



**STANDARD DOCUMENT COVER SHEET  
FOR SEC FILINGS**

All documents should be submitted under a cover page which clearly identifies the company and the specific document form as follows:

**SEC Identification Number PW-121**  
File Number \*\*

**BANK OF THE PHILIPPINE ISLANDS  
22/F – 28/F AYALA TRIANGLE GARDENS TOWER 2  
PASEO DE ROXAS CORNER MAKATI AVENUE,  
BEL-AIR, MAKATI CITY  
POSTAL CODE 1226  
(632) 8663-6525  
December 31, 2024  
SEC FORM 17-A**

**AMENDMENT DESIGNATION**

**FOR THE PERIOD ENDED DECEMBER 31, 2024**  
(if a report, financial statement, GIS, or related amendment or show-cause filing)

**NONE**  
**EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER**  
(state "NONE" if that is the case)

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\* SEC will assign SEC No. to new companies.

\*\* SEC will assign File No. to new applications or registrations.

\*\*\* Companies should display the File No. on any filing which is an amendment to an application or registration.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-A  
ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended : **DECEMBER 31, 2024**
2. SEC Identification Number: **PW-121**
3. BIR Tax Identification No. : **TIN: 000-438-366-000**
4. **BANK OF THE PHILIPPINE ISLANDS**  
Exact name of issuer as specified in its charter
5. **Manila, Philippines**  
Province, Country or other jurisdiction of incorporation or organization
6. Industry Classification Code  : (SEC Use Only)
7. **22/F – 28/F Ayala Triangle Gardens Tower 2**  
**Paseo de Roxas corner Makati Avenue,**  
**Bel-Air, Makati City** **ZIP Code 1226**  
Address of principal office Postal Code
8. **(632) 8663-6525 (CORPSEC OFFICE) / (632) 8663-6733 (IR)**  
Issuer's telephone number, include area code
9. **Not Applicable**  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>Common</b>	<b>5,272,095,143</b>
11. Are any or all of these securities listed on a Stock Exchange?  
Yes [  ] No [  ]  
  
If yes, state the name of such stock exchange and the classes of securities listed therein:  
**Philippine Stock Exchange** **Common**
12. Check whether the issuer:
  - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);  
  
Yes [  ] No [  ]
  - (b) Has been subject to such filing requirements for the past ninety (90) days.

Yes  No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

<b>Shares Held by Non-Affiliates as of 04/03/25</b>	<b>Market Value per share as of 04/03/25</b>	<b>Total Market Value</b>
5,272,095,143	P133.90	P 705,933,539,647.70

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes  No

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders;
- (b) Any information statement filed pursuant to SRC Rule 20 and 17.1(b);
- (c) Any prospectus filed pursuant to SRC Rule 8.1-1.

## PART 1 - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### (A) Description of business

##### (1) Business Development

The Bank of the Philippine Islands (“BPI”) is the first bank in the Philippines and Southeast Asia, licensed by the Bangko Sentral ng Pilipinas (“BSP”) to provide universal banking services. Founded in 1851, the Bank is the country’s oldest bank, from a purely commercial bank to a fully diversified universal bank with activities encompassing traditional commercial banking as well as investment and consumer banking. Together with its subsidiaries, the Bank offers a wide range of financial services that include institutional banking, consumer banking, consumer lending, investment banking, agency banking, asset management, securities distribution, insurance services, and leasing. Such services are offered to a wide range of customers, including multinationals, government entities, large corporates, SMEs and individuals.

BPI is one of the biggest banks in the country in terms of total assets, capital, and market capitalization, and has a significant share of total banking system deposits, loans, and assets under management. The Bank also has the country’s second largest branch network and operates the fourth largest ATM network. It is also a market leader in electronic banking where it has been a first mover and innovator in the use of automated teller machines (ATMs), cash acceptance machines (CAMs), point-of-sale debit systems, kiosk banking, phone banking, internet banking and mobile banking.

*Historical Background.* The Bank was established in 1851 in the Philippines (then a Spanish colony) as *Banco Español Filipino de Isabel II*, by decree of the Governor General of the Philippines. It was the first bank formed in the Philippines and was the issuer of the country’s first currency notes in 1855. It opened its first branch in Iloilo in 1897 and pioneered in sugar crop loans. It also financed the first tram service, telephone system, and electric power utility in Manila and the first steamship in the country. As such, BPI and its “escudo” ranks as one of the largest home-grown Philippine brands and carries an extensive legacy.

*Recent History.* For many years after its founding, BPI was the only domestic commercial bank in the Philippines. BPI’s business was largely focused on deposit taking and extending credit to exporters and local traders of raw materials and commodities, such as sugar, tobacco, coffee, and indigo, as well as funding public infrastructure. In keeping with the regulatory model set by the Glass Steagall Act of 1932, the Bank operated for many years as a private commercial bank. In the early 1980s, the Monetary Board of the Central Bank of the Philippines (now the Bangko Sentral ng Pilipinas, or BSP) allowed BPI to evolve into a fully diversified universal bank, with activities encompassing traditional commercial banking as well as investment and consumer banking. This transformation into a universal bank was accomplished through both organic growth and mergers and acquisitions, with BPI absorbing an investment house, a stock brokerage, a leasing company, a savings bank, a retail finance company, and bancassurance platforms.

BPI completed three bank mergers since the late 1990s. In 1996, it merged with City Trust Banking Corp., the retail banking arm of Citibank in the Philippines, which enhanced its franchise in consumer banking. In 2000, BPI acquired Far East Bank & Trust Company (“FEBTC”), then the largest banking merger in the Philippines. This merger established BPI’s dominance in asset management and trust services and branch banking; furthermore, it enhanced the Bank’s penetration of middle market clients. In 2000, BPI also formalized its acquisition of major insurance companies in the life, non-life and reinsurance fields. In 2005, BPI acquired and merged with Prudential Bank, a medium sized bank with a clientele of middle market entrepreneurs.

In 2011, BPI became the first bank in the Philippines to acquire the trust business of a foreign bank when it purchased the trust and investment management business of ING Bank N.V. Manila.

In 2014, BPI completed a strategic partnership with Century Tokyo Leasing Corp., one of the largest leasing companies in Japan, to form BPI Century Tokyo Lease & Finance Corp., with BPI retaining 51% of ownership.

This strategic partnership is expected to help BPI innovate in asset financing products and enhance the service experience of an expanding base of Philippine consumers and corporations seeking asset leasing and rental solutions.

In 2015, BPI completed another strategic partnership with Global Payments (“GPN”), an Atlanta-based, NYSE-listed provider of international payment services. By combining its merchant acquiring network with that of GPN, BPI stands to provide enhanced services to its card customers, as well as to its merchant clients. The partnership with GPN remained 49% owned by BPI.

In August 2016, BPI acquired a 10% minority stake in Rizal Bank Inc. (“RBI”), a member institution of Center for Agriculture and Rural Development Mutually Reinforcing Institutions (“CARD MRI”), a group of social development organizations that specialize in microfinance.

Effective September 20, 2016, BPI has taken full control over BPI Globe BankKO, Inc. after acquiring the 20% and 40% stake of Ayala Corporation and Globe Telecom, respectively. On December 29, 2016, the Securities and Exchange Commission approved change of the corporate name to BPI Direct Banko, Inc., A Savings Bank, after BPI Direct absorbed the entire assets and liabilities of BankKO.

On December 29, 2016, BPI successfully spun off its BPI Asset Management and Trust Group (“BPI AMTG”) to a Stand-Alone Trust Corporation (“SATC”) named BPI Asset Management and Trust Corp. (“BPI AMTC”). BPI AMTC officially commenced its operations on February 1, 2017.

The Bank evolved to its present position as a leader in Philippine banking through a continuous process of improving its array of products and services, while maintaining a balanced and diversified risk profile that helped reinforce the stability of its earnings.

In December 2021, the Securities and Exchange Commission approved the merger of BPI and its wholly owned subsidiary BPI Family Savings Bank, Inc. with BPI as surviving entity effective January 1, 2022.

*Business Milestones (2022-2024).*

In September 2022, BPI and Robinsons Bank announced plans to merge their operations to form a leading lender based on market capitalisation. In November 2022, BPI’s board of directors approved the proposed merger with Robinsons Bank. On January 17, 2023, shareholders approved the merger of BPI and Robinsons Bank Corporation with BPI as the surviving bank. The Philippine Competition Commission approved the merger on March 9, 2023, as contained in the decision released by the Commission on September 13, 2023. The BSP through Monetary Board Resolution No. 1633 approved the merger on December 14, 2023, while the SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

Subsequent to the approval of the merger of BPI and RBC, with BPI as surviving bank, and after all corporate and regulatory approvals had been obtained, BPI and RBC merged, effective 1 January 2024.

On 20 March 2024, the Board of Directors of BPI approved the sale of its 752,056,290 common shares representing all its stakes in Go Tyme Bank Corporation to Go Tyme Financial Pte. Ltd. and Giga Investment Holdings Pte. Ltd. at ₱1.20 per share. In October 2024, the transaction was approved by the BSP. The Go Tyme shares were acquired by BPI pursuant to the merger between BPI and RBC with BPI as the surviving bank.

*Principal Subsidiaries.* The Bank’s principal subsidiaries are:

- a) BPI Capital Corp. (“BPI Cap”) is an investment house that offers a full suite of services covering a comprehensive program from corporate finance and capital markets advisory, project finance and loan syndication, to debt and equity underwriting and securities distribution. It began operations in December 1994. BPI Cap wholly owns BPI Securities Corp., a stock brokerage firm.

- b) BPI Direct BanKo, Inc., A Savings Bank (“BanKo”), serves microfinance customers through branch, digital, and partnership channels. Founded in July 2009 as BPI Globe BankO, it is now wholly owned, following a September 2016 purchase of stakes owned by Ayala Corp. (20%) and Globe Telecom, Inc. (40%) and a December 2016 merger with BPI Direct Savings Bank, Inc. Since 2016, it has endeavored to strengthen the financial capacities of thousands of Filipino Self-Employed Micro-Entrepreneurs (SEMEs) nationwide by creating an enabling business environment for them. True to its mission of empowering the Negosyanteng Pinoy, BanKo has provided access to easy, convenient and affordable loan products to fund their operations, and provided them with an opportunity to grow and expand their businesses.
- c) BPI Asset Management and Trust Corporation, doing business under the trade name and style of BPI Wealth – A Trust Corporation, (“BPI Wealth”) is a stand-alone trust corporation serving both individual and institutional investors with a full suite of local and global investment solutions. BPI Wealth commenced operations on February 1, 2017.
- d) BPI Wealth Hongkong Limited, formerly BPI International Finance Limited (“BPI IFL”), originally established in August 1974, is a deposit-taking company authorized and regulated by the Hong Kong Monetary Authority. It is also licensed by the Securities and Futures Commission of Hong Kong to undertake Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Its principal business activities are: 1) providing banking services mainly in relation to term deposits and loans; 2) providing securities brokerage services in relation to dealing and advising on securities; and 3) providing asset management services. In August 26, 2024, BPI IFL changed its name to BPI Wealth Hongkong Limited.
- e) BPI (Europe) Plc (“BPI Europe”) is a UK-licensed bank authorized by the PRA, jointly regulated by the PRA and the Financial Conduct Authority (FCA). It has been in operation since 2007, and started off with a paid-up capital of £20 million, subsequently increased to £100 million after equity infusions in 2020 and 2021. The bank offers simple retail deposit products and engages in the proprietary trading of fixed income securities, foreign exchange and syndicated loans.
- f) BPI Investments Inc. (formerly BPI Investment Management Inc.) is a wholly owned subsidiary of the Bank and serves as the principal distributor and transfer agent of the ALFM & PAMI Mutual Funds – open-end investment companies registered with, and regulated by, the Securities and Exchange Commission (SEC).
- g) BPI Remittance Centre Hong Kong Ltd. (“BERC HK”) is a licensed money service operator in Hong Kong servicing the remittance services to beneficiaries residing throughout the Philippines. On November 21, 2018, BPI IFL (now BPI Wealth Hongkong Limited) distributed its shares in BERC HK as a property dividend to the Parent Bank. BERC HK became an immediate subsidiary of the Parent Bank following this.
- h) BPI Wealth Singapore Pte. Ltd. is a wholly-owned subsidiary of BPI incorporated in Singapore on June 20, 2023. It intends to engage in fund management business, with its Capital Markets Services license application pending final approval by the Monetary Authority of Singapore.
- i) Legazpi Savings Bank, Inc. is focused on providing financial assistance to teachers. The bank was incorporated and registered with the SEC on May 8, 1976. It was acquired by Robinsons Bank on December 26, 2012. On January 1, 2024, the merger between the Ayala-led BPI and RBC took effect, with the former as the surviving entity, making Legazpi Savings Bank, Inc. a subsidiary of BPI.
- j) BPI/MS Insurance Corp. (“BPI MS”) is a non-life insurance company. It is a joint venture with Mitsui Sumitomo Insurance Co. (who owns a 49% stake) and is the result of a merger of FGU Insurance Co. and FEB Mitsui Marine Insurance Co., which was acquired as a subsidiary of Far East Bank in 2000.

## (2) Business of Issuer

### Principal Products & Services

The Bank offers a wide range of corporate and retail banking products. The Bank has two major categories for products and services. The first category covers its core financial intermediation business, which includes deposit taking, lending, and securities investments. Revenue from this category is collectively termed as net interest income and accounts for 75% of net revenues. The second category covers services ancillary to the Bank's financial intermediation business, and from which it derives transaction-based commissions, service charges and other fees. These include investment banking and corporate finance fees, asset management and trust fees, stock brokerage fees, credit card-related fees, rental of bank assets, income from insurance subsidiaries and service charges or commissions earned on international trade transactions, drafts, fund transfers, various deposit-related services, and revenues from transactions on the digital channels. Commissions, service charges, and other fees, when combined with trading gains and losses arising from the Bank's fixed income and foreign exchange operations, constitute non-interest income, which accounts for the remaining 25% of net revenues.

### Foreign Offices Contribution

	2022	2023	2024
Share in Total Revenue (%)	0.55	0.44	0.45
Hongkong	0.41	0.33	0.29
USA	0.00	0.00	0.00
Europe	0.14	0.10	0.16
Share in Total Net Income (%)	0.22	(0.03)	0.12
Hongkong	0.24	0.08	0.06
USA	0.00	0.00	0.00
Europe	(0.02)	(0.11)	0.06

### Distribution Network

BPI has 871 branch licenses as of end-2024. However, with the decline in over-the-counter transactions and the shift to digital, the Bank has also begun branch network optimization by co-locating and consolidating branches for cost efficiency and higher productivity. As of December 31, the Bank has 857 physical branches nationwide. Additionally, there are 368 BPI Direct Banko branches and Branch-Lite Units (BLUs) set up in strategic locations in the country, as well as 27 LSB branches. Overseas, BPI has two banking subsidiaries: BPI Remittance Centre (H.K.) Limited in Hong Kong and Bank of the Philippine Islands (Europe) Plc in London.

BPI maintains a specialized network of overseas offices to service Filipinos working abroad. To date, BPI has two (2) Remittance Centers located in Hong Kong and two (2) representative offices located in UAE and Japan. BPI also maintains remittance tie-up arrangements with various foreign entities in several countries to widen its network in serving the needs of Filipinos overseas.

On the lending side, there are 22 business centers and desks, servicing both corporate and retail clients, across the country to process loan applications, loan releases, and international trade transactions. These centers also provide after-sales servicing of loan accounts.

The Bank's branch network is supported by a network of 2,209 ATMs (including 705 ATMs provided by Euronet) and 372 CAMs as of 31 December 2024, which together provide cash-related banking services to customers 24/7, located in both branches and off-site locations, such as shopping malls and high-density office buildings. The Bank's interconnection with Bancnet, a Philippine-based interbank network connecting the ATM networks of local and offshore banks, also gives the Bank's cardholders access to over 20,000 ATMs across the Philippines. The Bank's ATM network is likewise interconnected with Mastercard, China Union Pay, Discover/Diners, JCB and Visa. The Bank aims to provide more secured cash withdrawals for its depositors through the implementation of the ATM withdrawal notification feature, which allows the

Bank's cardholders to receive notifications via e-mail or SMS when withdrawals beyond a specified amount are made.

The Bank aims to leverage its digital assets and capabilities across various businesses. Since 2021, the Bank has delivered seven digital user platforms:

- VYBE, BPI's e-wallet which also carries our rewards program.
- BPI mobile app, the first banking app in the country to feature AI-powered tracking and insights. For 2024, BPI introduced new features like mobile check deposit, cardless withdrawal and currency conversion using your mobile phone in our BPI mobile app.
- BPI Trade app for clients who invest in equities.
- BPI BanKo app for microfinance clients. In 2024, BPI launched a short-term credit line in the BanKo app.
- BPI BizKo app for SMEs.
- BPI BizLink app for corporate clients, and
- BPI Wealth Online for high net-worth individuals.

These seven platforms enable all Filipinos in their respective financial journeys to enjoy the benefits that BPI channels provide. In addition, the Bank envisions these platforms to be a major vehicle for client acquisition, financial inclusion, and business growth.

The Bank continues to lead in Philippine open banking, and is among the Philippine banks with the most number of brands and services, and successful monetization. By creating and launching a diverse range of Application Programming Interfaces (APIs), the Bank has been actively forming various fintech partnerships, ranging across e-wallets, utility providers, remittance centers, e-commerce platforms and even government agencies. The Bank also has an integrated fraud management solution to reduce the risk of fraud in open banking transactions.

The Bank's early investments in technology paved the way for it to be the most API-ready Bank. As of 31 December 2024, the Bank has a growing list of over 100 API-partners, which includes various e-wallets, utility providers, remittance centers, e-commerce platforms, and even government agencies.

GCash remains the Bank's top partner in open banking and the Bank continuously collaborates with GCash in providing various financial products and services

All of these digital initiatives are underpinned by strong cybersecurity, agile core systems, and data-driven decisions.

## **Competition**

With 44 universal and commercial banks operating in the Philippines as of December 31, 2024, the banking industry in the Philippines is characterized by high levels of regulation and highly competitive pricing and service offerings. BPI competes against domestic and foreign banks that offer similar products and services as BPI. Since the further liberalization of the Philippine banking industry in 2014, foreign banks have expanded from their traditional focus on Metro Manila and large-scale corporations to building their own networks to increase market share, primarily through acquisitions of small domestic savings banks. Foreign banks tend to benefit from the support of their parent companies or established regional operations, but they are limited by local regulations to a maximum of six Philippine branches in order to protect the growth and participation of local banks.

According to industry data on Philippine banks, BPI is second largest in terms of gross customer loans and second in terms of deposits among private universal banks, with market shares of 15.9% and 12.8%, respectively, as of December 31, 2024

### **Patents, Trademarks, Licenses, Franchises, etc.**

BPI sells its products and services through the BPI trademark and/or trade name. All its major financial subsidiaries carry the BPI name prefix (e.g., BPI Capital, BPI Securities, and BPI BanKo), and so do its major product and service lines.

Following are some of BPI's trademarks for its products and services:

- a) BPI Debit and BPI Debit Cards, for its debit cards
- b) ALFM, ALFM Dollar Bond Fund, ALFM Euro Bond, ALFM Global Multi-Asset Income Fund, ALFM Growth Fund, ALFM Money Market Fund, ALFM Mutual Funds and ALFM Peso Bond Fund; for its wealth management subsidiary
- c) BanKo Mobile, BanKo NegosyoKo Loan, BanKoMare, BanKoPare; for its microfinance subsidiary
- d) Bizlink, for its internet banking platform for business and corporate clients, including the BizLink mobile app
- e) BPI Trade, BPI Securities Corporation and "Trade Better. Live Better.", for its stockbrokerage subsidiary

Other product brands of BPI and BanKo are BPI Save-Up, BPI Jumpstart, BPI Maxi-One, BPI Maxi-Saver, BPI Pamana Savings, Plan Ahead, BPI Personal Loan, BPI Salary On-Demand, Ka-Negosyo Credit Line, and Ka-Negosyo SME Loan.

All BPI's trademark registrations are valid for 10 years with years of expiration varying from the year 2027 to 2034. Trademarks intended to be used or maintained by BPI are so maintained and renewed in accordance with applicable Intellectual Property laws and regulations. BPI closely monitors the expiry and renewal dates of its trademarks to protect BPI's brand equity.

In terms of business licenses, BPI has an expanded commercial banking license while BanKo has a savings bank license. BPI Capital has an Investment House license engaged in dealing Government Securities and as a Mutual Fund Distributor. BPI Securities is a holder of a broker-dealer license duly registered with Securities and Exchange Commission, a Trading Participant of the Philippine Stock Exchange, and a member of the Securities Clearing Corp. of the Philippines and the Securities Investor Protection Fund. BPI Wealth has a trust license, securities custodian/registry license of the Bangko Sentral ng Pilipinas and is a PERA-accredited administrator of the Bureau of Internal Revenue. BPI Wealth is also accredited by the SEC as an investment company adviser/fund manager of investment companies/mutual funds. BIMi has a mutual fund distributor license and is a registered transfer agent with the SEC. BPI MS was granted by the Insurance Commission a Certificate of Authority to transact and sell non-life insurance products.

