Corporation as the sole subscriber. The bond carries floating interest payable on a semi-annual basis. The bond is unconditional, unsecured and unsubordinated and is expected to mature on August 25, 2026. As at June 30, 2026, the carrying amount of the bond amounts to P15,339 million (2025 - P14,692 million).

11 Capital funds

a) Share capital, share premium and treasury shares

	June 30, 2026	December 31, 2025
Authorized capital (at P10 par value per share)		
Common shares	**54,000**	54,000
Preferred A shares	**600**	600
	54,600	54,600

On September 30, 2022, the BOD of the Parent Bank approved the increase in authorized share capital in the amount of P4,000 million divided into 400 million common shares with a par value of P10 per share. On December 21, 2023, the BSP approved the amendment of Article Seventh of the Amended Articles of Incorporation of the Parent Bank. On December 29, 2023, the SEC issued a Certificate of Approval and Increase of Capital Stock from P50.60 billion to P54.60 billion.

Details of the Parent Bank's issued and subscribed common shares are as follows:

	June 30, 2026	December 31, 2025
	(In absolute number of shares)	
Common shares		
At January 1	**5,283,794,223**	5,272,095,143
Subscription of shares during the period	**12,568,550**	11,699,080
	5,296,362,773	5,283,794,223
	(In absolute amount)	
Subscription receivable	**147,171,749**	90,517,927

There are no preferred shares issued and outstanding as at June 30, 2026 and December 31, 2025.

(b) Reserves

The account consists of:

	June 30, 2026	December 31, 2025
General loan loss provision	**14,676**	15,890
Reserve for trust business	**400**	400
Reserve for trading participants	**73**	73
Reserve for self-insurance	**34**	34
Executive stock option plan amortization	**14**	21
Others	**95**	93
	15,292	16,511

The appropriation for general loan loss provision (GLLP) is recognized to comply with BSP Circular 1011 (the "Circular"). Under the Circular, banks are required to set up GLLP equal to 1% of all outstanding Stage 1 on-balance sheet loans, except for accounts considered as credit risk-free under existing regulations. Further, the Circular states that if the PFRS 9 loan loss provision is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at June 30, 2026, the BPI Group appropriated P14,676 million (December 31, 2025 - P15,890 million) out of surplus representing the excess of GLLP over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP.

In compliance with existing BSP regulations, 10% of income from trust business of BPI Asset Management and Trust Corporation's (BPI Wealth), a wholly-owned subsidiary of the Parent Bank, should be appropriated to surplus reserve. This appropriation is required until the surplus reserve for trust business reaches 20% of BPI Wealth's regulatory net worth. As at December 31, 2023, the appropriated reserve is already equivalent to 20% of its authorized capital, hence, no additional appropriation required for 2025 and 2026.

Reserve for trading participants represents the required annual minimum appropriation of net income of the BPI Group's broker/dealer activities through BPI Securities Corporation, a wholly-owned subsidiary of the Parent Bank, to a reserve fund in compliance with SEC Memorandum Circular No. 16-2004.

Reserve for self-insurance represents the amount set aside to cover losses due to fire, defalcation by and other unlawful acts of personnel and third parties.

Share-based compensation plan

On April 15, 2026 the BOD of the Parent Bank approved the 2026 Executive Stock Purchase Plan (ESPP) and the inclusion of the grant of restricted shares to qualified beneficiaries/participants. On April 30, 2026 grant date, total shares of 12,568,550 were subscribed.

On April 21, 2025 the BOD of the Parent Bank approved the 2025 ESPP and the inclusion of the grant of restricted shares to qualified beneficiaries/participants. On April 22, 2025 grant date, total shares of 11,699,080 were subscribed.

(c) Dividend declarations

Details of cash dividends declared by the Parent Bank follow:

Date declared	Amount of dividends	
	Per Share	Total
	(In millions of Pesos, except for dividend per share)	
For the period ended June 30, 2026		
May 20, 2026	2.58	13,665
For the year ended December 31, 2025		
May 21, 2025	2.08	10,990
November 19, 2025	2.28	12,047
		23,037

On May 20, 2026, the BOD approved the declaration of regular cash dividends amounting to P13,665 million equivalent to P2.58 per share, for the first semester of 2026. The dividends were paid on June 18, 2026 to shareholders of record as of June 4, 2026, covering a total of 5,296,362,773 outstanding common shares.

On May 21, 2025, the BOD approved the declaration of regular cash dividends amounting to P10,990 million equivalent to P2.08 per share, for the first semester of 2025. The dividends were paid on June 30, 2025 to shareholders of record as of June 10, 2025, covering a total of 5,283,794,223 outstanding common shares.