For foreign business licenses, BPI (Europe) Plc is a UK-licensed bank authorized by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA"). Meanwhile, BPI IFL is a deposit-taking company authorized and regulated by the Hong Kong Monetary Authority. It is also licensed by the Securities and Futures Commission of Hong Kong to undertake Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.

### **Related Parties**

In the ordinary course of business, BPI has entered into various transactions with its Directors, Officers, Stockholders and their Related Interest ("DOSRI"), including loan transactions. BPI and all its subsidiaries have always been in compliance with the General Banking Act, BSP Circulars and regulations on DOSRI loans and transactions. As of December 31, 2024, DOSRI loans amounted to 1.4% of loans and advances as per Note 25 and 31 of the 2024 audited consolidated financial statement.

### Government Regulations (2022-2024)

Under the General Banking Act, the Monetary Board of the BSP is responsible for regulating and supervising financial intermediaries like BPI. The implementation and enforcement of the BSP regulations is primarily the responsibility of the supervision and examination sector of the BSP.

BPI, as a publicly listed company (“PLC”), is also governed by SEC memorandum circulars and BIR revenue regulations. Below is a non-exhaustive list of the regulations BPI has adopted in the last three years:

Issuance No.	Issue Date	Effective Date	Title/Summary
<b>BSP Circulars</b>			
No. 1135	21 Jan 2022	22 Jan 2022	Guidelines on the Settlement of Electronic Payments Under the National Retail Payment System (NRPS) Framework
No. 1136	11 Feb 2022	18 Feb 2022 <sup>1</sup>	Amendments to the Regulations on Confirmation of the Election/Appointment of Directors/Trustees/Officers
No. 1137	18 Feb 2022	11 Mar 2022	Amendments to Regulations on Outsourcing and IT Risk Management
No. 1139	23 Mar 2022	25 Mar 2022 <sup>1</sup>	Guidelines for Reporting Islamic Banking and Finance Transactions/Arrangements
No. 1140	24 Mar 2022	31 Mar 2022 <sup>1</sup>	Amendments to Regulations on Information Technology Risk Management
No. 1142	29 Mar 2022	4 Apr 2022 <sup>1</sup>	Amendments to the Guidelines on the Computation of Minimum Required Capital and Risk-Based Capital Adequacy Ratio
No. 1143 No. 1144	12 Apr 2022	6 May 2022	Updated Manual of Regulations for Banks and Non-Bank Financial Institutions as of 31 December 2019
No. 1147	10 Jun 2022	17 Jun 2022	Amendment to the Guidelines Implementing Republic Act (R.A.) No. 11523, otherwise known as the “Financial Institutions Strategic Transfer (FIST) Act”
No. 1148	17 Jun 2022	29 Jun 2022	Amendment to the Framework for Dealing with Domestic Systemically Important Banks
No. 1149	23 Aug 2022	2 Sept 2022 <sup>1</sup>	Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks

No. 1150	23 Aug 2022	17 Sept 2022	Prudential Framework for Large Exposures Monitoring Threshold
No. 1152	5 Sept 2022	29 Sept 2022	Amendments to the Regulations on Unit Investment Trust Funds (UITFs)
No. 1155	21 Sept 2022	22 Oct 2022	Amendments to the Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBS)
No. 1157	14 Oct 2022	20 Oct 2022	Amendment to the Manual of Regulations for Banks and Manual of Regulations for Non-Bank Financial Institutions pertaining to Bangko Sentral Issued Securities Eligible Counterparties
No. 1158	18 Oct 2022	8 Nov 2022	Guidelines on Recovery Plan of Banks
No. 1160	28 Nov 2022	20 Dec 2022	Regulations on Financial Consumer Protection to Implement Republic Act No. 11765, otherwise known as the "Financial Products and Services Consumer Protection Act"
No. 1164	5 Jan 2023	13 Jan 2023 <sup>1</sup>	Amendments to the Regulations on Credit Exposure Limits to a Single Borrower and Definition of Capital
No. 1165	19 Jan 2023	26 Jan 2023 <sup>1</sup>	Amendments to the Ceiling on Interest or Finance Charges for Credit Card Receivables
No. 1170	30 Mar 2023	13 Apr 2023 <sup>1</sup>	Amendments to Section 921/921Q of the Manual of Regulations for Banks (MORB)/ Manual of Regulations for Non-Bank Financial Institutions (MORNBFII) on Customer Due Diligence, including Guidelines on Electronic Know-Your-Customer
No. 1176	29 June 2023	30 Jun 2023 <sup>1</sup>	Amendments to the Rules and Regulations on the Reserves Against Deposits and Deposit Substitute Liabilities of Banks

No. 1187	21 Feb 2024	14 March 2024	Adoption of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) for banks.
No. 1190	12 March 2024	20 March 2024	Revised Guidelines in the Computation of Annual Supervision Fee under Section 28 of the Republic Act (R.A.) No. 7653 or “The New Central Bank Act” as Amended by R.A. No. 11211
No. 1201	20 Sept 2024	25 Oct 2024	Reduction in Reserve Requirements
<b>BSP Memorandum</b>			
M-2022-001	11 Jan 2022		Supplemental Report to the Financial Reporting Package (FRP) on Modified and Restructured Loans
M-2022-002	11 Jan 2022		Supplemental Capital Adequacy Ratio (CAR) Report on the Temporary Regulatory Relief on the Capital Treatment of Provisioning Requirements under the Philippine Financial Reporting Standard (PFRS) 9
M-2022-004 M-2022-005	17 Jan 2022		Extension of BSP Prudential Relief Measures
M-2022-006	21 Jan 2022		Operational Relief on the Submission of Prudential Reports to the BSP-Financial Supervision Sector
M-2022-008	7 Feb 2022		Guidelines on the Submission of the Supplemental Report to the Financial Reporting Package (FRP) on Modified and Restructured Loans
M-2022-009	7 Feb 2022		Guidelines on the Electronic Submission of DDA Reconciliation Statement Report through the BSP Financial Institution Portal (FI Portal)
M-2022-010	11 Feb 2022		Guidelines on the Electronic Submission of Annual Report of ALL Interlocking Positions of its Directors and Officers (ARIPDO)
M-2022-011 M-2022-012	2 Mar 2022		Collection of the Annual Supervisory Fees (ASF) for the Year 2022
M-2022-013	2 Mar 2022		Guidelines on the Designation of the PDDTS and PVP as Systemically

			Important Payment Systems (SIPS)
M-2022-014	9 Mar 2022		Amendment to Memorandum M-2021-034 on the Guidelines for Obtaining a Certificate of Eligibility (COE) under Republic Act (R.A.) No. 11523, otherwise known as the Financial Institutions Strategic Transfer (FIST) Act
M-2022-015	22 Mar 2022		Recommended Control Measures Against Cyber Fraud and Attacks on Retail Electronic Payments and Financial Services (EPFS)
M-2022-017	25 Mar 2022		Reminder to Verify the Authenticity of Electronically Issued Bangko Sentral ng Pilipinas (BSP) Documents for Foreign Exchange (FX) Transactions under the Manual of Regulations on Foreign Exchange Transactions (FX Manual), as amended
M-2022-019	30 Mar 2022		Re-extension of the Waiver of Fees on fund transfers through the PhilPaSSplus
M-2022-021	31 Mar 2022		Extension of Temporary Measures Implemented in the Bangko Sentral ng Pilipinas' Rediscounting Facility
M-2022-022	20 Apr 2022		Guidelines on the Submission of the Supplemental Capital Adequacy Ratio (CAR) Report on the Temporary Regulatory Relief on the Capital Treatment of Provisioning Requirements under the Philippine Financial Reporting Standard (PFRS) 9
M-2022-023	29 Apr 2022		Extension of the Submission Deadline of the 2021 Audited Financial Statements and the Accompanying Reports
M-2022-025	11 May 2022		Collection of the Annual Supervision Fees (ASF) for the Year 2022
M-2022-027	26 May 2022		Updated Schedule for the Comprehensive Credit and Equity Exposures Report (COCREE)

M-2022-028	6 Jun 2022		Prudential Relief on the Treatment of Loss Arising from the Sale/Transfer of Non-Performing Assets under Republic Act No. 11523, otherwise known as the Financial Institutions Strategic Transfer Act
M-2022-029	6 Jun 2022		Guidelines on Handling of Consumer Concerns on PESONet and InstaPay
M-2022-030	30 Jun 2022		Guidance Paper on the Conduct of Institutional Risk Assessment (IRA)
M-2022-031	13 July 2022		Guidelines on the Designation of PESONet and InstaPay as Prominently Important Payment Systems (PIPS)
M-2022-032	20 July 2022		Guidelines on the Submission of the Supplemental Report to the Financial Reporting Package (FRP) on Islamic Banking
M-2022-033	5 Aug 2022		Updated Comprehensive Credit and Equity Exposures (COCREE) Report Package
M-2022-034	8 Aug 2022		Guidelines on the Computation and Payment of Rebates, Refunds and Incentives (RRI) for Unfit Banknote Deposits Under BSP Circular No. 1106
M-2022-036 M-2022-037	10 Aug 2022		Guidelines on the Electronic Submission of Report of Selected Branch Accounts through the BSP Financial Institution (FI) Portal
M-2022-038	5 Sept 2022		2022 Guidance Paper on Targeted Financial Sanctions (TFS) Implementation
M-2022-041	23 Sept 2022		Extension of BSP Prudential Relief Measure on the Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk-Based Capital Adequacy Frameworks
M-2022-042	29 Sept 2022		Guidance on the Implementation of the Environmental and Social Risk Management (ESRM) System
M-2022-043	7 Oct 2022		Email Security Control Recommendations

M-2022-044	14 Oct 2022		Use and Acceptance of the Philippine Identification System (PhilSys) Digital ID and Printed e-Philippine Identification (ePhilID)
M-2022-049	22 Nov 2022		Peso Real Time Gross Settlement (RTGS) Rules
M-2024-003	10 Jan 2024		Guidelines on the Submission of the Revised Published Balance Sheet (PBS) Report
M-2024-016	27 May 2024		Guidelines on the Electronic Submission of the Money Laundering (ML)/Terrorist Financing (TF)/Proliferation Financing (PF) Risk Event Report (RER)
<b>SEC</b>			
MC No. 001-2022	27 Jan 2022		Adoption of Philippine Standards on Auditing (PASs) and Philippine Financial Reporting Standards (PFRSs)
MC No. 002-2022	8 Feb 2022		Schedules for Filing of Annual Financial Statements and General Information Sheet
MC No. 003-2022	1 Mar 2022		Implementation of Bangko Sentral ng Pilipinas Circular No. 1133 Series of 2021 on the Ceiling/s on Interest Rates and Other Fees Charged by Lending Companies, Financing Companies, and their Online Lending Platforms
MC No. 004-2022	2 Mar 2022		Disqualifications of Directors, Trustees and Officers of Corporations; and the Guidelines on the Procedure for their Removal
MC No. 007-2022	26 Aug 2022		Rules on Qualified and/or Eligible Personal Equity and Retirement Account (PERA) Investment Products
MC No. 1-2023	1 March 2023		Extension for Deadlines for the 2023 filing of AFS
MC No. 13-2023	12 Sept 2023		Guidelines on Annex C of Rule 12 of the Securities Regulation Code interpreting the comparative periods required in the management's discussion and analysis

MC No. 02-2024	1 February 2024		Filing of Annual Financial Statements and General Information Sheet
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<sup>1</sup> The Circular took effect 15 calendar days following its publication in the Official Gazette or in a newspaper of general circulation

<sup>2</sup> Subsequently, BPI also complied with all pertinent BIR revenue regulations implementing it.

### Research and Development Activities

BPI spent the following for the last three years on Personnel Training and on Systems/Application Software:

	In Million Pesos	% of Revenues
2022	1,317.0	1.1
2023	2,760.6	2.0
2024	675.1	0.4

### Employees

Below is a breakdown of the manpower complement of BPI in 2023 and 2024:

	December 31, 2023 Actual			December 31, 2024 Actual		
	Officer	Staff	TOTAL	Officer	Staff	TOTAL
<b>UNIBANK</b>	<b>7,544</b>	<b>11,453</b>	<b>18,997</b>	<b>8,960</b>	<b>13,097</b>	<b>22,057</b>
Consumer	4,192	8,876	13,068	5,026	10,271	15,297
Corporate	950	493	1,443	1,065	529	1,594
Investment	604	175	779	553	160	713
Support	1,798	1,909	3,707	2,316	2,137	4,453
<b>Insurance</b>	<b>115</b>	<b>410</b>	<b>525</b>	<b>124</b>	<b>422</b>	<b>546</b>
<b>Total</b>	<b>7,659</b>	<b>11,863</b>	<b>19,522</b>	<b>9,084</b>	<b>13,519</b>	<b>22,603</b>

Manpower complement includes headcount of BPI/MS Insurance Corporation.

Majority, or 89%, of the staff in the Unibank are members of various unions and are subject to Collective Bargaining Agreements (CBAs). The current CBA of the parent company was concluded / signed last May 3, 2024, which covers the period of April 1, 2024 to March 31, 2026.

### Enterprise Risk Management

The Bank has an established enterprise risk management and capital management framework that enables the Bank to systematically identify, measure, control, and monitor its significant financial and non-financial risk exposures, ensuring adequate liquidity levels and sufficient capital in support of business growth and operational resilience. The framework covers not only traditional risks that the Bank is exposed to such as credit, market, and operational and information technology (IT) risks, but also includes emerging risks such as environmental and social risks.

The Bank's framework is anchored on the regulatory guidance set by the BSP which emphasizes effective risk management governance, robust business continuity and operational resiliency standards, financial viability, and soundness through the conduct of internal capital adequacy assessments, and the adoption of various risk management processes and methods. The Bank's ERM is anchored on the pillars of:

- Sound risk management governance
- Value-enhancing risk methods and processes
- Risk-intelligent data and technologies

The Bank's Board of Directors fulfils its risk management function through the Risk Management Committee (RMCom), which defines risk appetite statements at functional and enterprise levels. The RMCom also oversees and reviews risk management structures, metrics, limits, and issues across the BPI Group. The Chief Risk Officer (CRO) of the BPI Group reports directly to the RMCom and is responsible in leading the formulation of risk management policies and methodologies, aligned with the Bank's overall business strategies, ensuring a prudent and rational approach to risk-taking that is commensurate with returns on capital, and within the Bank's risk appetite. Led by the CRO, the Risk Management Office (RMO) actively engages with the RMCom, Management, and business units to promote a robust risk culture. This includes risk awareness campaigns and learning programs, and promoting risk management industry best practices through internal communications.

The Bank's risk exposures are identified, measured, controlled, and monitored according to three major risk classifications of credit, market and liquidity, and operational and IT risks.

Credit Risk, the single largest financial risk for most local banks, arises from the Bank's core lending and investing businesses, and involves thorough credit evaluation, appropriate approvals, administration, management, and continuous monitoring of risk exposures such as borrower (or counterparty) risk, facility, collateral, industry, and concentration risks relating to each loan account and on a portfolio basis. In BPI, the entire credit risk management system is governed by stringent credit underwriting policies and risk rating parameters, and lending procedures and standards which are regularly reviewed and updated given regulatory requirements and market developments. The Bank's loan portfolio is continuously monitored and risk reviewed as to overall asset quality, credit risk ratings, loan loss reserves cover, credit concentration, and utilization of limits, among others. The Bank continues to experience modest growth in loan volumes, but is able to manage the overall credit risk profile and maintain asset quality (as evidenced by acceptable levels of non-performing loans (NPLs), generally at par or lower-than-industry NPLs, and adequate reserves cover), and does so in general compliance with internal and prudential requirements relating to credit risk management including compliance to Related Party Transactions (RPT) guidelines, single borrower's limits, credit risk concentration, and internal and regulatory stress tests, among others.

Market and Liquidity Risks are risks to earnings and capital from adverse movements in risk factors that affect the market value of financial instruments, products and transactions in the Bank's portfolios, and the risk arising from the potential inability to meet obligations to clients, counterparties or markets when they fall due. Market risk arises from the Bank's trading and distribution activities of securities, foreign exchange, and derivative instruments (as allowed by regulations), and interest rate risk in the banking book while liquidity risk mainly arises from cash flow gaps and mismatches in our assets, liabilities, and off-balance sheet accounts. Market and liquidity risks are managed using a set of established policies and metrics guided by the Bank's market, interest rate risk in the banking book (IRRBB), and liquidity risk management frameworks set by the Board-level RMCom. The Bank employs various risk metrics such as Value-at-Risk (VaR) and stop loss limits for price risk, and Balance sheet Value-at-Risk (BS VaR), and Earnings-at-Risk (EaR) for interest rate risk in the banking book, supplemented by quarterly stress tests. Our liquidity profile is measured and monitored through our internal metrics – the Minimum Cumulative Liquidity Gap (MCLG) or the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months; the Intraday Liquidity Ratio (ILR) was implemented to promote the Bank's resilience against intraday liquidity risk by ensuring that adequate liquidity buffers are in place to meet unexpected outflows throughout the day without affecting funds and reserves management; and the regulatory metrics – Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The Bank ensures adequate levels of liquidity at all times and that contingency plans are in place in the event of liquidity stress. The Bank also regularly conducts liquidity stress tests which consistently show acceptable levels of liquidity to meet the Bank's financial obligations under both bank-specific and systemic or market-wide crisis scenarios. Periodic testing of the Bank's established liquidity contingency funding plan (LCFP) is also performed to build awareness and preparedness among key business groups, test the effectiveness of various funding options, and refine the Bank's assumptions to ensure the quality and reasonableness of the contingency plan. As of end-December 2024, the Bank's market, IRRBB, and liquidity risk exposures are generally well within the RMCom-approved risk limits at the BPI Parent and Group levels.

Operational Risks arise from inadequate or failed internal processes, people and systems, or from external threats and events such as cybercrime that lead to financial losses, pandemics, natural disasters, that damage physical assets, or electronic or telecommunication failures, that disrupt the Bank's operations, and which may give rise to adverse legal, tax, regulatory, or reputational consequences. Information Technology risk is a significant risk factor subsumed under operational risks, arising from the use of or reliance on IT (e.g., computer hardware, software, devices, systems, applications, and networks). IT risk includes, but is not limited to, information security, service availability, reliability and availability of IT operations, completion of IT development projects, and regulatory compliance, among others.

As of end-December 2024, the Bank maintained actual operational losses below 1% of its annual gross income. Such minimal losses are well within the Senior Management and Board/RMCom's conservative and prudent risk appetite and are generally attributed to inherent risks associated with the products and services being provided by the Bank. The rapidly evolving risk landscape that can trigger risks at any point is duly considered by the Bank in regular risk assessments and in updating the Bank's risk strategies. Operational risk stress tests, through scenario analysis, are regularly performed to assess the impact of unexpected and extreme operational risk events.

There is regular monitoring and reporting of the Bank's Operational and IT risks levels, as well as current cybercrime landscapes, emerging risks, industry developments, and mitigating measures implemented.

The Bank employs a hybrid remote working arrangement and equips its employees with the necessary access and tools for a diversified business continuity plan. Through the Bank's digital transformation journey, business continuity processes, business recovery plans, and other documentations were digitized, thereby, streamlining workflows, improving real-time accessibility, and enhancing overall efficiency to the business continuity efforts.

In the face of rising cyberthreats, enhancements to security infrastructure and advanced technical controls to protect the physical and digital environments are continuously being performed. This includes a comprehensive suite of prevention, detection, and recovery mechanisms to manage threats proactively and respond promptly to incidents.

Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive prior operational experience working within the Bank. The Bank's risk managers regularly monitor key risk indicators and report exposures against carefully established credit, market, liquidity, and operational risk metrics and limits approved by the RMCom. Independent reviews are regularly conducted by the Bank's Internal Audit, external auditors, and regulatory examiners to ensure that controls and risk mitigation are in place and functioning effectively as intended.

## **Compliance**

Business or compliance risk, which can be defined as "the risk of regulatory or legal sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities", is addressed and managed within the Bank through its compliance function and its component system and program.

As the Bank's second line of defense, the compliance function has also evolved in recent years to adapt to the shift towards more technology-heavy strategies, as it seeks to deliver the compliance risk management outcomes required in an era of digital transformation. While remaining a key advisory function, it has embraced a more forward-thinking, risk-based and stress-tested approach to continuously monitor, evaluate and improve its ability to ensure compliance in a banking landscape that is subject to disruption and rapid change.

The Bank's compliance system is critically important in identifying, evaluating, and addressing the regulatory and reputational risks while the enterprise-wide compliance program helps the Bank to look at and across business lines and activities of the organization as a whole and to consider how activities in one

area of the Bank may affect the business or compliance risks of other business lines and the entire group/enterprise. The compliance program also helps the Board and management in understanding where such regulatory and reputational risks in the organization are concentrated, provide comparisons of the level and changing nature of risks, and identify those control processes that most need enhancement.

Oversight of the management of the Bank's business risk and implementation of its compliance function is the responsibility of our Board of Directors, through the Audit Committee and the Corporate Governance and Sustainability Committee with respect to corporate governance compliance. At the management level, the compliance function is carried out by the Compliance Office, headed by the Chief Compliance Officer, who is not a member of the Board of Directors. The Compliance Office oversees the implementation of the Bank's enterprise-wide compliance programs. These programs take into account the size and complexity of the Bank, the relevant rules and regulations that affect its operations, and the business risks that may arise due to non-compliance. By using regulatory and self-assessment compliance matrices, compliance measures are formulated to mitigate identified business risks and tested to ensure effectiveness.

The Compliance Office is currently organized to cover Regulatory Compliance with includes RPT Post-Review and FATCA, Corporate Governance and Subsidiaries Regulatory Oversight, Anti-Money Laundering Compliance, Compliance Systems, Projects and Analytics, and the Enterprise Information Security Management & Data Privacy Office. Considering the rapid developments in the regulatory sphere as well as the growing complexity of bank products, services and transactions, the Compliance Office is evolving in its coverage of compliance practice areas to anticipate and meet forward challenges. Enhancement of our compliance function's scope and domain is redefined for new and emerging sources of compliance risk. The Compliance Office is also empowered by Group Compliance Officers, or GCOs and Subsidiary Compliance Officers or SCOs, who are embedded in operational units throughout the Bank and BPI Group subsidiaries, respectively. The GCOs and SCOs are charged with enforcing compliance office initiatives, as well as providing timely reports to the compliance office.

Overall enforcement is through self-regulation within the business units, and independent testing and reviews conducted by the Compliance Office and Internal Audit. Results of these reviews are elevated to the Board's Audit Committee and Corporate Governance and Sustainability Committee, with respect to governance issues. The Compliance Office promotes adherence to and awareness of laws, rules and regulations by electronically posting information and documents in a compliance database that is accessible to all employees. Regular meetings are conducted by the Compliance Office with the GCOs and SCOs to discuss the impact of new regulations, decide on the required compliance measures, and amend compliance matrices as necessary. Through continued liaison and dialogue with regulators, the Compliance Office ensures the prompt dissemination of new regulations and other developments affecting bank operations.

### **Financial Consumer Protection**

The Bank has in place a Financial Consumer Protection Assistance Mechanism (FCPAM), which was established by the Client Experience Center (now Customer Experience Center; effective 2025) to institutionalize guidelines that ensures effective and compliant handling of customer feedback in accordance with the Bank's consumer protection policies.

The Board and Senior Management are responsible for the development of the Bank's consumer protection strategy and establishment of an effective oversight over the Bank's consumer protection programs.

The Board of Directors is primarily responsible for approving and overseeing the implementation of the Bank's Consumer Protection Risk Management System (CPRMS) which shall include the following:

- Approve CPRMS and FCPAM considering business model, market, products, and relationship with third parties that may give rise to risks to Financial Consumers.
- Promote ethical culture and ensure compliance with standards and regulations.
- Provide resources and policies for training and competency requirements.

- Approve compensation policy promoting ethical practices, equitable treatment, and conflict prevention, including performance-based rewards and contract renewal criteria.
- Approve product oversight to ensure products meet consumer needs and are accessible to all, including vulnerable groups.
- Adopt a policy on fees and charges, including justification and rationalization.
- Approve and review a Code of Conduct for directors, personnel, and agents, defining corporate culture and reporting violations.
- Periodically assess the CPRMS's implementation, efficiency, and relevance, including audit mechanisms.

The Board-level Executive Committee exercises the powers and fulfills the duties and responsibilities of the Board in the management of the Bank's consumer protection activities, including other duties and responsibilities delegated by the Board. Senior Management ensures that the approved policies and procedures on consumer protection and consumer assistance are clearly documented, properly understood, and appropriately implemented across all levels and business units through:

- Establishment of an effective monitoring and management information system to regularly measure, aggregate and analyze consumer related issues to determine level of consumer protection risk;
- Integration into the risk governance framework of appropriate and clear reporting and escalation mechanisms;
- Putting in place of adequate systems and controls to promptly identify issues that affect the consumer across all phases of the relationship;
- Ensure that weaknesses in FCP practices or emerging risks are addressed, and corrective actions are taken in a timely manner;
- Observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.

CXMO became Client Experience Center (CXC) in July 2020 and renamed to Customer Experience Center in January 2025 and integrated all the major customer touchpoints to strengthen our focus on customer experience. CXC is now composed of three (3) units: Customer Care, Insights and Governance, and Integration & Programs. These three (3) units work together to safeguard the interests and well-being of our customers as we address their financial needs. There are also related policies in place such as the Managing the BPI Financial Consumer Protection, Managing BPI Financial Consumer Protection Assistance Mechanism and Handling Customer Complaints to properly equip our bank personnel in the handling of customer feedback. Preventive measures and treatment plans from business units with top customer concerns are presented to senior management regularly for appropriate service improvements and customer satisfaction.

A new and more robust system to gather complaints data was acquired for the use of the bank in the last quarter of 2021, to replace the Customer Feedback Database created in 2017. This is a vital tool in identifying areas of concern and process improvements which is part of the FCP program.

As part of our FCPAM, different touch points or channels are in place where clients can file their feedback. These include our Contact Center via phone, e-mail, and social media accounts, CX Customer Care, branches, and the business units. Our employees are guided by the internal bank policies on FCP where client feedback, specifically complaints, are classified according to complexity which will determine the turnaround time within which the complaint should be addressed and resolved.

We maintain a vigilant approach in addressing feedback and concerns regarding our products and services. Throughout 2024, we diligently addressed and resolved issues, achieving a 98.2% for complaint resolution, consistent with our previous performance of 98.60%. By year-end 2024, reported complaints had been effectively resolved, reflecting our dedication to swift and satisfactory resolutions. Our adherence to regulatory standards remains steadfast, with no confirmed incidents of non-compliance in 2024, underscoring our unwavering commitment to product and service excellence. We continuously uphold our enterprise-wide complaint reporting to BPI Management, ensuring transparency and accountability across

our operations. Even with a marginal increase in complaint volume (percentage of transactions and unique customers with complaint) in 2024, the Bank's financial consumer protection efforts resulted in a consistently strong 98.83% complaint resolution rate.

The designated Customer Assistance Officers (CAOs) undergo training to ensure that they are equipped to address customer issues and ensure compliance with the Bank's Consumer Protection Program. Employees are made aware of the FCP Program through a continuous information and education campaign. Since 2018, the CXC has conducted roll-outs and training sessions on FCP and held alignment meetings with the CAOs in various business areas.

Employees also take the mandatory FCP Training course annually available via e-learning. With the revision of the FCP module in 2023, there has been a notable improvement in performance among Unibankers, evidenced by a completion rate of 99.66%, which surpasses the 97.44% achieved in 2023. To further improve service and align with the customer obsessed culture of the Bank, Human Resource – Learning & Development Department provides soft-skills trainings such as business writing, oral communications, problem solving, professional image development, and collections overview, among others. FCP is also embedded in the employee code of conduct.

For the awareness of our customers, we regularly update our product features and services in our website and social media pages. This also includes frequent reminders on phishing, vishing, and other forms of fraudulent schemes to warn and protect our customers. Marketing materials and offerings involving our customers are also reviewed for proper and necessary disclosure and transparency. Our social media team closely monitors customer engagements in our social media pages and the data collected is regularly reported to management.

Since the establishment of the FCP Framework in 2017, we have maintained full compliance with product and service regulations, bolstering trust and confidence in our brand with a commitment to customer satisfaction.

### **Enterprise Information Security Management & Data Privacy**

BPI has established an Enterprise Information Security Management to manage the development, implementation and maintenance of the Bank's information security management system to ensure the attainment of information security objectives and to align initiatives to overall business and risk management strategies.

Moreover, in compliance with the Republic Act No. 10173, known as the Data Privacy Act of 2012, which requires government and private sector entities to apply the principles of Transparency, Legitimate Purpose and Proportionality in their processing of personal data so that the data is (1) only used in relevant and specifically stated ways, (2) not stored for longer than necessary, (3) kept safe and secure, (4) used only within the confines of the law, and (5) stored following people's data protection rights. Cybersecurity and data privacy and protection have become corporate governance and risk management concerns.

BPI has also established a comprehensive Data Privacy Program utilizing a combination of policies, organizational structure, access controls and technologies designed for risk reduction. The Bank has a Data Privacy Office, headed by a Board-appointed Data Privacy Officer ("DPO"), a senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks for the organization consistent with the Data Privacy Act rules and regulations, issuances by the National Privacy Commission and other applicable laws. Management has also appointed Compliance Officers for Privacy ("COP") for major business units of the Bank to augment the Data Privacy Office and ensure the sustained implementation of the Data Privacy Management Program across business lines.

**Item 2. Properties**

BPI's executive office and select business and support units relocated to Ayala Triangle Gardens Tower 2, located at Paseo de Roxas corner Makati Avenue in May 2023, as the BPI Head Office building located at 6768 Ayala Avenue, Makati City, is still undergoing redevelopment. Prior to this, the executive office and select business and support units were located at Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo St., Legaspi Village, Makati City, whose lease expired in July 2023. The remaining business and support units are located in various other sites in Makati, San Juan, Quezon City, and Muntinlupa.

Of the Bank' 871 branch licenses (excluding Banko), 424 operate in Metro Manila/Greater Metro Manila Area and 447 in the provincial area. BPI owns 27% of the branch locations and leases the remaining 73%. On January 1, 2019, the Bank adopted PFRS 16: Leases which requires recognition of both right-of-use assets and lease liability arising from long-term leases. As of December 31, 2024, right-of-use assets and lease liabilities amounted to ₱8,287 million and ₱9,824 million, respectively.

These offices and branches are maintained in good condition for the benefit of both the employees and the transacting public. The Bank enforces standards for branch facade, layout, number and types of equipment and upkeep of the premises. As it adjusts to the needs of its customers, the Bank also continuously reconfigures the mix of its traditional branches, kiosk branches, and branch-lite units, while complemented by its digital channels.

BPI (as lessee) has various lease agreements which mainly pertain to branch premises and equipment that are renewable under certain terms and conditions. Rental contracts are typically made for fixed periods of 4 to 6 years.

Further details pertaining to leases under PFRS 16 are reflected in Note 20 of the 2024 Audited Financial Statements.

**Item 3. Legal Proceedings**

The Bank does not have any material pending legal proceedings which may impair the registrant or any of its subsidiaries or affiliates the capacity to perform its obligations.

**Item 4. Submission of Matters to a Vote of Security Holders**

None

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer’s Common Equity and Related Stockholders Matters

#### Market Information

The common shares of BPI have been listed on the Philippine Stock Exchange (PSE) since October 12, 1971, under the ticker symbol BPI.

The table below shows the high and low prices of BPI shares transacted at the PSE for each quarter within the last two (2) fiscal years.

The high and low prices of BPI at the Philippine Stock Exchange on April 3, 2025, were P137.00 and P133.70, respectively, with a closing price of P133.90.

		High		Low
Year Ended December 31, 2023				
1st Quarter	P	103.98	P	89.94
2nd Quarter		110.00		99.10
3rd Quarter		118.30		104.20
4th Quarter		111.30		98.90
Year Ended December 31, 2024				
1st Quarter	P	125.10	P	103.50
2nd Quarter		129.00		109.80
3rd Quarter		139.20		116.70
4th Quarter		147.40		121.50

#### Holders of Common Equity

There were approximately 11,641 common shareholders of BPI as of December 31, 2024.

Please refer to Exhibit C for the top twenty (20) shareholders with their corresponding shares and percentage ownership of BPI.

Please see Exhibit D for a Statistical Report by Share lots as of December 31, 2024.

#### Dividends

The Bank’s practice is to declare cash dividends to its common stockholders on a regular basis as may be determined by the Board of Directors. On May 18, 2022, the Bank adopted a dividend policy based on a dividend payout ratio (“DPO”) of 35% to 50% of previous year’s earnings. Prior to this, the Bank has consistently paid fixed P1.80 per share in annual dividends. The Bank evaluates its dividend payments from time to time in accordance with business and regulatory requirements and cannot make explicit warranties about the quantum of future dividend payments.

Cash dividends declared and paid during the years ending December 31, 2022, 2023, and 2024 are as follows:

Date Declared	Date of Payment	Amount of Dividends	
		Per Share	Total (in Php Mn)
May 18, 2022	Jun 22, 2022	1.06	4,784
Nov 16, 2022	Dec 23, 2022	1.06	4,784
May 17, 2023	Jun 22, 2023	1.68	7,626
Nov 15, 2023	Dec 22, 2023	1.68	8,308
May 15, 2024	Jun 28, 2024	1.98	10,439
Nov 20, 2024	Dec 20, 2024	1.98	10,439

There are no known restrictions or impediments to the Bank's ability to pay dividends on common equity, whether current or future.

Dividend declaration is ultimately the responsibility of BPI and the BPI Board of Directors which has the authority to declare dividends as it may deem appropriate. Banks that meet the prequalification criteria including capital adequacy requirements and applicable laws and regulations of the BSP can declare and pay dividends without prior BSP verification.

Details of the dividend declaration are reflected in Note 18 of the 2024 Audited Financial Statements.

#### Recent Sales of Unregistered or Exempt Securities

Details on shares issued to/subscribed by the Bank's executives as a result of the Executive Stock Option Plan ("ESOP") and the Executive Stock Purchase Plan ("ESPP") are reflected in Note 18 of the 2024 Audited Financial Statements.

## Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations

The highlights of the balance sheet and income statement of BPI for each year and the compounded growth rate over the three-year period (2021-2024) are shown below:

In Million Pesos	2021	2022	2023	2024	CAGR
Assets	2,421,915	2,603,961	2,888,372	3,318,813	11.1%
Loans (Net)	1,476,527	1,702,990	1,882,007	2,238,765	14.9%
Deposits	1,955,147	2,096,001	2,295,106	2,614,802	10.2%
Capital	293,060	317,722	357,204	430,469	13.7%

The compounded annual growth rate (CAGR) of the Bank's asset levels from 2021 to 2024 was 11.1%. Three-year CAGR of loans grew at a faster rate than deposits, at 14.9% and 10.2%, consecutively. Capital increased by 12.4% due to profits generated annually, net of cash dividends paid. The Bank continued to accrete capital from operations at 13.7% three-year CAGR.

### 2022

**Total resources** stood at P2.60 trillion, up P182.05 billion, or 7.5%, from last year's P2.42 trillion. **Total deposits** at P2.10 trillion, went up by P140.85 billion or 7.2%, as Time Deposits increased P88.65 billion, 19.8%, to P537.59 billion and CASA deposits increased P52.20 billion, 3.5%, to P1.56 trillion. **Deferred credits and other liabilities** at P51.21 billion, was up P7.81 billion, 18.0%, from increases in Foreign Acceptances Outstanding. **Accrued taxes, interest and other expenses** at P 10.59 billion, was up P2.17 billion, 25.8%, on higher accrued interest on time certificate of deposits and performance bonus. **Due to Bangko Sentral ng Pilipinas and other banks** at P2.89 billion, increased by P1.93 billion, or 202.8%, on higher marginal cash deposit. **Liabilities attributable to insurance operations** at P14.92 billion, up P1.68 billion, or 12.7%, on account of higher reserves and other balances of the Bank's non-life insurance affiliate. **Derivative financial liabilities** were also up P665.46 million, or 18.3%, on higher mark-to-market due to market movement.

**Capital funds** amounted to P317.72 billion, increased P24.66 billion, or 8.4%, higher than last year's P293.06 billion. **Surplus** contributed to the capital growth by P29.96 billion, or 16.5%, on account of the higher net income partly offset by higher dividends and higher appropriation of reserves. Movements in **Share Premium, Share Capital and Treasury Shares** were due to the issuance of common shares to BFB shareholders on account of the merger. **Reserves** also increased by P79.73 million, or 14.1%, on appropriated reserves from the trading business in compliance with Capital Markets Integrity Corporation (CMIC) ruling. These increases were partially tempered by the increase in **accumulated other comprehensive loss** by P5.59 billion, or 64.4%, on higher losses on FVOCI securities and loss on fluctuation reserves.

On the asset side, **loans and advances, net**, at P1.70 trillion, grew by P226.46 billion, or 15.3%, on increases in all portfolios. **Financial assets at amortized cost** increased P81.86 billion, up 24.2%, on account of additional placements in long-term HTC securities. **Due from Other Banks** was up P10.62 billion, or 30.7% on balances maintained with foreign banks. **Cash and other cash items** similarly increased by P4.47 billion, or 12.7%, on higher cash on hand. **Bank premises, furniture, fixtures and equipment, net** increased P1.83 billion, or 10.4%, on recognition of right-of-use assets for new and renewal of leases under PFRS 16. **Assets attributable to insurance operations** at P19.06 billion, up 8.5%, due to higher assets booked from the Bank's non-life insurance affiliate. **Deferred income tax assets, net** at P16.75 billion, up 5.9%, on account of the impairment losses set up for the period. **Assets held for sale, net** up P477.93 million, or 14.6%, on higher acquired real and other properties.

On the other hand, **due from Bangko Sentral ng Pilipinas (BSP)** declined P85.96 billion, or 32.0%, on lower placements in BSP deposits. **Financial Assets at Fair Value through OCI**, at P95.27 billion, was also lower by P39.47 billion, or 29.3%, to reduce exposures to manage portfolio risks. **Interbank loans receivable and securities purchased under agreements to resell** also declined by P18.47 billion, or 59.9%, on lower interbank reverse repurchase agreement. **Other resources, net** was also lower by P3.06 billion, or 15.4%, on account of lower miscellaneous assets.

## 2023

**Total resources** stood at P2.89 trillion, up P284.41 billion, or 10.9%, from last year's P2.60 trillion. **Total deposits** at P2.30 trillion, went up by P199.10 billion or 9.5%, mainly from the increase in Time Deposits of P219.89 billion or 40.9%, to P757.48 billion. CASA deposits declined P20.78 billion, or 1.3%, to P1.54 trillion. **Other borrowed funds** at P137.10 billion, was up P39.60 billion or 40.6%, on new bond issuances. **Accrued taxes, interest and other expenses** at P14.97 billion, was up P4.39 billion, or 41.4%, on higher accrued interest on time deposits, income tax and performance bonus. **Manager's checks and demand drafts outstanding** at P8.46 billion, was up P1.71 billion or 25.3%, on higher non-negotiated manager's checks issued. Meanwhile, **derivative financial liabilities** at P2.82 billion, declined P1.48 billion, or 34.4%, due to lower market valuation of certain derivative products. **Due to Bangko Sentral ng Pilipinas and other banks** at P1.88 billion, was also lower by P1.01 billion or 34.8% on lower marginal cash deposit.

**Capital funds** of P357.20 billion, increased P39.48 billion, or 12.4% higher than last year's P317.72 billion. **Treasury shares** was up P33.04 billion or 100% on distribution of common shares as property dividends. **Share premium** at P113.41 billion was up P9.29 billion due to the excess over the market price of the treasury shares cost distributed as property dividend. **Accumulated other comprehensive loss** of P11.13 billion was lower by P3.13 billion, or 21.9%, on lower losses on FVOCI securities.

On the asset side, **loans and advances, net**, at P1.88 trillion, grew by P179.02 billion, or 10.5%, on increases in all portfolios. **Financial assets at fair value through other comprehensive income** at P218.65 billion, increased by P123.39 billion or 129.5%, due to purchase of government and private securities. **Due from Bangko Sentral ng Pilipinas** at P199.62 billion, was also up P16.75 billion or 9.2% on higher placements in BSP deposits. **Interbank loans receivable and securities purchased under agreements to resell** at P20.64 billion, grew by P8.26 billion or 66.7%, on increase in reverse repurchase agreement. **Other resources, net** at P19.92 billion was also up P3.09 billion or 18.3% on higher miscellaneous assets. **Financial assets at fair value through profit or loss** increased by P1.52 billion or 6.9% to P23.65 billion due to increase in holdings of securities intended for trading. **Deferred income tax assets, net** was also up by P1.43 billion or 8.6% to P18.18 billion on account

of the impairment losses set up for the period. **Investment in subsidiaries and associates, net** at P8.29 billion, grew by P1.06 billion or 14.7% on account of the Bank's share in the net income and market valuation of investment securities of BPI AIA. **Assets held for sale, net** increased by P983 million or 26.1% to P4.74 billion due to the increase in ROPA bookings.

On the other hand, **financial assets at amortized cost** declined by P37.82 billion or 9.0% to P382.71 billion due to sale and maturities of debt securities. **Due from other banks** at P36.29 billion was also lower by P8.90 billion or 19.7% on lower working balances with correspondent banks. **Cash and other cash items** at P34.84 billion also went down by P4.77 billion or 12.0% on lower level of cash and payroll for the year.

## **2024**

**Total resources** stood at P3.32 trillion, up P430.44 billion, or 14.9%, from last year's P2.89 trillion. **Total deposits** at P2.61 trillion, went up by P319.70 billion or 13.9%, from increases in Time, Demand and Savings deposits by P205.08 billion or 27.1%, P47.71 billion or 12.6%, and P66.90 billion or 5.8%, to P962.56 billion, P426.79 billion, and P1.23 trillion, respectively. **Other borrowed funds** at P163.18 billion, was up P26.08 billion or 19.0%, from repurchase agreements this year. **Deferred credits and other liabilities** at P56.22, was up P2.77 billion or 5.2% on higher bills purchased. **Accrued taxes, interest and other expenses** at P17.33 billion, was also up by P2.35 billion, or 15.7%, on higher accrued interest on time and savings deposits, bonds payable, bills payable under repurchase agreement, income tax and performance bonus. **Derivative financial liabilities** at P4.98 billion increased by P2.16 billion or 76.4% due to unfavorable market movement. **Manager's checks and demand drafts outstanding** at P9.94 billion, also increased by P1.48 billion or 17.5%, on higher non-negotiated manager's checks issued. **Liabilities attributable to Insurance Operations** at P16.54 billion was also up by P1.34 billion or 8.8% on higher balance from the Bank's non-life insurance subsidiary. **Due to Bangko Sentral ng Pilipinas and other banks** at P3.13 billion, also increased by P1.25 billion or 66.6% on higher marginal cash deposits.