On November 19, 2025, the BOD approved the declaration of regular cash dividends amounting to P12,047 million equivalent to P2.28 per share, for the second semester of 2025. The dividends were paid on December 18, 2025 to shareholders of record as of December 3, 2025, covering a total of 5,283,794,223 outstanding common shares.

12 Commitments and contingencies

At present, there are lawsuits, claims and tax assessments pending against the BPI Group. In the opinion of management, after reviewing all actions and proceedings and court decisions with legal counsels, the aggregate liability or loss, if any, arising therefrom will not have a material effect on the BPI Group's financial position or financial performance.

BPI and some of its subsidiaries are defendants in legal actions arising from normal business activities. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the financial statements.

In the normal course of business, the BPI Group makes various commitments that are not presented in the financial statements. The BPI Group does not anticipate any material losses from these commitments.

OECD Pillar Two model

The BPI Group is within the scope of the OECD Pillar Two model rules. As at June 30, 2026, Pillar Two legislation is not yet enacted in the Philippines, the jurisdiction in which the Parent Bank is incorporated. The BPI Group is in the process of assessing its exposure to the Pillar Two legislation.

13 Related party transactions

In the normal course of business, the Parent Bank transacts with related parties consisting of its DOSRI (Directors, Officers, Stockholders, and Related Interests), Subsidiaries and Affiliates, including Other Related Parties. Transactions with related parties are conducted in accordance with applicable laws, regulations, and the Parent Bank's internal policies and are generally undertaken on terms and conditions comparable to those available to non-related parties and/or to similar transactions in the market.

The Parent Bank maintains a governance framework for the review, vetting, or endorsement by the appropriate committees, and monitoring of related party transactions (RPTs). Significant RPTs that meet established materiality thresholds are subject to review and endorsement by the Related Party Transactions Committee, a Board-level committee prior to approval by the Board of Directors, where required. RPTs below the prescribed materiality threshold are reviewed and endorsed by the Management Vetting Committee, a management-level committee in accordance with delegated authorities and internal policies. The Parent Bank's RPT governance framework provides a structured process for the review and endorsement of any amendments from the previously approved RPT terms and conditions.

To safeguard objectivity and independence in the review process, members of the relevant vetting, or endorsement bodies are required to inhibit themselves from the review, or endorsement, of any RPT in which an actual, perceived, or potential conflict of interest exists.

The Board of Directors establishes prudent limits, including individual and aggregate exposure limits to related parties, consistent with the Parent Bank's risk appetite, capital position, and applicable regulatory requirements. Compliance with these limits is monitored on an ongoing basis.

The Related Party Transactions Committee regularly reports to the Board of Directors on related party transactions and related party exposures, including aggregate exposures and compliance with established limits.

Details of directors, officers, stockholders, and their related interests (DOSRI) loans follow:

	June 30, 2026	December 31, 2025
Outstanding DOSRI loans	**22,427**	23,412
	In percentage (%)	
% to total outstanding loans and advances	**0.85**	0.90
% to total outstanding DOSRI loans		
Unsecured DOSRI loans	**1.81**	4.16
Past due DOSRI loans	**0.01**	0.01
Non-performing DOSRI loans	**0.03**	0.04

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at June 30, 2026 and December 31, 2025.

14 Subsequent event

Merger of BPI Direct BanKo, Inc., a Savings Bank (BanKo) and Legazpi Savings Bank (LSB)

The BSP, in its Monetary Board Resolution no. 604 dated July 2, 2026, and the SEC, through the issuance of the Certificate of Filing of the Articles and Plan of Merger dated July 24, 2026, approved the merger between BanKo and LSB, with BanKo as the surviving entity, subject to certain conditions.

The merger took effect on October 1, 2026. The transaction did not have a material impact on the consolidated financial statements of the BPI Group, as it involved entities under common control and the ownership structure remained largely unchanged.

15 Critical accounting estimates and judgments

The preparation of unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

In preparing the unaudited condensed consolidated interim financial statements, the significant accounting estimates and judgments made by management in applying the BPI Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year-ended December 31, 2025.

16 Fair value measurements of financial instruments

This note provides an update on the judgments and estimates made by the BPI Group in determining the fair values on the financial instruments since the last annual financial report.

(a) Fair value hierarchy

The BPI Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at June 30, 2026 and December 31, 2025.