**Capital funds** of P430.47 billion, increased P73.27 billion, or 20.5% from last year's P357.20 billion. **Surplus** at P236.33 billion, was up P31.37 billion or 15.3% on account of the higher net income partly offset by higher dividends and appropriation for reserves. **Share premium** at P143.28 billion, up P29.86 billion or 26.3%, representing the issuance of shares in consideration of the merger with RBC and the amortization of Executive Stock Purchase Plan shares in excess of par value. **Reserves** at P10.89 billion, was also up by P10.25 billion, mainly due to higher appropriation out of surplus representing the excess of General Loan Loss Provision over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP. **Share capital** at P52.61 billion was up P3.30 billion or 6.7% mostly on the issuance of shares in consideration of the merger with RBC and the amortization of the Executive Stock Plan. Meanwhile, **accumulated other comprehensive loss** of P12.64 billion was higher by P1.51 billion, or 13.6%, from last year's loss of P11.13 billion, on higher actuarial loss on defined contribution plan and higher marked-to-market losses on FVOCI securities.

On the asset side, **loans and advances, net**, at P2.24 trillion, grew by P356.76 billion, or 19.0%, on increases in all portfolios. **Financial assets at fair value through other comprehensive income** at P268.20 billion, increased by P49.55 billion or 22.7%, due to purchase of government and private securities. **Due from Other Banks** at P72.06 billion, was up P35.77 billion or 98.6%, mostly on higher working balances with correspondent banks. **Financial assets at fair value through profit or loss** at P47.31 billion, increased by P23.65 billion or 100.0% due to purchase of government issued local currency denominated debt securities. **Cash and Other Cash Items** at P49.76 billion, were up by P14.92 billion or 42.8%, on higher cash on hand for payroll. **Goodwill** at P9.52 billion, is the difference between the fair value of the net assets acquired, including intangible assets, and the purchase consideration from the merger with RBC. **Other resources, net** at P29.09 billion was also up P9.17 billion or 46.0% on higher other intangible assets. **Assets held for sale, net**, at P8.41 billion, increased by P3.67 billion or 77.3% due to increase in ROPA bookings. **Investment in subsidiaries and associates, net** at P10.90 billion, grew by P2.62 billion or 31.6%, mostly on account of the Bank's share in the net income and market valuation of investment securities of BPI AIA. **Assets Attributable to Insurance Operations** at P20.99 billion, up P1.93 billion or 10.1% on higher assets of BPI MS. **Bank Premises, Furniture, Fixtures and Equipment, net** at P21.21 billion was P1.46 billion or 7.4% up on various buildings for construction and renovations in progress.

On the other hand, **financial assets at amortized cost** declined by P39.60 billion or 10.3% to P343.11 billion due to sale and maturities of debt securities, while **interbank loans receivable and securities purchased under agreements to resell** at P16.71 billion, dropped by P3.93 billion or 19.0%, on lower reverse repurchase agreements.

#### Asset Quality

The Bank's loan portfolio mix is broken down into corporates at 72.3%, and consumer at 27.7%, compared to last year's 76.9%, and 23.1%, respectively.

Allowance for Impairment at P6.60 billion went up by P2.60 billion, or 65.0%, from last year's P4.00 billion. NPL ratio deteriorated to 2.13% from 1.84% in 2023, but is still better than the industry's NPL ratio of 3.27%.

Details of the loan portfolio and asset quality are reflected in the 2024 Audited Financial Statements Note 10 and Note 26.1.3.1, respectively.

#### Funding and Liquidity

Customer deposits account for 94% of BPI's total funding, while 6% is attributable to other borrowings. The Bank's liquidity ratios (Liquidity Coverage Ratio and Net Stable Funding Ratio) are comfortably above the regulatory minimum of 100%.

The Bank's CASA Ratio was 63.2%, while the Loan-to-Deposit Ratio was 87.5%.

For further details on the Bank's deposits, borrowings, and liquidity, refer to the 2024 Audited Financial Statements Notes 15, 16, and 26.3.1, respectively.

#### **Results of Operations**

<b>In Million Pesos</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>CAGR</b>
Net Interest Income	69,583	85,066	104,350	127,586	22.4%
Non-Interest Income	27,822	33,459	33,971	42,553	15.2%
Impairment Losses	13,135	9,167	4,000	6,600	-20.5%
Operating Expenses	50,733	57,990	69,110	83,796	18.2%
Net Income	23,880	39,605	51,687	62,049	37.5%

The Bank's net income from 2021 to 2024 grew at a compounded annual rate of 37.5% as net interest income and non-interest income increased by 22.4% and 15.2%, respectively, and impairment losses declined by 20.5%. However, the bottom-line impact of the above-mentioned improvements was partly reduced by the 18.2% CAGR increase in operating expenses.

#### **2022 vs. 2021**

In 2022, the Bank posted a **net income** of P39.60 billion, up P15.72 billion, or 65.8%, from the P23.88 billion recognized in the prior year. The increase was driven by revenue growth of P21.12 billion and lower **impairment losses** by P3.97 billion, partly tempered by higher operating expenses and taxes of P7.26 billion and P2.11 billion, respectively.

**Net interest income** stood at P85.07 billion, up P15.48 billion, or 22.2%, as average earning asset base grew 12.6% and NIM at 3.59% expanded 28 bps. Earning asset yield up on higher loan yields and additional placement in financial assets at amortized cost at higher rates. Despite the 15-bps increase in deposit cost, cost of funds was only up 6 bps due to maturity of bond issuances.

- **Interest income** increased by P18.65 billion, or 22.0%, versus the P84.62 billion from last year. Interest

income **on loans and advances** at P84.91 billion, was up P12.68 billion, or 17.6%, owing to higher average volume and higher yields. Interest income **on financial assets** also higher at P16.86 billion, up 61.6%, due to higher yields and higher volume.

- **Interest expense** of P18.20 billion, increased P3.17 billion, or 21.1%, on higher cost of deposit and higher average volume. Interest expense **on deposits** of P14.82 billion, was up P4.65 billion or 45.8%. On the other hand, Interest expense **on bills payable and borrowings** declined P1.48 billion 30.5% on maturity of bond issuances.

**Other income** at P33.46 billion, up by P5.64 billion or 20.3%. **Other operating income** increased P6.28 billion, up 58.3%, mainly on the one-off gains from the sale of a property. **Income from foreign exchange trading** up 9.7%, due to favorable trading opportunities. These increases were partly offset by the decline in **Trading gain on securities** by P538.62 million or 33.5%, due to profit-taking last year on FVOCI and significant sales of HTC securities due to PIFITA and loss from private and government securities due to generally poor market conditions. **Income attributable to insurance operations** was also down by P474.28 million or 25.6% on lower investment income of the insurance subsidiaries due to decline in value of marketable securities.

**Other expenses** were higher at P57.99 billion, up P7.26 billion, or 14.3%. **Other operating expenses** at P19.70 billion was up P3.50 billion or 21.6%, on higher marketing, operations and regulatory expenses. **Occupancy and equipment-related expenses** at P18.76 billion, was up by P2.75 billion, or 17.2%, on higher technology spend driven by Bank's continued digitalization initiative. **Compensation and fringe benefits** at P19.53 billion, was up P1.00 billion, or 5.40% on annual pay hike and higher performance bonus accrual.

**Impairment losses** stood at P9.17 billion, down P3.97 billion, or 30.2%, as NPL levels declined in 2022.

**Provision for income tax** at P11.53 billion, higher by P2.11 billion, compared to the P9.43 billion from last year. **Current taxes** at P12.44 billion, higher by P4.11 billion, or 49.4%, and **deferred taxes** at -P905.59 million, lower by P2.00 billion, brought about by the impact of last year's CIT and DIT rate adjustments from the implementation of CREATE law.

**Income attributable to non-controlling interest** increased by P0.72 million, or 0.3%, owing to higher income contribution from the Bank's non-life insurance affiliate.

### Comprehensive Income

**Total comprehensive income** at P34.18 billion, up P12.91 billion, or 60.7%, due to the increase in **net income before minority interest** by P15.73 billion, or 65.2%, and increase in **total other comprehensive loss, net of tax effect** by P2.81 billion, or 98.9%.

**Net change in fair value reserve on FVOCI securities, net of tax effect** at P5.03 billion loss, was higher by P1.44 billion, on account of lower market valuation of the Bank's investment securities. **Currency translation differences** at P66.26 million loss was lower by P692.51 million from last year's P626.25 million gain, on currency translation losses from the Bank's foreign subsidiary **Actuarial loss on defined benefit plan, net of tax effect** of P7.72 million was P615.85 million lower from last year's P608.13 million actuarial gains on defined benefit obligation. **Share in other comprehensive loss of associates** at P1.01 billion was higher from last year's P727.15 million loss, due to lower accumulated fluctuation reserves of the Bank's insurance affiliate. **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P225.33 million loss, was higher by P16.28 million from last year's P209.04 million loss, a result of lower market valuation of the insurance subsidiaries' investment funds.

On the other hand, **share in other comprehensive gain of associates** at P686.86 million, was up P238.89 million from last year's P447.97 million due to the higher market valuation of the life insurance affiliate's investments securities.

**Comprehensive income attributable to non-controlling interest** increased P3.99 million, or 2.5%, due to higher market valuation of the insurance's subsidiaries' investments.

### **2023 vs. 2022**

In 2023, the Bank posted a **net income** of P51.69 billion, up P12.08 billion, or 30.5%, from the P39.60 billion recognized in the prior year. The increase was driven by revenue growth of P19.80 billion and lower **impairment losses** by P5.17 billion, partly tempered by higher operating expenses and taxes of P11.12 billion and P1.77 billion, respectively.

Net of last year's one-off gains from the sale of a property, net income would have been higher by P15.82 billion or 44.1%.

**Net interest income** stood at P104.35 billion, up P19.28 billion, or 22.7%, as average earning asset base grew 7.6% and NIM at 4.09% expanded 50 bps. Earning asset yield up on higher loan yields coupled with higher volume and additional placement in financial assets at fair value through other comprehensive income at higher rates. Cost of funds was up 97 bps on increase in average deposits and on bond issuances with higher costs.

- **Interest income** increased by P42.30 billion, or 41.0%, to P145.57 billion. Interest income **on loans and advances** at P120.90 billion, was up P35.99 billion, or 42.4%, owing to higher average volume and higher yields. Interest income **on financial assets** at P21.74 billion, was also higher by P4.87 billion or 28.9%, due to higher yields, and higher average volume for financial assets at fair value through OCI and PL. Interest income **on deposits with BSP and other banks** at P2.93 billion, was also up by P1.44 billion or 96.2% on higher yields, despite lower average volume.
- **Interest expense** of P41.22 billion, increased P23.02 billion, or 126.5%, on higher cost with higher volume. Interest expense **on deposits** of P36.03 billion, was up P21.21 billion or 143.1%; while interest expense **on bills payable and borrowings** grew by P1.81 billion or 53.6%, to P5.20 billion on new bond issuances.

**Other income** at P33.97 billion, up by P512 million or 1.5%. **Fees and commissions** at P12.72 billion was up P1.38 billion or 12.1% on higher service charges. **Trading gain on securities** at P1.92 billion was P848 million or 79.2% higher due to realized gains from sale of securities. **Income from foreign exchange trading** at P3.23 billion was also up P608 million as there were more favorable opportunities for trading this year. **Income attributable to insurance operations** at P1.84 billion, was P464 million or 33.6% higher on higher investment income of BPI AIA. **Other operating income**, meanwhile, declined by P2.79 billion or 16.3% to P14.27 billion, on last year's one-off gains from sale of property.

Netting of last year's one-off, **other income** would have been up P5.50 billion or 19.3%. **Other operating income** will be up P2.20 billion or 18.3% on higher credit card income.

**Other expenses** were higher at P69.11 billion, up P11.12 billion, or 19.2%. **Other operating expenses** at P23.88 billion was up P4.18 billion or 21.2%, on higher marketing and operations expenses. **Occupancy and equipment-related expenses** at P22.01 billion, was up by P3.25 billion, or 17.3%, on higher technology spend driven by Bank's continued digitalization initiative. **Compensation and fringe benefits** at P23.22 billion, was up P3.69 billion, or 18.9% on annual pay hike, structural salary increases, higher performance bonus and incentives.

**Impairment losses** stood at P4.00 billion, P5.17 billion or 56.4% lower than last year, attributable to resilient asset quality.

**Provision for income tax** at P13.30 billion, higher by P1.77 billion, compared to the P11.53 billion from last year. **Current taxes** at P13.93 billion, higher by P1.50 billion or 12.0% on higher taxable revenue. **Deferred taxes** at -P635 million, lower by P271 million, on lower loss provisioning.

**Income attributable to non-controlling interest** at P225 million declined by P7 million or 2.9%, owing to lower income contribution from the Bank's non-life insurance affiliate.

## Comprehensive Income

**Total comprehensive income** at P55.09 billion, up P20.91 billion, or 61.2%, due to the increase in **net income before minority interest** by P12.08 billion, or 30.3%, and increase in **total other comprehensive income, net of tax effect** by P8.83 billion, or 156.2%, to P3.18 billion.

**Net change in fair value reserve on FVOCI securities, net of tax effect** at P5.17 billion, was higher by P10.19 billion from last year's loss of P5.03 billion, on account of higher market valuation of the Bank's investment securities. **Share in other comprehensive income of associates** at P405 million was higher by P1.42 billion or 139.9%, from last year's P1.01 billion loss, due to higher accumulated fluctuation reserves of the Bank's insurance affiliate. **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P90 million, was higher by P315 million or 139.97% from last year's P225 million loss, as a result of higher market valuation of the insurance subsidiaries' investment funds. **Currency translation differences** at P54 million loss was lower by P13 million from last year's P66 million loss, on currency translation losses from the Bank's foreign subsidiary.

On the other hand, **actuarial loss on defined benefit plan, net of tax effect** of P2.48 billion loss was P2.47 billion lower from last year's P8 million actuarial losses on defined benefit obligation. **Share in other comprehensive gain of associates** at P49 million, was also lower by P638 million from last year's P687 million due to the lower market valuation of the life insurance affiliate's investments securities.

**Comprehensive income attributable to non-controlling interest** of P275 million, increased P112 million, or 68.9%, due to higher market valuation of the insurance's subsidiaries' investments.

### 2024 vs. 2023

The Bank posted a **net income** of P62.05 billion, up P10.36 billion, or 20.0% YoY, due to higher **total revenues**, partly tempered by higher **operating expenses** and **impairment losses**.

**Net interest income** stood at P127.59 billion, up P23.24 billion, or 22.3%, as average earning asset base grew 16.0% and NIM at 4.31% expanded 22 bps. Earning asset yield up 71 bps on higher yields on loans and securities inventory coupled with higher volume. Cost of funds was up 55 bps on increase in average deposits and on borrowings with higher costs.

- **Interest income** of P189.95 billion, increased by P44.38 billion, or 30.5%, on higher average earning asset base with higher volume. Interest income **on loans and advances** at P159.59 billion, was up P38.69 billion, or 32.0%, owing to higher average volume with higher yields. Interest income **on financial assets at fair value through OCI and PL** at P11.56 billion and P1.25 billion, was up P5.38 billion or 87.2% and P362 million or 41.0%, respectively, due to higher average volume and yields. Interest income **on deposits with BSP and other banks** at P3.11 billion, was also up by P174 million or 5.9% on higher average volume, despite lower yields.
- **Interest expense** of P62.37 billion, increased P21.15 billion, or 51.3%, on higher cost with higher volume. Interest expense **on deposits** of P53.18 billion, was up P17.15 billion or 47.6%; while interest expense **on bills payable and borrowings** grew by P3.99 billion or 76.8%, to P9.19 billion on new bond issuances.

**Other income** at P42.55 billion, up P8.58 billion or 25.3%. **Other operating income** at P17.61 billion, was up P3.34 billion or 23.4% on higher credit card income, trust fees and miscellaneous income. **Fees and commissions** at P15.16 billion, increased P2.45 billion or 19.2% on higher service charges and bank commissions. **Trading gain on securities** at P3.30 billion was up P1.38 billion or 71.8% due to realized gains from sale of securities. **Income attributable to insurance operations** at P3.01 billion, increased P1.17 billion or 63.4% on higher income of BPI AIA. **Income from foreign exchange trading** at P3.47 billion was also up P248 million or 7.7% as there were more favorable opportunities for trading this year.

**Other expenses** at P83.80 billion, up P14.69 billion, or 21.3%. **Other operating expenses** at P29.72 billion, was up P5.85 billion or 24.5%, on higher operations, marketing, regulatory, consultancy, product insurance and amortization deferred charges expenses. **Compensation and fringe benefits** at P28.94 billion, was up P5.72

billion, or 24.6% largely due to the increase in total headcount following the merger with Robinsons Bank, annual pay hikes, signing/goodwill bonuses, and higher performance bonus accrual. **Occupancy and equipment-related expenses** at P25.13 billion, was up by P3.12 billion, or 14.2%, on higher technology spend driven by Bank's continued digitalization initiative, as well as higher expenses on premises rent, depreciation and repairs; and higher contractual, securities, janitorial and messengerial services.

**Impairment losses** stood at P6.60 billion, up P2.60 billion or 65%, on rising NPL levels.

**Provision for income tax** at P17.50 billion, higher by P4.20 billion or 31.6%, from last year's P13.30 billion. **Current taxes** at P16.76 billion, up P2.82 billion, or 20.3%, and **deferred taxes** at P746 million, higher by P1.38 billion, on higher taxable revenue.

**Income attributable to non-controlling interest** decreased P33.66 million, or 15%, owing to lower income contribution from the Bank's non-life insurance affiliate.

### Comprehensive Income

**Total comprehensive income** at P60.75 billion, up P5.66 billion, or 10.3%, due to the increase in **net income before minority interest** by P10.33 billion or 19.9%, partly offset by the decrease in **total other comprehensive income, net of tax effect** by P4.67 billion or 146.9%.

**Net change in fair value reserve on FVOCI securities, net of tax effect** at P1.17 billion loss, deteriorated by P6.33 billion from last year's income of P5.17 billion, on account of lower market valuation of the Bank's investment securities. **Share in other comprehensive income of associates (that may be reclassified subsequently to profit or loss)** at P175 million loss, was also worse by P580 million, from last year's income of P405 million due to lower monthly fluctuation reserve adjustment of the Bank's insurance affiliate. Meanwhile, **share in other comprehensive loss of associates (that will not be reclassified to profit or loss)** at P45 million, deteriorated by P94 million from last year's income of P49 million, on higher remeasurement of liabilities of the Bank's insurance associate. **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P24 million, was also lower by P66 million or 73.5% from last year's P90 million, as a result of lower market valuation of the insurance subsidiaries' investment funds.

On the other hand, **actuarial loss on defined benefit plan, net of tax effect** of P474 million was P2.00 billion or 80.9% better from last year's P2.48 billion loss, on lower actuarial losses on defined benefit obligation. **Currency translation differences** at P348 million, was up P401 million or 746.6% on currency translation income from the Bank's foreign subsidiaries.

**Comprehensive income attributable to non-controlling interest** of P212 million, declined P63 million, or 23.0%, due to lower market valuation of the insurance's subsidiaries' investments.

### Key Performance Indicators

	2022	2023	2024
Return on Equity <sup>1</sup>	13.1%	15.3%	15.1%
Return on Assets <sup>1</sup>	1.6%	1.9%	2.0%
Net Interest Margin <sup>1</sup>	3.6%	4.1%	4.3%
Operating Efficiency Ratio	48.9%	50.0%	49.3%
Capital Adequacy Ratio <sup>2</sup>	16.0%	16.2%	14.6%

<sup>1</sup> Using daily average method

<sup>2</sup> Basel III Framework

The same ratios are also used to evaluate the performance of the Bank's subsidiaries.

**Return on equity (ROE)**, the ratio of net income to average equity, was lower at 15.1%, as average equity grew at a faster pace than net income growth.

**Return on assets (ROA)**, the ratio of net income to average assets, was higher at 2.0%, as a result of the 20.0% increase in net income.

**Net interest margin (NIM)**, net interest income divided by average interest-bearing assets, was also higher at 4.3% by 22 basis points than the 4.1% in 2023, on higher earning asset yields, partially offset by higher cost of funds.

**Operating efficiency (cost to income) ratio**, the ratio of operating expenses to income, was lower at 49.3% from 50.0% in 2023, on faster acceleration of revenue as against operating expenses.

**Capital adequacy ratio (CAR)**, the ratio of total qualifying capital to total risk-weighted assets, was down at 14.6% compared to last year's 16.2%, as the growth in total risk weighted assets outpaced the growth in qualifying capital. The CET 1 ratio at 13.9%, was also lower than the 15.3% from the same period last year. Both of the Bank's capital ratios are above the BSP's minimum requirement.

Presented below is the additional information required by BSP Circular No. 1074 issued on January 8, 2020. This information is presented for BSP reporting purposes and is not required in the basic financial statements.

using simple average method	2023	2024
Return on Equity	15.2%	15.7%
Return on Assets	1.9%	2.0%
Net Interest Margin	4.0%	4.3%

Details of the basic quantitative indicators of financial performance are reflected in Note 31 of the 2024 Audited Financial Statements.

## **Economic Outlook**

The Philippine economy is expected to grow at a faster pace in 2025 with household consumption as the biggest driver. The factors sustaining consumption over the past decade, such as remittance inflows, have remained in place despite the economic slowdown in major economies. With aging populations abroad driving the demand for labor, the impact of headwinds on remittances like trade barriers and anti-immigration sentiment will likely be limited. Remittances also have a strong track record of stability and growth even in times of crisis, as seen during the pandemic.

Another factor supporting consumption is the country's low unemployment rate, with services accounting for most of the jobs. This should continue to drive the growth of household income and the expansion of the middle class. While the emergence of artificial intelligence has raised concerns about the labor market, a significant displacement of workers is unlikely since its current adoption remains limited and companies are still evaluating its commercial use. In certain cases, it might even enhance labor productivity for companies that can effectively utilize it, providing a boost to growth.

Consumer spending is expected to show stronger growth this year with inflation now at manageable levels. This improvement will likely be most apparent in discretionary spending after a period of slower growth caused by high inflation, as consumers focused more on essentials.

The economy also stands to benefit from the recent reduction in interest rates and provision of additional liquidity via cuts in the reserve requirement ratio. Private sector spending in construction activities has not yet returned to pre-pandemic levels, but lower interest rates may fast track its recovery. Moreover, as household consumption strengthens, businesses are likely to increase capital spending to meet growing demand.

Election spending is another tailwind that could provide a boost to the economy. Historically, GDP growth is faster in election years, driven by heightened economic activity fueled by election-related spending in various regions.

Inflation is expected to remain within the BSP's target in the coming months, assuming no unexpected supply shocks. Upside risks to this outlook include the possibility of La Nina and disruptions to global supply chains due to trade barriers. Inflation remains sensitive to adverse weather conditions, particularly for vegetable prices, which warrant close attention. On the other hand, stable commodity prices amid China's economic slowdown and improving rice supply may offset these risks. Additionally, China's surplus manufacturing capacity could lead to cheaper imports into the Philippines, further easing inflationary pressures.

With the outlook for inflation remaining favorable, the BSP has room to cut interest rates further this year. However, global uncertainties may limit the extent of monetary easing. Rate cuts in the first half of the year appear feasible, but the latter half may bring challenges as the Federal Reserve could shift its policy stance in response to inflationary pressures.

Meanwhile, depreciation pressure on the Peso may persist as markets continue to assess the potential impact of US government policies on inflation and monetary policy. So far the Federal Reserve has signaled the possibility of rate cuts amounting to 50 bps in 2025, contingent on the economic data. However, a shift in Fed policy is possible due to factors that could re-ignite inflation in the US such as the trade and industrial policies of the new administration. In addition, the huge fiscal deficit of the US could push the country's benchmark rates higher, providing additional support to the Dollar.

### *Implications on Business and Strategy*

Looking ahead to 2025, the economic backdrop remains supportive of the Bank's strategic initiatives.

It sets the stage for the Bank to accelerate growth in its consumer and SME lending businesses, while keeping appropriate credit underwriting policies and processes, ensuring asset quality preservation, and upholding prudent risk management of its exposures. Through the Bank's consistent and sustained efforts, it has steadily

shifted the loan mix to non-institutional segments in the last three years. This positive trend is expected to continue, further bolstered by the synergies coming from the recent merger with Robinsons Bank Corporation.

The Bank aims to be the main operating bank of its clients. To achieve funding leadership, it is important for the Bank to optimize funding costs and maintain an efficient balance sheet, which entails regular rationalization of deposit products, and exploration of alternative funding sources for capital market maturities, ensuring prudent position taking.

The Bank will continue to transform banking through digital innovation, with its seven customer engagement platforms which cater to the evolving financial needs of a variety of customer segments, from retail clients to SMEs, to big corporations and to the affluent. Data has become an important asset for the Bank, transforming how it operates and serves its customers. The Bank uses data to grow the business through customer acquisition, hyper-personalization, and geo-analytics. Also, with its focus on cybersecurity, the Bank ensures seamless, secure, and accessible banking for all in this digital age.

Despite its strong orientation towards digitalization initiatives, the Bank continues to believe in the value of physical branches. It opened branches in areas where it does not have branch presence, even while consolidating and co-locating existing branches in oversaturated areas. The Bank will continue to rationalize its branch footprint, and for the branches that will remain, the Bank will leverage on the strength of its physical stores and digital capabilities in delivering a differentiated customer experience at the branch. Beyond branches, the Bank also introduced Agency Banking which creates partnerships with retail outlets, like convenience and department stores, supermarkets, gas stations, and pharmacies to make our products available to Filipinos where there is limited banking presence.

In 2024, the Bank raised ₱33.7 billion through SEED Bonds to support projects that drive positive environmental and social impact. The Bank's efforts and focus on Environmental and Social responsibility earned a total of 18 ESG awards.

Customer obsession is the utmost focus of the Bank's strategy, which is founded on the pillars of financial inclusion, digitalization, and sustainability, all underscored by its NICE core values – being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence. The Bank is proud to have earned the top spot in a benchmark survey of customer loyalty, the Net Promoter Score (NPS), highlighting the trust and satisfaction of its clients.

## Item 7. Financial Statements

Please refer to Exhibit A for the 2024 Audited Financial Statements as audited by the principal accountant, the Accounting Firm of Isla Lipana & Co., and signed by the Partner Mr. Roderick M. Danao.

### Audit and Audit-Related Fees

BPI has paid the following fees, inclusive of taxes, to its external auditors in the past two (2) years:

Fiscal year	Audit Fees	Audit-related fees
2022 paid in 2023	P 19.037 Mn	P3.674 Mn
2023 paid in 2024	P 21.584 Mn 3.664 Mn	P4.103 Mn 0.621 Mn
Approved for 2024 (not yet paid)	P27.022 Mn	-

The audit and audit-related fees cover services by the external auditor that are reasonably related to the performance of the audit or review of the annual, half year or quarter end financial statements for BPI and its subsidiaries.

In addition to the audit services, the external auditor was also engaged to perform SOC2 (Service Organization Controls) Type 1 attestation for Php2.100Mn.

Please also refer to the last page of the 2024 Audited Financial Statements for the Supplementary Schedule of External Auditor Fee-Related Information.

#### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There are no disagreements with Isla Lipana & Co. on accounting and financial disclosures.

### **PART III – CONTROL AND COMPENSATION INFORMATION**

#### **Item 9. Directors and Executive Officers of the Issuer**

##### **A-1. The Board of Directors and Executive Officers (as of December 31, 2024)**

Following is the list of current directors serving the term 2024 – 2025:

##### **1. JAIME AUGUSTO ZOBEL DE AYALA**

**Position:** Chairman

Mr. Zobel, Filipino, 66, is a member of the Board of Directors of BPI since March 1990 and Chairman since March 2004. He is currently the Chairman of the Bank's Executive Committee, Personnel and Compensation Committee and a member of the Nomination Committee. Mr. Zobel likewise served as the Vice Chairman of the Bank from 1995 to March 2004. Mr. Zobel serves as a Director of Ayala Corporation since May 1987 and its Chairman since April 2006. He is likewise the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.

Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a Director of Temasek Holdings (Private) Limited and a member of JP Morgan International Council, JP Morgan Asia Pacific Council, and LeapFrog Investments Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council, and he previously served as the Chair of the HBS Asia-Pacific Advisory Board. He is Chairman Emeritus of the Asia Business Council, a Trustee of Endeavor Philippines, the Philippine Representative to the Asia Pacific Economic Cooperation Business Advisory Council from 2010-2015, a Steering Committee Member and Steward of the Council for Inclusive Capitalism, and a Trustee Emeritus of Eisenhower Fellowships. He has been a director of the US-Philippines Society since 2012 and assumed the Co-Chair position in 2024. He is a Steering Committee member of the Indo-Pacific Partnership for Prosperity.

Mr. Zobel was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the President of the Philippines. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer for his work in sustainable business strategy and operations. The first SDG Pioneer from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business.

Mr. Zobel graduated with B.A. in Economics (Cum Laude) from Harvard University in 1981 and obtained an MBA from the Harvard Graduate School of Business Administration in 1987.

##### **2. CEZAR P. CONSING**

**Position:** Vice-Chairman, Non-Executive Director

Mr. Consing, Filipino, 65 years old, is a director of the Bank since February 1995. He is currently the Vice-Chairman of the Bank's Board and Executive Committee and member of the Risk Management Committee, Personnel and Compensation Committee, and Nomination Committee.

Mr. Consing is currently the President & CEO of Ayala Corporation. He is Chairman of ACEN Corporation, and Vice Chairman of Ayala Land Inc. and Globe Telecom. Ayala Corporation, ACEN Corporation, Bank of the Philippine Islands, Ayala Land Inc., and Globe Telecom are among the most valuable public companies

in the Philippines. He is Chairman or Vice Chairman of many of the Ayala Group's unlisted companies, including AC Health, AC Logistics, AC Mobility, AC Industrials, AC Infrastructure and AC Ventures. Mr. Consing is Chairman of the Philippine Dealing System and the College of St. Benilde. He is a member of the Trilateral Commission. He is a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines – Japan Economic Cooperation Committee and the Manila Golf Club Foundation.

Mr. Consing was President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group from 2004-2013. He was an investment banker with J.P. Morgan & Co. from 1985-2004. For 7 years, Mr. Consing was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for Bank of the Philippine Islands from 1981-1985.

Mr. Consing has previously served as Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He has previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, the US-Philippines Society, La Salle Greenhills, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree (Accelerated Program), Magna Cum Laude, and the gold medal for Economics, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

### 3. **JOSE TEODORO K. LIMCAOCO**

**Position:** President and CEO, Executive Director

Mr. Limcaoco, Filipino, 63 years old, has been a BPI Director since February 2019 and was appointed as President and Chief Executive Officer of BPI in April 2021. He is currently the chairman of Credit Committee and member of Executive Committee. He serves as the Chairman of the following entities: BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., Philippine Stock Index Fund Corporation, ALFM Global Multi-Asset Income Fund, Inc., ALFM Real Estate Income Fund, Inc., BPI/MS Insurance Corporation, and BPI AIA Life Assurance Corporation. He is likewise the Vice Chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation. Furthermore, he serves as the President and Vice Chairman of BPI Foundation, Inc.

Outside of the BPI group, he is the Chairman and President of the Bankers Association of the Philippines, Chairman of Philippine Payments Management Inc., and Director of AC Mobility Holdings, Incorporated. He is also a Director of Just for Kids, Inc., a homegrown business of his family.

From 2015 to 2021, he was a Senior Managing Director and the Chief Finance Officer of Ayala Corporation. He previously served as a Board Director of Globe Telecom, Inc., Integrated Micro-Electronics, Inc., and SSI Group, Inc. He also served as a director of several Ayala Group companies including those involved in healthcare, infrastructure, education, energy, and industrial technologies.

Previously, he served as President of BPI Family Savings Bank from 2010-2015 and BPI Capital Corporation from 2007-2010. He was also Director of Ayala Life Assurance, Inc. in 2009, Director / Chairman of Ayala Plans, Inc. in 2010-2015, Director of Globe Fintech Innovations, Inc. in 2017-2022, and Director of AC Energy International Inc. in 2019-2022. He also worked at BPI from 1989 to 1992 as Senior Manager and at BPI Capital Corporation from 1995 to 1997 as Vice President / Treasurer.

Mr. Limcaoco joined Ayala Corporation as Assistant Treasurer in 1998. His responsibilities prior to his secondment to BPI in 2007 included serving as Trustee and Treasurer of Ayala Foundation, Inc., President of myAyala.com, Inc., and Treasurer of Azalea Technology Investments, Inc. from 2001-2006. He was named as the ING-Finex CFO of the Year in 2018, and held prior positions with JP Morgan & Co. and with BZW Securities Philippines, Inc.

He graduated from Stanford University with a BS Mathematical Sciences (Honors Program) degree in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.

4. **JANET GUAT HAR ANG**

**Position:** Independent Director

Ms. Ang, Singaporean, 65 years old, was elected as an Independent Director of BPI in May 2021. She is the Chairman of the Bank's Related Party Transaction Committee, member of the Bank's Risk Management Committee, and the Bank's Board Representative in the IT Steering Committee.

Ms. Ang is currently the Chairperson of SISTIC Pte Ltd, National University of Singapore- Institute of Systems Science (NUS-ISS), Singapore Polytechnic, Public Transport Council, and Singapore Business Federation Foundation. In addition, she is a Member of the Board of The Esplanade Company Ltd and the Home Team Science & Technology Agency in Singapore.

Ms. Ang is a Senior Advisor of the RGE Group and an Independent Director of various entities such as Tanoto Foundation, the Philanthropy Asia Alliance Ltd., and the Swire Shipping Group Pte Ltd. She is a Fellow of the Singapore Computer Society, Singapore Institute of Directors, and a member and past president of the International Women's Forum (Singapore). She is Singapore's Non-Resident Ambassador to the Holy See and a former Nominated Member of the Parliament of Singapore (2021-2023).

Ms. Ang had a thirty-seven-year career in the information technology industry and had lived and worked in Japan and China over a span of eleven years. She was a Managing Director of IBM Singapore from 2001 to 2003 and again from 2011-2015. Her last executive role was as IBM Vice President, Head of Industry Solutions of IBM Asia Pacific. She was also an Independent Director of SPH Ltd from 2014-2022 and Chairperson of the Board of Trustees of Caritas Singapore Agape Fund from 2019-2022.

Ms. Ang was awarded The Public Service Medal in 2019. She was also awarded NUS Outstanding Service Award in 2021, the Singapore Computer Society IT Leaders Award – Hall of Fame in 2018, the NUS Distinguished Alumni Service Award in 2015 and the NUS Business School Eminent Alumni Award in 2014.

Ms. Ang graduated with a Bachelor's degree in Business Administration (with Honours) from the National University of Singapore.

5. **RENÉ G. BAÑEZ**

**Position:** Non-Executive Director

Mr. Bañez, Filipino, 69 years old, was elected as director of BPI in August 2021. He is a member of the Bank's Executive, Related Party Transaction, and Retirement/Pension Committees. Mr. Bañez also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation) and BPI Capital Corporation.

In the private sector, Mr. Bañez held several senior-level positions in PLDT until his retirement in 2016. He was Senior Vice President and Head of the Supply Chain, Asset Protection and Management Group from 2008 to 2016; Senior Vice President and Chief Governance Officer from 2004 to 2007; Corporate Governance Advisor from 2003 to 2004; Senior Vice President, Support Services and Tax Management from 2000 to 2001; and First Vice President, Support Services and Tax Management from 1998 to 2000. Prior to joining PLDT, he was Group Tax Director of Metro Pacific Investment Corporation until 1998.

Mr. Bañez served as the Commissioner of the Bureau of Internal Revenue (BIR) from February 2001 to August 2002 and as Deputy Commissioner from June 1993 to November 1995. Before his appointment to the BIR in 1993, he spent more than 11 years at accounting firm Isla Lipana & Co./PwC (formerly Joaquin

Cunanan & Co.), starting as a Tax Consultant in 1982 until he became Tax Principal (Partner) from 1990 to 1993.

Currently, he is a member of the Finance Board of the Archdiocese of Manila, Diocese of Pasig, and Commission on the Social Apostolate of the Philippine Province Society of Jesus. He also serves as a Trustee of Mirador Jesuit Villa & Retreat House Corporation, Loyola School of Theology Corporation, and Blessed Peter Faber Spirituality Center Inc. He is likewise a Director of Catholic Travel Inc., Unitas Asia Corp. (a subsidiary of Radio Veritas Asia), Board Advisor of LH Paragon, Inc. and Chairman of Multinational Foundation, Inc.

Mr. Bañez earned his Bachelor of Arts degree in 1976 and his Bachelor of Laws degree in 1981, both from the Ateneo de Manila University.

6. **KARL KENDRICK T. CHUA**

**Position:** Non-Executive Director

Mr. Chua, Filipino, 46, was elected as director of BPI in April 2023. He is a member of the Bank's Retirement/Pension Committee. He also serves as a Board Director of BPI Direct Banko, Inc., A Savings Bank. Mr. Chua is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. He is also a Director of AC Ventures, AC Industrials Technology Holdings, Inc., AC Infrastructure Holdings, Corp. and an Independent Director of D&L Industries, Inc. and LH Paragon, Inc. Mr. Chua is likewise a Board Adviser for Golden ABC, Inc., Matimco, Inc., and Oakridge Realty Development Corporation. Previously, he served as Director in Manila Water Company, Inc. and an Independent Director of Golden ABC, Inc.

Mr. Chua was a former Secretary of the National Economic and Development Authority (NEDA) and Undersecretary for Strategy, Economics, and Results at the Department of Finance (DOF). He has extensive experience in the areas of economic and fiscal policy, statistical development, national identification, labor and social protection policy, poverty analysis, and digital transformation, among others.

He was formerly an adviser for the World Bank's World Development Report and former member of the Selection Committee of the Asian Development Bank and International Economic Association Innovative Policy Research Award.

Mr. Chua was a senior official in the Government of the Philippines for six years. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. He also oversaw the implementation of the national ID program.

As Undersecretary in the Department of Finance, he led the technical team in the passage of the Comprehensive Tax Reform Program and the Rice Tariffication Law. Prior to joining the government, he was with the World Bank for 12 years and was the senior economist for the Philippines.

Mr. Chua graduated from the Ateneo De Manila University in 2000 with a degree in B.S. Management Engineering. He earned his M.A. Economics (2003) and Ph.D Economics (2011) from the University of the Philippines, and recently studied data science at the Asian Institute of Management. In 2018, he was awarded as one of the Ten Outstanding Young Men of the Philippines (TOYM) for economic development.

7. **WILFRED T. CO**

**Position:** Non-Executive Director

Mr. Co, Filipino, 60 years old, was elected as director of BPI in April 2024. Outside BPI, he is the President of Coherco Securities, Inc. and Herco Trading, Inc. Mr. Co is also the Chairman of the following companies: Robinsons Handyman, Inc., Robinsons True Serve Hardware Philippines Inc., Robinsons Daiso, and Federal Chemicals, Inc. From 2013 to 2015, Mr. Co served as an advisory board member of Robinsons Bank.

He graduated cum laude with a Bachelor of Science in Electrical Engineering degree from the University of the Philippines in 1986 and obtained his Master of Science in Electrical Engineering degree from the University of Southern California in 1989. He previously worked in the Failure Analysis Labs of IBM in Poughkeepsie and East Fishkill, New York and taught in the UP Department of Electrical Engineering. Mr. Co is also an Honorary Chairman of the Anvil Business Club.

8. **EMMANUEL S. DE DIOS**

**Position:** Independent Director

Mr. de Dios, Filipino, 70 years old, was elected as Independent Director of BPI in April 2022 and is the Chairman of the Corporate Governance and Sustainability Committee. Mr. de Dios is currently a Professor Emeritus at the University of the Philippines School of Economics, where he has been a professor since 1980 until his retirement in 2019.

Mr. de Dios is currently a Trustee and the Chairman of Pulse Asia Research, Inc., an Independent Director of Rockwell Land Corporation, and of ABS-CBN Holdings Corporation. He is also a Trustee of Assisi Development Foundation, Inc. and Peace and Equity Foundation, Inc. He served as the Dean of the University of the Philippines School of Economics from 2007 to 2010, and was an Independent Director of ABS-CBN Corporation until 2023.

Mr. de Dios received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and is the author or editor of various books, monographs, articles and reviews in economics.

9. **RIZALINA G. MANTARING**

**Position:** Lead Independent Director

Ms. Mantaring, Filipino, 65, was elected as director of BPI in April 2023. She is a member of the Bank's Corporate Governance and Sustainability Committee, Retirement/Pension Committees, and Chairman of the Risk Management Committee. Moreover, she is the Bank's Board Representative in the IT Steering Committee. She also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation).

Outside BPI, Ms. Mantaring is an Independent Director of Ayala Corporation, First Philippine Holdings Corporation, Universal Robina Corporation, PHINMA Corporation, Maxicare Healthcare Corporation, GoTYME Bank and East Asia Computer Center Inc. She also serves as a Director of Sun Life Grepa Financial Inc. Ms. Mantaring is likewise a Trustee of the Makati Business Club and Philippine Business for Education, and a Fellow of the Foundation for Economic Freedom.

Ms. Mantaring was CEO & Country Head of Sun Life Financial Philippines from 2009 – 2018. She was also Chief Operations Officer of Sun Life Financial Asia and was responsible for IT & Operations across the region from 2008-2009.

Ms. Mantaring was recognized by prestigious award-giving bodies, among which were the Asia Talent Management award at CNBC's 2017 Asia Business Leader Awards, the 2018 Executive Champion of the Year from the Asia Insurance Review and the Asia Pacific Entrepreneurship Award (Financial Services, Philippines) in 2016. In 2010, during the 100<sup>th</sup> anniversary of the UP College of Engineering, she was named one of the college's 100 Most Outstanding Alumni of the Past Century. In 2019, she received the PAX award - the highest award conferred by St. Scholastica's College on an outstanding alumna.