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The following tables present the carrying value and fair value hierarchy of the BPI Group's assets and liabilities measured at fair value as at June 30, 2026 and December 31, 2025:

	Carrying	Fair value			
June 30, 2026	Amount	Level 1	Level 2	Level 3	**Total**
Recurring measurements					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,794	-	5,794	-	**5,794**
Trading assets					
- Debt securities	79,164	79,164	-	-	**79,164**
- Equity securities	85	39	46	-	**85**
Financial assets at FVOCI					
- Debt securities	292,326	292,326	-	-	**292,326**
- Equity securities	3,167	1,765	296	1,106	**3,167**
	380,536	373,294	6,136	1,106	**380,536**
Financial liabilities					
Derivative financial liabilities	4,653	-	4,653	-	**4,653**
Non-recurring measurements					
Assets held for sale, net	13,558	-	33,136	-	**33,136**

	Carrying	Fair value			
December 31, 2025	Amount	Level 1	Level 2	Level 3	Total
Recurring measurements					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,499	-	4,499	-	4,499
Trading assets					
- Debt securities	80,556	80,556	-	-	80,556
- Equity securities	219	63	156	-	219
Financial assets at FVOCI					
- Debt securities	282,236	282,236	-	-	282,236
- Equity securities	3,131	1,687	323	1,121	3,131
	370,641	364,542	4,978	1,121	370,641
Financial liabilities					
Derivative financial liabilities	3,698	-	3,698	-	3,698
Non-recurring measurements					
Assets held for sale, net	12,417	-	31,222	-	31,222

There were no transfers between fair value hierarchy levels during the periods ended June 30, 2026 and December 31, 2025.

(b) Valuation techniques used to derive Level 2 fair values

The fair values of financial instruments that are not quoted in active markets are determined by using generally accepted valuation techniques. Where valuation techniques (for example, discounted cash flow models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. Inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets including recent market transactions, and valuation techniques (for example for structured notes), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, yield curve, forex rates, volatilities and counterparty spreads) existing at reporting dates. The BPI Group uses widely recognized valuation models for determining fair values of non-standardized financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market observable.

For more complex instruments, the BPI Group uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value derivatives transacted in the OTC market, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

(c) Valuation technique used to derive Level 3 fair value

The table below shows the valuation techniques and applicable unobservable inputs used to measure the BPI Group's Level 3 financial instruments (equities classified at FVOCI) as at June 30, 2026 and December 31, 2025:

			Amount	
Description	Valuation technique	Unobservable inputs	**June 30, 2026**	December 31, 2025
Unlisted equity securities	Net asset value; investments multiple	Net asset value; investments multiple	**1,106**	1,121

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At June 30, 2026, if the net asset value and investment had increased/decreased by 1% with all other variables held constant, equity as at June 30, 2026 would have been P8.30 million (December 31, 2025 - P8.41 million) higher/lower.

(d) Fair values of other financial instruments carried at cost

The BPI Group also holds financial instruments that are not measured at fair value in the unaudited condensed consolidated interim statement of condition. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since their interest rate is either close to current market level or the instruments are short-term in nature. Significant differences were identified for the following instruments as at June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment securities at amortized cost, net	**340,587**	**334,178**	353,145	350,530
Loans and advances, net	**2,604,568**	**3,087,266**	2,567,131	3,007,623
Financial liabilities				
Deposit liabilities	**2,850,986**	**2,837,645**	2,838,525	2,824,519

The fair value of investment securities at amortized cost is classified within the Level 1 hierarchy and is determined using observable data, either directly (that is, as prices) or indirectly (that is, derived from prices). The primary source of input parameters like yield curve or counterparty credit risk is Bloomberg.

The fair value of loans and advances and deposit liabilities are classified within the Level 3 hierarchy and is determined using valuation techniques that incorporate significant unobservable inputs. The estimated fair values are determined based on the risk-adjusted discounted amount of contractual future cash flows expected to be received or paid.

17 Basis of preparation

These unaudited condensed consolidated interim financial statements as at June 30, 2026 and for the six-month periods ended June 30, 2026 and 2025 have been prepared in accordance with PAS 34, 'Interim Financial Reporting'. These unaudited condensed consolidated interim financial statements do not include all the notes normally included in an annual financial report. Accordingly, these unaudited condensed consolidated interim financial statements are to be read in conjunction with the annual audited consolidated financial statements of the BPI Group as at and for the year ended December 31, 2025, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

(a) Amendments to existing standards adopted by the BPI Group

The BPI Group has applied the following amendments to existing standards effective January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
  c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  d) Update the disclosures for equity instruments design.

The adoption of the amendments to existing standards did not have a material financial effect to the unaudited condensed financial statements of the BPI Group.

(b) New standard and amendments to existing standards not yet adopted

The following new accounting standards and amendments to existing standards are not mandatory for the December 31, 2025 reporting period and have not been early adopted by the BPI Group in its annual audited consolidated financial statements as at and for the year then ended:

- PFRS 17, 'Insurance Contracts' (effective for annual periods beginning on or after January 1, 2027)
- PFRS 18, 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after January 1, 2027)
- PFRS 19, 'Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)

The BPI Group continually assesses the impact of the adoption of the above new standards and amendment to existing standards, which are not expected to materially affect the consolidated financial statements.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2026 that are considered relevant or expected to have a material effect on the unaudited condensed financial statements of the BPI Group.