A graduate of the University of the Philippines with a B.S. Electrical Engineering degree (cum laude), Ms. Mantaring has an M.S. Computer Science from The State University of New York at Albany and is a Fellow of the Life Management Institute (with distinction).

10. **AURELIO R. MONTINOLA III**

**Position:** Non-Executive Director

Mr. Montinola, Filipino, 73 years old, has been a member of the Board of Directors of BPI since 2004. He is currently the Chairman of the Bank's Retirement/Pension Committee and a member of the Bank's Executive and Personnel and Compensation Committees. He served as BPI's President and CEO from 2005 to 2013, and as President and CEO of BPI Family Savings Bank, Inc. from 1992 to 2004. Mr. Montinola was also the Chairman of BPI/MS Insurance Corporation from 2005 to 2015, continuing as a Director until June 2022. Mr. Montinola also serves as a Director of BPI Capital Corporation and was previously a Board Member of BPI Direct Banko, Inc., A Savings Bank and The Bank of the Philippine Islands Foundation, Inc.

Mr. Montinola is the Chairman of Far Eastern University, Inc. and serves as a Director of Roxas and Company, Inc., both of which are publicly-listed companies. In addition, he is also the Chairman of Amon Trading Corporation, Roosevelt College, Inc. and East Asia Computer Center, Inc. He is also the Vice Chairman of the Philippine Business for Education Inc. Furthermore, he serves as an Independent Director of AIA Philippines Life and General Insurance Company, Inc.

Significant awards received by Mr. Montinola include Management Man of the Year 2012 (Management Association of the Philippines), Asian Banker Leadership Award (twice), and Legion d'Honneur (Chevalier) from the French Government.

He obtained his Bachelor of Science in Management Engineering degree at the Ateneo de Manila University in 1973 and his MBA from the Harvard Business School in 1977.

11. **MARIO ANTONIO V. PANER**

**Position:** Independent Director

Mr. Paner, Filipino, 66 years old, was elected as Independent Director of BPI in April 2024. He is currently a member of the Bank's Risk Management Committee and Audit Committee. Mr. Paner is also an Independent Director of ENEX Energy Corp. since April 2021. He was likewise an Independent Director of ACEN Corporation from April 2020 to April 2021 and ALFM Funds from January 2022 to March 2024.

Mr. Paner was formerly the Chairman of BPI's Asset & Liability Committee and was a member of the Management Committee and Asset Management Investment Council. Mr. Paner also served as a Director of BPI Europe Plc, Santiago Land, Citytrust Finance Corp., Citytrust Insurance Brokers, Citytrust Investment Phils., Citytrust Securities Corp., and Citytrust Realty Corporation. He was Treasurer and Trustee of Kaisahang Buhay foundation, a child and family welfare organization promoting support for unwed mothers, orphan care and adoption from 2015 to 2020. He likewise served as President of the Money Market Association of the Philippines (MART) in 1998 and was the Vice Chairman of the Bankers Association of the Philippines' (BAP) Open Market Committee until 2019. Mr. Paner was a faculty member of the BAP-ATENEO School of Banking until 2019.

After working with Ayala Investments and Development Corporation (1979-1981) and Family Savings Bank (1981-1985), Mr. Paner joined BPI in 1985 when the Bank acquired Family Bank & Trust Company, Inc. Later, in 1989, he became part of Citytrust, the consumer banking arm of Citibank in the Philippines, which BPI also acquired in 1996. He served as the Treasurer and Head of BPI's Global Markets Segment, where he was responsible for managing the Bank's interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution activities both in the Philippines and abroad, until his retirement in 2019. Prior to this, he was responsible for other businesses of the bank which included Risk Taking, Portfolio Management, Money Management, Asset Management, Remittance, Overseas Banking and Private Banking.

Mr. Paner obtained an A.B. Economics degree from Ateneo de Manila University in 1979 and completed various courses in Business and Finance, including Strategic Financial Management in 2006 and the Advanced Management Program in 2009, both at the Harvard Business School in Boston.

## 12. CESAR V. PURISIMA

**Position:** Independent Director

Mr. Purisima, Filipino, 65 years old, was elected as Independent Director of BPI in January 2021. He is the chairman of the Bank's Nomination Committee, and member of the Executive, Risk Management and Audit Committees. He also serves as an Independent Director of BPI Capital Corporation.

Mr. Purisima currently serves as an Independent Director of Ayala Corporation, Ayala Land, Inc., Universal Robina Corporation, and Jollibee Foods Corporation. He is also a founding partner of Ikhlas Capital Singapore Pte. Ltd., a pan-ASEAN private equity platform. He is an Independent Director of AIA Group Limited, a member of the Global Advisory Council of Sumitomo Mitsui Banking Corporation, a member of Singapore Management University's International Advisory Council in the Philippines, and member of the Board of Advisors of ABS-CBN Corporation. He is also a member of the Board of Trustees of the International School of Manila and an Asia Fellow at the Milken Institute, a global, non-profit, non-partisan think tank. In addition, he is a member of the Bloomberg Task Force on Fiscal Policy for Health since 2023.

Mr. Purisima served in the government of the Philippines as Secretary of Finance and Chair of Economic Development Cluster of the President's Cabinet from July 2010 to June 2016 and as Secretary of Trade and Industry from January 2004 to February 2005. He also previously served on the board of several government institutions, including as a member of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), Governor of the Asian Development Bank and World Bank for the Philippines, Alternate Governor of the International Monetary Fund for the Philippines, and Chairman of Land Bank of the Philippines. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by several publications, a first for the Philippines. Prior to serving the government, Mr. Purisima was the Chairman & Country Managing Partner of the Philippines' largest professional services firm, SGV & Co.

He was a recipient of Centenary Award of Excellence by the Professional Regulatory Board of Accountancy on the 100th year of the Philippine accounting profession in 2023. He was conferred the Chevalier dans l'Ordre national de la Legion d'Honneur (Knight of the National Order of the Legion of Honour) by the President of the French Republic in 2017, the Order of Lakandula, Rank of Grand Cross (Bayani) by the President of the Philippines in 2016, and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001. He was also conferred the Marist of Champagnat Award by the Marist School in 2025.

Mr. Purisima is a certified public accountant and has extensive experience in public accounting both in the Philippines and abroad. Mr. Purisima obtained his Bachelor of Science in Commerce (Majors in Accounting & Management of Financial Institutions) degree from De La Salle University (Manila) in 1979, Master of Management degree from J.L. Kellogg Graduate School of Management, Northwestern University in 1983 and Doctor of Humanities honoris causa degree from Angeles University Foundation (Philippines) in 2012. Mr. Purisima completed the Harvard Business School's CEO Harvard Presidents' Seminars in 2023 and 2024.

## 13. JAIME Z. URQUIJO

**Position:** Non-Executive Director

Mr. Urquijo, Filipino, 36 years old, was elected as director of BPI in September 2022. Mr. Urquijo is a member of the Bank's Corporate Governance and Sustainability Committee. He serves as a Director of ACEN Corporation, AC Ventures Holding Corp., AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, and Integrated Micro-Electronics, Inc., and Chairman of Klima 1.5 Corp. He is also Vice-Chairman of the Board of Trustees of Ayala Foundation and an Independent Advisor to the Board of Directors of Ayala Land, Inc.

Currently, he is the Chief Sustainability and Risk Officer (CSRO) of Ayala Corporation. He was previously Vice President for Business Development at Ayala Corporation's listed energy platform, ACEN Corporation. During his tenure at ACEN, Mr. Urquijo led initiatives to expand the group's asset portfolio in the Philippines, Vietnam, Myanmar, and Indonesia. Most recently as country manager for Indonesia, he established ACEN's

office in Jakarta. These initiatives resulted in 500MW of operating wind and solar assets in Vietnam and over 2GW of pipeline projects for ACEN across the region. He continues to be a member of the Board of Directors of several foreign affiliates of ACEN Corporation.

Mr. Urquijo served as director of BPI AIA Life Assurance Corporation (formerly BPI-Philam Life Assurance Corporation) from 2021 to 2022. He held a key manager position in the Corporate Strategy and Business Development Group of Ayala Corporation from 2016 to 2020. He was a founding member and Head of Business Development of AF Payments, Inc. from 2014 to 2016, a joint venture between Ayala Corporation and the Metro Pacific group which won a Public Private Partnership (PPP) concession to replace the ticketing system of the LRT and MRT of Metro Manila with a unified contactless ticketing system, called the Beep Card. The Beep Card was the first interoperable transport card in the Philippines. He started his career at J.P. Morgan in New York in 2010 where he served as an analyst and associate until 2013.

Mr. Urquijo is a Trustee of the Asian Institute of Management, Hero Foundation, and World Wide Fund for Nature (WWF) Philippines. He also serves as Director of the European Chamber of Commerce of the Philippines.

Mr. Urquijo graduated with a degree in Political Science from the University of Notre Dame in 2010 and received his M.B.A. from INSEAD in 2018.

**14. MARIA DOLORES B. YUVIENCO**

**Position:** Independent Director

Ms. Yuvienco, Filipino, 77 years old, was elected as Independent Director of BPI in April 2016. Ms. Yuvienco currently serves as the Chairman of the Audit Committee and member of the Related Party Transaction Committee and the Personnel and Compensation Committee. In July 2019, Ms. Yuvienco was elected as Independent Director of BPI Asset Management and Trust Corporation (doing business under the trade name and style of BPI Wealth - A Trust Corporation), and was designated Chairman of the AMTC Corporate Governance Committee and member of the AMTC Risk Management Committee.

Ms. Yuvienco also serves as an Independent Director of Legazpi Savings Bank (LSB), a newly acquired subsidiary under the BPI Group following the merger with Robinsons Bank Corporation. She acts as the Chairperson of LSB's Risk Management Committee and member of LSB's Audit Committee.

Ms. Yuvienco worked for 41 years with the Bangko Sentral ng Pilipinas (formerly known as Central Bank of the Philippines) under various capacities until her compulsory retirement in March 2013. She held the post of Assistant Governor in the Supervision and Examination Sector when she retired. Her exposure at the BSP was largely in bank supervision where her responsibilities ranged from the crafting of policies/regulations on banking supervision to supervising on-site examination and off-site monitoring of BSP-supervised entities. As a ranking official in the BSP, she had opportunities to meet and share ideas with her counterparts in other central banks in the region. Owing to her experience, she was tapped as a resource speaker in various training programs of the Southeast Asian Center for Banking in Kuala Lumpur.

Ms. Yuvienco graduated from St. Theresa's College, Quezon City in 1967, with a degree of Bachelor of Science in Commerce, major in Accounting. She took up post graduate studies at the University of the Philippines Diliman. She is a Certified Public Accountant and a Career Executive Service Professional.

15. **FERNANDO ZOBEL DE AYALA**

**Position:** Non-Executive Director

Mr. Zobel, Filipino, 65 years old, has been a member of the board of directors of BPI since September 2023. He also serves as member of the Bank's Executive Committee and Personnel and Compensation Committee.

Mr. Zobel is a Director of Ayala Corporation and Ayala Land, Inc., and serves as an Independent Director of Shell Pilipinas Corporation (formerly Pilipinas Shell Petroleum Corporation), all of which are publicly-listed companies. He is the Chairman of the Board of Alabang Commercial Corporation, Accendo Commercial Corp., Hero Foundation, Inc., Ayala Foundation, Inc., and AC Healthcare Holdings, Inc. He is likewise the Vice Chairman of Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc., Berkshire Holdings, Inc., AC Ventures Holdings Corp., and Bonifacio Art Foundation, Inc. He was formerly a director of AG Holdings Ltd., The Manila Peninsula, and Georgetown University.

Mr. Zobel is a member of several organizations including Hispanic Society Museum & Library International Advisory Council, Chief Executives Organization, Young Presidents Organization, Habitat for Humanity International's Asia Pacific Development Council, Tate Museum Asia-Pacific Acquisitions Committee, Asia Philanthropy Circle, and The Metropolitan Museum International Council. In addition, he is also a member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation and Asia Society.

He holds a liberal arts degree from Harvard College and a Certificate of International Management from INSEAD, France.

**The Executive Officers**

**Officers of BPI as of December 31, 2024**

1. **JOSE TEODORO K. LIMCAOCO\***  
**President & Chief Executive Officer**

[Please see above.]

*\*Member of the Board of Directors of BPI*

2. **MARIA CRISTINA L. GO**  
**Executive Vice President & Head of Consumer Banking**

Filipino, 55 years old, Ms. Go heads the Consumer Banking Segment that primarily serves 13 million clients and oversees the 858 BPI branches nationwide, retail digital platforms, core retail products specifically deposit, auto loans, housing loans and life and non-life bancassurance and the support services. Since the consolidation of these businesses into OneConsumer bank, Ms. Go has steadfastly focused on driving strategy focused on transforming the customer experience towards becoming what BPI refers to as "phygital", leveraging on the Bank's vast physical presence to offer trusted advice through its 11,000-strong cadre of expert bank personnel complimented by best-in-class digital capabilities that make banking easier and more convenient, anytime, anywhere. In the past year, the Consumer Bank has been able to aggressively expand the retail customer base and drive increases in market shares through more targeted segmentation and relevant product offerings, superior digital platforms, and enhanced customer engagements and business partnerships combined with innovative risk management and robust use of data analytics for insighting and portfolio management. Ms. Go inspires a high performing, agile and collaborative culture to be able to serve the ever-changing needs of customers.

Under her leadership, the Consumer Bank converted 68 branches to the new phygital formats, redefining the customer experience at the branch by integrating digital education, advisory spaces and upgrading branch infrastructure with enabling technologies bank personnel with technology such as artificial intelligence, campaign management and enhanced connectivity. Critical to the physical and experiential journey to transform branches from transactional to advisory centers is a continuous process of upskilling and reskilling employees that would equip them with competencies necessary to deliver expert customer

experiences. Her experience in transformational work covering manpower, processes, products, systems, and culture, enabled market-creating business growth and a high-quality customer portfolio. The client-first transformation journey is anchored on making customers happy and measured in terms of Net Promoter Score (NPS). Ms. Go rallied the team towards achieving and maintaining #1 in NPS in the past two years through relentless pursuit of segmented, omni-channel, delightful customer experience. She is a member of the bank's Sustainability Council. Now, BPI has 25 Edge-certified branches and introduced products such as Green Saver, MyBahay, MyKotse, Green Solutions and LavLoansto support sustainability. Before assuming leadership of the Consumer Bank, she served as the President of BPI Family Savings Bank (BFSB) and was responsible for the smooth merger integration and consolidation with BPI, unlocking the value of the combined entities. She also served as Group Head of BFSB Retail Loans in 2015 after heading BPI's Payments and Unsecured Lending Group for 11 years where she led initiatives and innovations that differentiated BPI in the industry, such as the launches of the first EMV-compliant credit cards and Real Thrills, the first instant rewards program.

Before joining BPI, Ms. Go was Vice President at Citibank Philippines managing the bank's Retail Bank Marketing then at Citibank Credit Cards Cross Sell Division in New York. She also worked in Ayala Land to establish and head its Market Planning and Development Division where she became part of the team responsible for the company's foray into the middle-market. She started her career in Procter & Gamble as Brand Assistant then was promoted to Assistant Brand Manager, managing brands such as Mr. Clean, Perla, Star and Dari Crème. She earned a Masters degree from the Harvard Business School with honors in 1996. She graduated magna cum laude with a degree in BS Business Administration and Accountancy from the University of the Philippines Diliman, was awarded one of the Ten Outstanding Students of the Philippines, placed first in the CPA licensure exam in 1991, and was recognized as one of the UP College of Business Administration's Distinguished Alumni in 2012. She was also recognized by the Filipina Women's Network as One of the 100 Most Influential Filipina Women in the World in 2016.

Ms. Go currently serves as Chairman of the Personnel and Compensation Committee and Director of BPI/MS Insurance Corporation, Director of Legazpi Savings Bank and Director of the Board of TransUnion Philippines. Ms. Go actively mentors current and future young leaders in BPI and in the various organizations she is involved in.

Ms. Go is not a director in any other publicly listed company.

3. **MARIA THERESA D. MARCIAL**  
**President & CEO of BPI Wealth**

Ms. Marcial, Filipino, 54 years old, is the President and Chief Executive Officer of BPI Wealth.

Ms. Marcial has cultivated 30 years of banking experience with expertise in strategic planning and finance, corporate banking, debt and equity capital markets, portfolio management, trust, and retail wealth management. She currently serves as Director of BPI Europe PLC, BPI AIA Life Assurance Corporation, BPI Wealth Hongkong Limited, BPI Wealth Singapore Pte Ltd, and BPI Wealth Builder Multi-Asset Mutual Fund, Inc. She previously served on the BPI Trust Committee and the board of BPI Investment Management Inc. Prior to her banking career, she worked for the National Economic and Development Authority and the Agricultural Policy Credit Council.

Ms. Marcial previously served as President of the Fund Managers Association of the Philippines, President of the Trust Officers Association of the Philippines, Vice-Chairman of Capital Markets Development Committee of FINEX, and alternate Governor of the Market Governance Board of the Philippine Dealing and Corporation.

Outside the office, Ms. Marcial dedicates her time to society and the environment. She is a Trustee and Treasurer of World Wide Fund for Nature (WWF) Philippines, Philippine Inter-Island Sailing Foundation (PHINSAF), and Ocean Racing Club of the Philippines. She was recognized as one of Top 25 Most Influential Women in Asset Management in Asia by Asian Investor and Most Outstanding Alumnus of the University of the Philippines Los Baños.

Ms. Marcial obtained her Master's Degree in Economics in 1994 from the University of the Philippines Diliman and BS Economics, cum laude, from the University of the Philippines Los Baños in 1990. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop also at Harvard Business School in 2006.

Ms. Marcial is a director of the following listed companies: Alternergy Holdings Corporation and AREIT, Inc.

4. **EUGENIO P. MERCADO**

**Executive Vice President & Head of Enterprise Operations**

retired effective January 1, 2025

Mr. Mercado, Filipino, 62 years old, was the Head of Enterprise Operations Segment which supports all the operational requirements of the various business segments including Consumer, Corporate, Treasury, Contact Center and Facilities Services. He also managed all the outsourcing arrangements of the Bank in terms of Operations.

Mr. Mercado was a Senior Vice-President of the Bank from 2011 to 2023 and was a Vice-President from 2002 - 2011.

Mr. Mercado was also a Director of Ayala Plans, Inc., BPI Forex Corporation, FEB Speed International, FGU Insurance Corporation, and BPI Payments Holdings, Inc. He was also the Chairman of the Board of Filinvest Algo Financial Corp., BPI Paseo De Roxas Condominium Corporation, Greentop Condominium Corporation, Citytrust Realty Corporation, BAP Compliance and Risk Committee, Santiago Land Development Corporation, and First Far East Development Corporation. He was likewise the Treasurer and Board Member of Philippine Clearing House Corporations. Furthermore, he was a former Director of BPI Operations Management Corp from 2015 to 2017 and a Chairman of FEB Stock Brokers Inc. from 2015 to 2018.

Mr. Mercado was a product of the BPI-Far East Bank merger where he was an Assistance Vice-President from 1998 to 2002. Prior to Far East Bank, he was connected with the Commercial Bank of Manila (1984-1988), San Miguel Corporation (1988-1992) and Citibank from 1992 to 1998.

He graduated Cum Laude with a degree in BS Economics from the University of the Philippines in 1984.

Mr. Mercado was not a director in any other publicly listed company.

5. **MARIE JOSEPHINE M. OCAMPO**

**Executive Vice President and Head of Mass Retail Products**

retired effective October 1, 2024

Filipino, 62 years old, Ms. Ocampo is the Head of Mass Retail Products of the Bank, where she oversees BPI's credit, debit, and prepaid card businesses as well as personal and microfinance loans.

Ms. Ocampo is currently the Chairman of the Board of BPI Direct BanKo, the bank's microfinance subsidiary. She is a member of the Board of BPI Payments Holdings Inc., Global Payments Asia-Pacific Philippines, Inc., AF Payments Inc., and CARD MRI Rizal Bank Inc.

Ms. Ocampo started her career in BPI as Vice President for Marketing and Sales of BPI Credit Cards in 1996. She soon became the President of BPI Card Corporation, the Bank's credit card subsidiary which won the prestigious Agora Award 2000 Marketing Company of the Year.

In 2005, Ms. Ocampo was assigned to BPI's Consumer Banking Group as Head of Kiosk Banking and Head of Personal Banking. She also became the Chief Marketing Officer of BPI from 2008 until 2014 where she was responsible for the Bank's data warehouse, customer analytic capabilities and CRM, advertising, and digital initiatives across the breadth of products, channels, and services.

In 2015, she became the Payments and Remittance Group Head.

Prior to joining BPI, Ms. Ocampo gained over ten years of marketing experience in Procter & Gamble and Johnson & Johnson Australia and the Philippines, where she led the expansion of J&J's Health Care, Baby Care, and Sanitary Protection business.

She holds a Bachelor's degree in Business Management (Honors Program) and graduated *magna cum laude* from the Ateneo de Manila University. She also completed the Advanced Management Program at the Harvard Business School.

**6. ELFREN ANTONIO S. SARTE**  
**Executive Vice President and Head of Payments Council**

Mr. Sarte, Filipino, 65 years old, is a highly accomplished executive with over 40 years of experience in the banking industry. He became part of the Bank following the merger between BPI and Robinsons Bank Corporation (RBC) effective January 1, 2024.

Currently, he serves as a Chairman & Director of Legazpi Savings Bank and Unicon Insurance & Reinsurance Brokers Corporation, and Vice-Chairman of the Philippine Clearing House Corporation. He was elected as Director of BPI/MS Insurance Corporation, Global Payments Asia-Pacific Philippines, Inc., BPI Holdings, Inc. (formerly BPI Card Finance Corporation), BPI Direct BanKo, Inc., AF Payments, Inc., and Premiumbikes Corporation. He is also the BPI Payment Council Head.

Prior to joining BPI, Mr. Sarte was the President and CEO of Robinsons Bank Corporation (RBC) from 2014 to 2023. It was under his leadership when RBC began its digital transformation and embarked on its journey towards becoming digital to the core. He formed an agile culture in RBC and created new digital organization and put in place digital strategies steadfastly implemented to deliver innovative high-tech, low touch real-time and on-demand products services to the customers. Mr. Sarte delivered RBC from rank 26<sup>th</sup> in 2014 to rank 16<sup>th</sup> by end-2023 in terms of assets among Universal and Commercial banks in the Philippines which resulted to numerous recognitions from various local and international award-giving bodies. His rich banking experience includes being the President, Director, and CEO of PNB Savings Bank from 2013 to 2014. In Philippine National Bank, he was Consumer Finance Group Head from 2010 to 2013. He was with Union Bank of the Philippines from 1995 to 2010 handling various roles last of which is as Head of Consumer Credit Risk Management Division. His entry into the corporate world began with Credit Information Bureau Inc., where he honed his skills in credit.

Mr. Sarte has been a Director of various organizations namely: Bankers Association of the Philippines, Go Tyme Bank Corporation, Bancnet, Inc., Maxicare Healthcare Corporation, and Maxicare Life Insurance Corporation. He also served as the Chairman of the Operations Committee of the Bankers Association of the Philippines from 2017 up to 2023.

He graduated with a degree in Bachelor of Science Industrial Management Engineering Minor in Mechanical Engineering from De La Salle University in 1982.

Mr. Sarte is not a director in any other publicly listed company.

**7. JUAN CARLOS L. SYQUIA**  
**Executive Vice President and Head of Institutional Banking**

Mr. Syquia, Filipino, 58 years old, is the Head of Institutional Banking. Mr. Syquia's responsibilities include managing the Corporate Banking Relationship Management, Commercial Banking Relationship Management, Corporate & Commercial Credit Products, Transaction Banking (Cash Management and Trade), Remittance & Fund Transfer, and Investment Banking (which includes Equity Brokerage) units of the Bank. Mr. Syquia serves as a member of the Board of Directors of BPI Capital Corporation (BPI's investment banking subsidiary), Global Payments Asia-Pacific Philippines, Inc. (BPI's merchant acquiring joint venture company), BPI Century Tokyo Lease and Finance Corporation (BPI's leasing joint venture company), BPI Tokyo Century Rental Corporation (BPI's full service operating lease and rental joint venture), and Unicon Insurance and Reinsurance Brokers Corporation (BPI's non-life insurance brokerage joint venture).

Mr. Syquia has over 30 years of work experience in the financial services industry. Before taking on his current role, he was the President of BPI Capital Corporation and Co-Head for Investment Banking for the Bank. He re-joined the Bank through BPI Capital Corporation in June 2016. Prior to this, Mr. Syquia was Managing Director and Country Head of Corporate Clients for Standard Chartered Bank in the Philippines serving in that role from 2012-2016. In that role, he was principally responsible for the wholesale banking strategy and business of the bank in the Philippines.

Mr. Syquia spent 17 years with the ING Group where he started with Baring Brothers & Co. in 1994. Within the banking group of ING, he took on various roles in relationship management, corporate finance, and investment banking. His last role in ING Bank was as Managing Director, Head of Corporate Finance at ING Bank Manila. In 2007, he moved to a regional role based in Hong Kong as Head of Strategy and Business Development at ING Asia Pacific Ltd., the regional hub of ING Group's life insurance and asset management practice. He held Board of Director positions at ING Insurance Bhd. (Malaysia), Pacific Antai Life Insurance Co. (Shanghai, China), ING Vysya Life Insurance (India).

Mr. Syquia is not a director in any other publicly listed company.

**8. JOSEPH ANTHONY M. ALONSO**  
**Senior Vice President, Chief Credit Officer**

Filipino, 59 years old, Mr. Alonso is the Bank's Chief Credit Officer responsible for managing the aggregate risk in the BPI Group's loan portfolio - ensuring that portfolio quality and profitability are maintained across the lending units within the BPI Group through the establishment of procedures and guidelines that facilitate effective decision-making based on overall risk appetite and compliance with internal policies and regulatory requirements. He also serves as Vice Chairman of the Bank's Credit Committee and a member of the Fraud and Irregularities Committee.

He was a Board member of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation until July 2019. Mr. Alonso was involved with Corporate Relationship Management for most of his 26-year career in BPI, having started as a Market Head in the Asian Division and eventually becoming Division Head of the Asian Corporates/PEZA Division. The Division also included the Special Projects Team under the Financial Institutions Group, BPI Leasing Corporation, and BPI Rental Corporation prior to its merger with Tokyo Century Corporation of Japan. Mr. Alonso started his banking career with The Mitsubishi Bank, Ltd. in Tokyo in 1990 as a management trainee, holding positions in branch, treasury and international operations, and SME and multinational relationship management. Before joining BPI in January 1997, Mr. Alonso headed the Japan Desk in the World Corporation Group of Citibank, N.A. Manila Branch from 1994.

He holds a Bachelor's degree in Business Administration at the Faculty of Economics of Oita University in Japan under a scholarship grant from the Japan Ministry of Education. He was also a scholar of the National Science and Technology Authority while attending the College of Engineering at the University of the Philippines Diliman.

**9. MA. CRISTINA F. ASIS**  
**Senior Vice President, Chief Risk Officer**

Filipino, 54 years old, Ms. Asis is the Chief Risk Officer (CRO) of the BPI Group of Companies and Head of its Risk Management Office. As the CRO, her primary role involves overseeing the management of our enterprise risks—ensuring that all relevant financial and non-financial risks are appropriately identified, measured, controlled, and monitored within our approved risk appetite and commensurate to returns on capital. She provides executive and strategic risk support to the Board of Directors, through the Risk Management Committee (RMCom), in fulfilling its risk management function and ensuring that the Bank has a robust Enterprise Risk Management (ERM) framework. She works closely with the Chief Audit Executive and Chief Compliance Officer and actively contributes to effective risk management governance, compliance, and control processes across the Bank.

Presently, she serves as a Chairperson of Fraud and Irregularities Committee, Co-Chairperson of Data Governance Steering Committee, Deputy Commander of Crisis Resiliency Committee, Member of IT Project Steering Committee and Operational Risk Management Committee, Regular Non-voting Member of the Sustainability Council, Non-regular Member of IT Infrastructure Governance Committee, Advisor of Finance Committee and Information Technology Steering Committee, and Resource Person of Credit Committee and Money Laundering Evaluation Committee.

She has a distinguished 29-year career with BPI and has held key roles in Institutional/Corporate Banking before joining the Risk Management Office in 2017 as Head of Credit Policy and Risk Management (CPRM) that oversees risks for both the corporate and retail lending activities of the Bank.

Ms. Asis holds a Bachelor's degree in Business Economics and a Master's Degree in Economics from the University of the Philippines Diliman. Currently, she is a member of the Bankers Association of the Philippines (BAP), Bankers Institute of the Philippines (BAIPHIL), and Pan-Asia Risk & Insurance Management Association (PARIMA).

**10. MARIA PAZ A. GARCIA**  
**Senior Vice President, Chief Compliance Officer**

Filipino, 58 years old, Atty. Garcia was the Chief Compliance Officer (CCO) of BPI since Jan. 1, 2024. She heads the Bank's Compliance Division which oversees the implementation of the Bank's enterprise-wide compliance programs and is composed of the following departments: Anti-Money Laundering, Regulatory Compliance, Enterprise Information Security Management and Data Privacy Office, Corporate Governance and Subsidiary Regulatory Oversight, and Compliance Systems, Projects and Analytics. Atty. Garcia has more than 30 years of banking and investment management experience, 22 years of which had been fully dedicated to trust and investment operations covering the areas of Legal, Risk and Compliance. Prior to moving to BPI as its CCO, she headed the Legal Services and Family Office of BPI Wealth—A Trust Corporation (BPI Wealth). From 2011 to 2022, she led the legal, risk management, compliance and accounts review functions of BPI's trust and investment business (now known as BPI Wealth), a function she assumed as Head of legal, risk and compliance for four years from 2007 to 2011 in ING Bank Trust Department when the latter was acquired by BPI. She was Legal Counsel of Metropolitan and Trust Company— Trust Banking Group from 2000 to 2007 and a Legal Officer of Far East and Trust Company from 1992 to 1999.

She previously served as President and Director of the Trust Association of the Philippines (TOAP) and is currently a professor and faculty member of the Trust Institute Foundation of the Philippines (TIFP).

Atty. Garcia obtained her BA Economics degree from the University of the Philippines Diliman and her Juris Doctor from the Ateneo de Manila School of Law. She completed the Certificate Course in Strategic Compliance for the Banking Industry at the Center for Professional Development in Business of the De La Salle University in 2020 and has regularly undergone corporate governance courses and training provided by the Institute of Corporate Directors (ICD) and the Bankers Institute of the Philippines (BAIPHIL).

**11. DINO R. GASMEN**  
**Senior Vice President, Treasurer and Head of Global Markets**

Mr. Gasmen, Filipino, 58 years old, serves as the Bank's Treasurer and Head of the Bank's Global Markets. He is responsible for optimizing the Bank's resources through management of interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution capabilities. He is the Chairman of the Bank's Asset & Liability Committee. Mr. Gasmen also serves as Member of the Finance Committee of the Ayala Multi-Purpose Cooperative. He is also the Head of the Interest-Rate Sub Committee of the Bankers Association of the Philippines Open Market Committee.

Prior to joining BPI in 2014, Mr. Gasmen spent 17 years at HSBC Global Markets covering various roles, such as heading the Rates Trading Business in the Philippines, Indonesia, Vietnam, and Sri Lanka, as well as Balance Sheet Management for HSBC Philippines. He also worked in HSBC Bank PLC in the United Kingdom as Asian Product Manager where he helped local sales teams in the distribution of Asian markets products.

In BPI, Mr. Gasmen has been at the helm of various divisions in Global Markets. He was the Head of Asset & Liability Management (ALM) in 2014. In this role, he was responsible for ensuring multicurrency liquidity and optimizing portfolio investments. Mr. Gasmen also served as the Head of the Treasury Trading Division from 2015 until 2018, leading the Foreign Exchange (FX) Trading, Foreign and Local Fixed Income Trading, and Derivatives Trading Desks. In 2018, he reassumed the role of Head of ALM until his assignment as the bank's Treasurer in 2020.

Mr. Gasmen served as the President of the Money Market Association of the Philippines (MART) in 2006, and ACI Financial Markets Association Philippines in 2018.

He holds a degree in BS Electrical Engineering and obtained his Master's Degree in Business Administration from the University of the Philippines Diliman.

Mr. Gasmen is not a director in any other publicly listed company.

**12. MARIA LOURDES P. GATMAYTAN**  
**Senior Vice President, Corporate Secretary**

Atty. Gatmaytan, Filipino, 57 years old, is concurrently the Co-Head of Legal / Head of Corporate Legal Affairs and Corporate Secretary of BPI. She also serves as Corporate Secretary of BPI Asset Management and Trust Corporation (also known as BPI Wealth - A Trust Corporation), BPI Investments Inc. (formerly: BPI Investment Management, Inc.), BPI Direct Banko, Inc., A Savings Bank, BPI/MS Insurance Corporation, and The Bank of the Philippine Islands Foundation, Inc.

Atty. Gatmaytan started her career at ACCRALAW before taking on in-house counsel and leadership roles in top corporations, such as Corporate Legal Counsel at SM Investments Corporation, Associate General Counsel at San Miguel Corporation, Head of Legal at Bahay Financial Services, Inc. and Chief Legal Counsel at Splash Corporation. She was named in Legal 500's maiden GC Powerlist Philippines in 2023 and led the BPI Legal team to be included in the GC Powerlist Southeast Asia Teams 2023 and GC Powerlist Philippines Teams 2024.

Atty. Gatmaytan received her Bachelor of Science degree in Legal Management from the Ateneo de Manila University in 1989. She earned her Juris Doctor degree from the Ateneo de Manila School of Law, graduating with honors in 1993.

Atty. Gatmaytan is not a director in any other publicly listed company.

**13. JOSE RAUL E. JEREZA IV**  
**Senior Vice President and Head of Agency Banking**

Filipino, 53 years old, Mr. Jereza heads BPI Agency Banking. He is responsible for expanding the Bank's customer base through the establishment of partnerships with physical and digital retail brands that allows for BPI to reach, to acquire, and to serve more Filipinos.

He also introduced the Person-to-Merchant (P2M) model that enables business clients to accept QR payments from any QRPh bank or e-wallet. Through this solution, funds are made available real-time.

Among his roster of innovations is the BPI Salary On-Demand which was launched in July 2023 to offer Earned Wage Access to the Filipino workforce. This allows employees to enjoy immediate access to a portion of their earned salary without waiting for the traditional payday schedule. By increasing quality employee engagement and productivity and addressing financial needs, this innovative product is a win-win to both employer and employees.

Mr. Jereza has been with BPI for more than 17 years, joining the Bank in January 2007.

#### **14. JENELYN Z. LACERNA**

##### **Senior Vice President and Head of Mass Retail Products**

effective October 1, 2024

Filipino, 59 years old, is the Head of Mass Retail segment of BPI. She oversees the Bank's Unsecured Lending and Cards businesses, and sits on the board of directors of BPI Direct Banko, Inc. and Legazpi Savings Bank. Ms. Lacerna is also a member of the Board of Directors and President of BPI Payments Holdings, Inc. (formerly "BPI Card Finance Corporation).

She started her career in BPI as Vice President and Division Head for Credit Cards and Personal Loans in 2015, where she has successfully propelled the business volumes, credit card loans, revenues and income. It is also in this role where she won the prestigious BPI Excellence Award – as the Senior Management Unibanker of the Year in 2018.

In 2019, Ms. Lacerna's role expanded as she became a Senior Vice President and the group head for Unsecured Lending and Cards' Product and Sales. Under her leadership, the various businesses continue to significantly contribute to BPI's overall revenue and income, while also growing BPI credit cards' market share in the Credit Card Association of the Philippines.

Prior to joining BPI, Ms. Lacerna was already an esteemed financial institution veteran – with an extensive career in Citibank, where she had a 15-year career in Credit Cards, Retail Banking and Personal Loans. She also worked in American Express gaining 8 years of experience in Card Sales and Marketing. She also led the Global Remittances Group as First Vice President in Philippine National Bank from 2014 to 2015.

She has a Bachelor of Science in Business Administration from the University of Santo Tomas in 1986.

#### **15. ERIC ROBERTO M. LUCHANGCO**

##### **Senior Vice President, Chief Finance Officer, Chief Sustainability Officer and Head of Strategy and Finance**

Filipino, 54 years old, Mr. Luchangco is the Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance. In this role, he oversees the Bank's strategic planning and budgeting, capital structure, and sustainability agenda.

Before taking on his current role, Mr. Luchangco was Head of Business Banking from June 2019 until May 2022, where he managed BPI's presence within the space.

Mr. Luchangco initially joined the BPI Group in 2013 as Head of Debt Capital Markets of BPI Capital, the Bank's investment banking unit. His responsibilities were later expanded to concurrently become Head of Execution and Treasurer of BPI Capital. In June 2017, he moved into BPI to become the Head of Corporate Credit Products.

Prior to joining the BPI Group, Mr. Luchangco worked at Daiwa Capital Markets, spending time in their Manila, Hong Kong, and Singapore offices, originating and executing a wide variety of investment banking transactions.

He holds a Bachelor's degree in Management Economics from the Ateneo de Manila University and a Master's Degree from the Ross School of Business at the University of Michigan.

#### **16. DOMINIQUE R. OCLIASA**

##### **Senior Vice President and Head of Business Banking**

Filipino, 57 years old, Mr. Ocliasa is the Head of Business Banking. He oversees the expansion of BPI's presence in the SME space, which has been identified as a growth area for the Bank. Business Banking envisions to be the partner of choice for SMEs in the Philippines by providing simple, convenient, and relevant product offerings and services to address the needs of small businesses.

Mr. Ocliasa started his banking career in 1987 as Analyst at the Credit Division of Far East Bank and Trust

Company where he was later appointed as Deputy Administrative Officer. In 1990, he moved to Corporate Banking as Account Officer covering top corporates, a role he retained upon the merger with BPI in 2000. He was promoted to Assistant Vice President in 2008 and became Team Head of Asian Corporates & PEZA in 2011. In 2015, he was assigned to Corporate Credit Products Group where he concurrently headed the credit divisions covering Metro Manila Lending, Asian Corporates & PEZA, and Leasing Express Lane up to early 2019. He briefly joined the Office of the Chief Credit as member of the BPI Sub-Credit Committee before moving to BPI Family Savings Bank (BFSB) as Co-Chairman of the BFSB Credit Committee in late 2019. In April 2020, he became Retail Credit Division Head and Chairman of the BFSB Credit Committee. He moved back to BPI to cover Business Banking in June 2022.

He holds a Bachelor's degree in Economics and graduated *cum laude* from the University of the Philippines Diliman.

**17. MARY CATHERINE ELIZABETH P. SANTAMARIA**  
**Senior Vice President, Chief Customer and Marketing Officer**

Filipino, 57 years old, Ms. Santamaria is the Chief Customer and Marketing Officer (CCMO) of the Bank since August 2021. Her role was expanded to lead a strategic imperative as Chief Customer Officer concurrent with her position as Chief Marketing Officer. She is tasked to understand our customers experience and their behaviors to guide the way we serve them as we add value in the customer journey of our solutions, define the manner by which way we narrate and communicate our brand purpose and promise. In BPI, she leads the branding reinvention and takes on the transformation for customer delight experiences.

Ms. Santamaria joined BPI in 2011, starting with Customer Relationship Marketing (CRM). She had various roles in the Bank, subsequently becoming its Chief Marketing Officer in November 2018.

With over 30 years of marketing experience, Ms. Santamaria began her career in the advertising industry with Adformatix. She worked with leading companies such as Philippine Airlines, Monterey, and Wyeth-Suaco.

Most notable was her stint at Kraft Foods where she held various marketing positions in the Philippines and was appointed to Kraft Foods International headquarters (Rye Brook, New York) as Director, Business Development where she identified business opportunities for specific market categories across Central and Eastern Europe, Brazil, Australia, China, and Saudi Arabia. She was subsequently appointed as General Manager for Kraft Foods Jaya, leading Singapore, Malaysia, and Brunei.

Immediately before joining BPI, Ms. Santamaria was connected with Globe Telecom where she lead the mobile business and spearheaded the repositioning of various brands.

Ms. Santamaria's accolades throughout her career include the Rookie of the Year (Adformatix), President Award (Kraft Foods - Asia Pacific/Kraft Foods International), Best Innovation-TM (Globe Telecom), and various Awards of Excellence in Data-Driven Marketing and Consumer Insight (Marketing Interactive) including Anvil, Quill, and PANA. Also acknowledged by the Ayala Innovation Awards for 2016 and 2023. Within the Bank, her team has won the Best Innovation Project-Employee category in 2016 and 2023, and the teams she leads have been recognized yearly in the Unibank Excellence Awards program since 2018.

Ms. Santamaria served as Vice President for the Bank Marketing Association of the Philippines (BMAP) in 2018; Auditor (2023) and Treasurer (2024) in Philippine Association of National Advertisers (PANA).

She holds a Bachelor's degree in Business Administration and graduated *cum laude* from the University of the Philippines. She also has a Certificate in Strategic Business Economics (with Distinction) and a master's degree in business economics from the University of Asia and the Pacific. She also took a course at the Chicago Business School in February 2006 and completed a Telecoms Marketing Mini-MBA from Informa Telecoms and Media in London in April of the same year.

**18. ANNA LIZA O. BOBADILLA**  
**Vice President, Chief Audit Executive**

Promoted to Senior Vice President effective January 1, 2025

Filipino, 56 years old, Ms. Bobadilla is the Chief Audit Executive of the BPI Group of companies since July 2023 and leads the Bank's Internal Audit Division. She oversees the audit of different units, systems, and processes of the BPI Group and provides assessment on the adequacy and effectiveness of the internal control systems, risk management, and governance processes. She supports the Audit Committee in the discharge of its oversight function and also works closely with the Chief Risk Officer, Chief Compliance Officer, external auditor and other assurance units for a comprehensive review of risks and compliance systems in the Bank.

As Chief Audit Executive, she sits as resource person in the board level Related Party Transactions Committee, and the management level Fraud and Irregularities Committee. She is also the appointed Internal Audit Head for BPI Europe, PLC since 2016 and Audit-Manager-in-Charge for BPI Wealth HK (formerly BPI International Finance Ltd.) since 2021.

Prior to her appointment as CAE, she was the Department Head covering the audit of Global Markets, Wealth Management, Enterprise Services, Strategy and Finance, and Insurance. She also headed the Internal Audit (IA) Quality Assurance and Improvement Unit, and played a major role in achieving confirmation for global standards practices with the "Generally Conforms" rating for Internal Audit's first external assessment conducted by an independent assessor in 2007. The audit practices, principles and standards that were crafted and adopted remained to be an integral resource that carried IA to consistently perform at par with international standards to this date.

Ms. Bobadilla is a Certified Public Accountant and a graduate of the University of the East-Caloocan with a bachelor's degree in accounting.

**List of Other Executive Officers as of December 31, 2024**

<b>NAME</b>	<b>AGE</b>	<b>POSITION</b>	<b>OFFICE</b>
ABOLA, JOAQUIN MA. B.	59	HEAD, STRATEGY AND TRANSFORMATION	STRATEGY AND FINANCE
ALDIP, ALMA G.	53	HEAD, DEBIT AND CREDIT CARDS	MASS RETAIL PRODUCTS
ANG, OLGA S.	63	INTEGRATION LEAD	CONSUMER BANKING
ANICETO, HOMER L.	55	SUB-CRECOM MEMBER	CHIEF CREDIT
CHEE, FITZGERALD S.	40	HEAD, CONSUMER PLATFORM	CONSUMER BANKING
CORTEZ, MARIE ANTOINETTE S.	47	HEAD, CORPORATE AND COMMERCIAL CREDIT	CHIEF CREDIT
CRUZ, LUIS GEMINIANO E.	55	HEAD, COMMERCIAL BANKING	INSTITUTIONAL BANKING
DE PERALTA, YVETTE MARI V.	55	HEAD, INSTITUTIONAL BUSINESS	WEALTH MANAGEMENT
DE VERA, JOEL A.	56	GROUP HEAD	ASSET & WEALTH MANAGEMENT
EALA, MARIA VIRGINIA O.	56	CHIEF HUMAN RESOURCES OFFICER	HUMAN RESOURCES
FERNANDEZ, RINALDO H.	60	HEAD, TREASURY TRADING	GLOBAL MARKETS
FRONDA, DENNIS T.	53	HEAD, BRANCHES STORE CHANNEL	CONSUMER BAKING
GALVEZ, MARWIN L.	45	DIVISION HEAD, NORTH MM	CONSUMER BANKING
GARCIA, JEANETTE J.	54	HEAD, METRO MANILA I	INSTITUTIONAL BANKING
GASA, JOSE MARI ISRAEL V.	52	DIVISION HEAD, SOUTH LUZON	CONSUMER BANKING
GO, RAYMOND H.	58	HEAD, CHINESE DESK	INSTITUTIONAL BANKING
LIM, MARIA TERESA ANNA K.	60	HEAD, MNCS AND SECTOR	INSTITUTIONAL BANKING

LUKBAN, MARIA CONSUELO A.	60	HEAD, CORPORATE STRATEGY, INVESTOR RELATIONS AND SUSTAINABILITY	STRATEGY AND FINANCE
MACAPAGAL, JUAN JESUS C.	56	HEAD, TOP CORPORATES	INSTITUTIONAL BANKING
MAPANAO, PERLITA S.	55	HEAD, WEALTH LENDING AND SEGMENT STRATEGY	ASSET AND WEALTH MANAGEMENT
MARCOS, NOELITO C.	54	HEAD, VISMIN	INSTITUTIONAL BANKING
NERI, EMILIO S. JR.	56	HEAD, ECO & MARKETS RESEARCH	GLOBAL MARKETS
NGO SY, SHERYL G.	45	CHIEF INFORMATION OFFICER	ENTERPRISE TECHNOLOGY
OSALVO, EMMANUEL JESUS G.	60	HEAD, UNIBANK CENTRAL ACCOUNTING	STRATEGY AND FINANCE
PAULINO, MA. GENALYN R.	54	HEAD, SMALL BUSINESS CREDIT AND ANALYTICS	BUSINESS BANKING
PENA, RICARDO D.	48	HEAD, TRANSFORMATION & BUSINESS MANAGEMENT	ENTERPRISE OPERATIONS
PINEDA, DONARBER N.	57	HEAD, GLOBAL MARKETS SALES	GLOBAL MARKETS
ROCERO, ANNA LYN J.	53	HEAD, CORE BANKING OPERATIONS	ENTERPRISE OPERATIONS
SALVADOR, AGNES THERESA A.	57	INTEGRATION LEAD	ENTERPRISE TECHNOLOGY
SEMINIANO, ALEXANDER G.	50	CHIEF TECHNOLOGY OFFICER	ENTERPRISE TECHNOLOGY
SORRA, JETHRO DANIEL S.	38	HEAD, ASSET & LIABILITY MANAGEMENT	GLOBAL MARKETS
STA ANA, ANA LIZA C.	60	DIVISION HEAD, SOUTH METRO MANILA	CONSUMER BANKING
SY, CRISTINA J.	55	DIVISION HEAD, VISMIN	CONSUMER BANKING
UNTALAN, BARBARA ANN C.	58	HEAD, CORPORATE BANKING	INSTITUTIONAL BANKING
YSMAEL, PAUL RODERICK A.	53	HEAD, LEGAL AFFAIRS & DISPUTE RESOLUTION	STRATEGY AND FINANCE

#### A-2. Significant Employees

The Bank considers all its employees to be significant partners and contributors to the business.

#### A-3. Family Relationships

The Chairman of the Board of Directors, Mr. Jaime Augusto Zobel de Ayala, and Mr. Fernando Zobel de Ayala, a member of the Board, are brothers.

Ms. Mariana Beatriz Zobel de Ayala, a nominee to the Board, is a first degree relative by consanguinity (daughter) of Mr. Jaime Augusto Zobel de Ayala, and a third degree relative by consanguinity (niece) of Mr. Fernando Zobel de Ayala.

Mr. Jaime Zobel de Ayala Urquijo, a member of the Board, is a third degree relative by consanguinity (nephew) of Mr. Jaime Augusto Zobel de Ayala and Mr. Fernando Zobel de Ayala.

Ms. Mariana Beatriz Zobel de Ayala and Mr. Jaime Zobel de Ayala Urquijo are relatives by fourth degree of consanguinity (cousins).

Other than the aforementioned, there are no known family relationships between the current members of the Board and key officers.

**A-4. Involvement in Legal Proceedings**

Except as disclosed herein or otherwise publicly disclosed by the Company's subsidiaries or affiliates, there are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which the Company or any of its subsidiaries or affiliates or its directors or executive officers is a party or of which any of its material properties is subject, in any court or administrative agency.

**A-5 Resignation of Directors**

To date, no director has resigned from, or declined to stand for election or re-election to the Board since the date of the 2024 annual meeting of stockholders due to any disagreement with the Bank relative to its operations, policies and practices.

**Item 10. Executive Compensation**

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Jose Teodoro K. Limcaoco President and CEO				
Maria Cristina L. Go Executive Vice President				
Maria Theresa D. Marcial Executive Vice President				
Marie Josephine M. Ocampo* Executive Vice President				
Elfren Antonio S. Sarte, Jr. ** Executive Vice-President				
Juan Carlos L. Syquia Executive Vice President				
CEO and Most Highly Compensated Executive Officers	Actual 2023	P159.83 Mn	P122.90 Mn	P0
	Actual 2024	P188.15 Mn	P159.17 Mn	P0
	Projected 2025	P184.60 Mn	P188.35 Mn	P0
All other officers*** as a group unnamed	Actual 2023	P12,093.37Mn	P1,815.26 Mn	P0
	Actual 2024	P15,173.31Mn	P2,511.51Mn	P0
	Projected 2025	P16,267.52 Mn	P3,061.23 Mn	P0

\*Retired effective October 1, 2024

\*\*Starting from January 2024

\*\*\*Assistant Managers and up (excluding all above-named officers)

The above compensation consists of the basic salary and other compensation income (guaranteed bonus, fixed allowances and performance-based bonus) and does not include benefits under the Company's Executive Stock Purchase Plan.

Unless otherwise stated, the Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received herein.

### **Compensation of Directors**

Article V of the Bank's Amended By-Laws provides:

“Each director shall be entitled to receive from the Bank, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form and structure of the fees and other compensation of the directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year.

The Personnel and Compensation Committee of the Bank shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the Committee shall be guided by the objective of ensuring that compensation should fairly pay directors for work required in a company of the Bank's size and scope.”

### **Standard Arrangement**

The compensation structure of the directors, as approved by the Board of Directors on 20 April 2022, and by the stockholders during the 2023 Annual Stockholders' Meeting dated April 27, 2023, consists of an annual retainer fee in the amount of Php4.2M and per diem in the amount of Php70,000 per Board meeting and Php30,000 per Committee meeting attended. Directors who hold executive or management positions do not receive directors' fees or per diems. The aforementioned compensation structure shall remain in effect unless a different resolution is approved and adopted by the shareholders.

The total compensation for 2024 for the members of the Board of Directors amounted to Php85,340,000.00<sup>1</sup>.

Other than the above-mentioned compensation for Directors, the Bank has no other arrangement with regard to compensation of Directors, directly or indirectly, for any other services provided by the said directors, for the last completed fiscal year.

<sup>1</sup> Includes Php26.54Mn for the year 2024 representing per diem of Directors at Php70,000 per Board meeting and Php30,000 per Committee meeting attended

## Item 11. Security Ownership of Certain Beneficial Owners and Management

### 1. Security Ownership of Certain Record and Beneficial Owners of more than 5% as of December 31, 2024

TITLE OF CLASS	NAME/ADDRESS OF RECORD OWNER & RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES	PERCENT OF HOLDINGS
Common	<b>PCD Nominee Corporation</b> <sup>2</sup> 37/F Tower 1, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City Stockholder	PCD Participants acting for themselves or for their customers	Filipino	1,167,286,526	22.1408%
			Non-Filipino	990,208,462	18.7821%
				2,157,494,988	40.9229%
Common	<b>Ayala Corporation</b> <sup>3</sup> 37 <sup>th</sup> to 39 <sup>th</sup> Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Makati City Stockholder	Ayala Corporation <sup>4</sup>	Filipino	1,515,177,839	28.7396%
Common	<b>Liontide Holdings, Inc.</b> <sup>5</sup> 38 <sup>th</sup> Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Brgy. Bel-Air, Makati City Stockholder	Liontide Holdings, Inc. <sup>6</sup>	Filipino <sup>7</sup>	823,218,041	15.6146%
Common	<b>Roman Catholic Archbishop of Manila</b> 121 Arzobispo St., Intramuros Manila Stockholder	Roman Catholic Archbishop of Manila <sup>8</sup>	Filipino	357,297,439	6.7771%
Common	<b>Robinsons Retail Holdings, Inc.</b> 43rd Floor Robinsons Equitable Tower, ADB Ave. corner Poveda St., Ortigas Center, Pasig City Stockholder	Robinsons Retail Holdings, Inc. <sup>9</sup>	Filipino	162,028,250	3.0733%
		PCD Nominee Corporation	Filipino	125,599,249	2.3823%

<sup>2</sup> PCD Nominee Corporation (PCD), now known as the Philippine Depository and Trust Corporation (PDTC), Non-Filipino and Filipino, is the registered owner of the shares beneficially owned by participants in the PDTC. The Board of Directors of each participant generally has the power to decide on how shares are to be voted. Out of the 2,157,494,988 common shares registered in the name of PCD, 524,536,279 shares (or 9.9493% of the total outstanding shares), 436,997,741 shares (or 8.2889% of the total outstanding shares), and 393,316,460 shares (or 7.4603% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation, Citibank N.A., and BPI Securities Corporation, respectively.

<sup>3</sup> Mermac, Inc. owns 47.5669% of common shares and 57.5376% of total voting shares, while Mitsubishi Corporation owns 4.6708% of common shares and 5.3666% of total voting shares, respectively, of the outstanding shares of Ayala Corporation (AC).

<sup>4</sup> The Board of Directors of AC has the power to decide how AC's shares in BPI are to be voted.

<sup>5</sup> AC owns 95.51% of the outstanding shares of Liontide Holdings, Inc. (formerly Ayala DBS Holdings, Inc.), which translates to 93.44% effective ownership.

<sup>6</sup> The Board of Directors of Liontide Holdings, Inc. ("Liontide") has the power to decide how Liontide's shares in BPI are to be voted.

<sup>8</sup> The Archbishop of Manila has the power to decide how the Roman Catholic Archbishop of Manila's shares in BPI are to be voted.

<sup>9</sup> As of December 31, 2024, JE Holdings, Inc. owns 34.49% of common shares, GCH Investments Pte Ltd owns 22.14 % of common shares, PCD Nominee Corporation (Filipino) owns 14.72 % of common shares, PCD Nominee Corporation (Non-Filipino) owns 9.12% common shares, Lance Y. Gokongwei owns 6.45% common shares, and Robina Gokongwei Pe owns 6.45% common shares of the outstanding shares of Robinsons Retail Holdings, Inc. (RRHI).

## 2. Security Ownership of Directors and Management as of December 31, 2024

As of December 31, 2024, the following are known to BPI to be the record and/or beneficial owners of BPI voting securities:

Title of Class	Name of Beneficial Owner	Position	Dec 2024		Nature of Ownership (D) Direct (I) Indirect	Citizenship
			No. of Shares	Percent of Holdings		
Common	Jaime Augusto Zobel de Ayala	Chairman, NED	10,402	0.00%	D / I	Filipino
Common	Cezar P. Consing	Vice Chairman, NED	3,062,734	0.06%	I	Filipino
Common	Jose Teodoro K. Limcaoco	ED, President & CEO	327,625	0.01%	D / I	Filipino
Common	Janet Guat Har Ang	ID	10	0.00%	D	Singaporean
Common	René G. Bañez	NED	10	0.00%	D	Filipino
Common	Karl Kendrick T. Chua	NED	10	0.00%	D	Filipino
Common	Wilfred T. Co	NED	12,529	0.00%	D / I	Filipino
Common	Emmanuel S. De Dios	ID	10	0.00%	D	Filipino
Common	Rizalina G. Mantaring	ID	6,483	0.00%	D / I	Filipino
Common	Aurelio R. Montinola III	NED	1,956,471	0.04%	D / I	Filipino
Common	Mario Antonio V. Paner	ID	271,858	0.01	D / I	Filipino
Common	Cesar V. Purisima	ID	10	0.00%	D	Filipino
Common	Jaime Z. Urquijo	NED	10	0.00%	D	Filipino
Common	Maria Dolores B. Yuvienco	ID	6,331	0.00%	D / I	Filipino
Common	Fernando Zobel de Ayala	NED	96,327	0.00%	D / I	Filipino
	<b>SUB-TOTAL</b>		<b>5,750,820</b>			

Title of Class	Name of Beneficial Owner	Position	Dec 2024		Nature of Ownership (D) Direct (I) Indirect	Citizenship
			No. of Shares	Percent of Holdings		
Common	Maria Cristina L. Go	EVP	72,710	0.00%	I	Filipino
Common	Maria Theresa D. Marcial	EVP	347,974	0.01%	I	Filipino
Common	Eugenio P. Mercado	EVP	73,005	0.00%	I	Filipino
Common	Elfren Antonio S. Sarte, Jr.	EVP	12,000	0.00%	I	Filipino
Common	Juan Carlos L. Syquia	EVP	42,130	0.00%	I	Filipino
	<b>SUB-TOTAL</b>		<b>547,819</b>			
	<b>TOTAL</b>		<b>6,298,639</b>			

### 1. Voting Trust Holders of 5% or More

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

### 2. Minimum Public Ownership

As of December 31, 2024, listed securities held by the public were at 48.79% of BPI's outstanding common shares. This is above the minimum required public float level of 10%.

## Item 12. Certain Relationships and 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. Likewise, BPI Group has transactions with Ayala Corporation (AC) and its subsidiaries and affiliates (Ayala Group), on an arm's length basis. AC is a significant stockholder of BPI as at reporting date.

The Parent Bank has a Board-level Related Party Transactions Committee (RPTC) that vets and endorses all significant related party transactions, including those involving DOSRI, for which the latter shall require final Board approval. The RPTC consists of three directors, majority of whom are independent directors including the Chairman, and two resource persons from management, namely, the Chief Audit Executive and the Chief Compliance Officer.

Transactions with related parties have terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market.

Significant related party transactions and outstanding balances as at and for the year ended December 31, 2024 are summarized below:

### Consolidated

	2024		
	Transactions for the year	Outstanding balances	Terms and conditions
			(In Millions of Pesos)
Loans and advances from:			
Associates	366	479	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.67% to 8.15% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	18,335	79,902	
Key management personnel	20	20	
Other related parties	-	-	
	<b>18,721</b>	<b>80,401</b>	
Deposits from:			
Associates	(1,229)	720	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.11% to 0.13% Time - 5.39% to 5.52%
Ayala Group	14,729	15,416	
Key management personnel	(783)	432	
	<b>12,717</b>	<b>16,568</b>	

A more detailed discussion on related party transactions can be found in Note 25 of the 2024 Audited Financial Statements.

## PART IV – CORPORATE GOVERNANCE

### Item 13. Corporate Governance

#### I. Corporate Governance Framework

We anchor our corporate governance framework on: (i) qualified and competent leadership, (ii) rigorous internal controls, (iii) an effective risk culture and (iv) strong accountability to shareholders. The Bank's corporate governance framework is defined by its Articles of Incorporation, Amended By-Laws and Manual on Corporate Governance, and takes into account the nature, size, complexity, business activities and requirements of the Bank as well as its group operations. Banking practices, guided by BPI's Board and Committee charters, the Manual of Corporate Governance, Code of Business Conduct and Ethics and internal operating manuals, reflect the integrity and ethics that define the Bank's decision-making, conduct and behavior, and are consistent with statutory laws, rules and regulations of the Bangko Sentral ng Pilipinas (BSP), Securities Exchange Commission (SEC), Anti-Money Laundering Council, Philippine Deposit Insurance Corporation, among others.

As a publicly listed company, BPI recognizes that robust corporate governance policies and practices promote a fair and sound market valuation of BPI shares and maintain the confidence of customers and investors alike. BPI strives to be jointly compliant with corporate governance and listed company disclosure requirements and standards of the SEC and the Philippine Stock Exchange. As an issuer in capital markets, the Bank also has a policy of continuous disclosure and transparency and utilizes disclosure mechanisms of the various exchanges in which its capital market issuances are traded. BPI also actively pursues alignment with best practices of counterparts in the region. The Bank strongly supports initiatives to strengthen regional capital market development and integration, especially through adoption of rigorous benchmarking methodology of the ASEAN Corporate Governance Scorecard. In addition, considering BPI's role in the group as parent and publicly-listed company, the Board maintains an effective, high-level risk management and oversight process across other companies in the group to ensure consistent adoption of or alignment with the aforementioned corporate governance policies and systems.

## II. **Board Governance**

- a) **Board of Directors.** Our fifteen-member Board plays a key role in setting our governance standards to meet our stakeholders' expectations. In 2024, Non-Executive Directors (NEDs) comprising a majority or 14 out of the 15, were elected to the Board in April. The only Executive Director (ED) is the President and CEO. The size of our Board is deemed appropriate given the complexity of operations of the Bank and the entire BPI group, our risk appetite the geographical spread of our business, and the significant time demands placed on the Directors. At the 2024 Annual Stockholders' Meeting, Mr. Wilfred T. Co and Mr. Mario Antonio V. Paner were elected as new members of the board.

**Chairman and Vice-Chairman.** The Board has a Chairman and Vice-Chairman, both of whom are non-executive directors. The Chairman, who is not the CEO of the Bank in the past three years, is separately appointed from the President and CEO. Said positions are currently held by two individuals who are not related to each other and have roles and responsibilities that are also separate and distinct, as detailed in the Manual on Corporate Governance. The Chairman guides the Board in its decision-making process and ensures that the Board operates effectively as a team. The Chairman also forges a positive and constructive working relationship between the Board and management. With the Chairman at the helm, the Board sets BPI's strategy and risk appetite, and approves capital and operating plans presented by management for sustainable achievement of strategic objectives. In the absence of the Chairman of the Board, the Vice Chairman assumes and performs all the powers and duties of the Chairman of the Board.

**Lead Independent Director.** The Bank's Manual on Corporate Governance provides for the designation of a Lead Independent Director in the Board, whose role is to provide constructive oversight and objective challenges to the Board's or the CEO's decisions. The Lead Independent Director also performs two key responsibilities: (1) lead the independent directors at board of directors' meetings in raising queries and pursuing matters; and (2) lead meetings of non-executive or independent directors, without the presence of the executive directors. In the Organizational Meeting of the Board of Directors following the 2024 Annual Stockholders Meeting, the Board appointed independent member Rizalina G. Mantaring as Lead Independent Director.

**Diversity and Independence.** Our leadership model ensures an appropriate balance of power, accountability and independence in decision-making. As disclosed on the company website, the Bank's Diversity Policy was adopted in 2015 to institute diversity at the board level. In the 2024 Annual Stockholders Meeting, 3 women, all independents, were elected. In total, 6 independent directors were elected to the 2024 Board, compliant with the regulatory requirement to have at least one-third (1/3) but not less than two (2) independents as members of the board. Ms. Janet Guat Har Ang, Mr. Emmanuel S. De Dios, Ms. Rizalina G. Mantaring, Mr. Cesar V. Purisima, and Ms. Maria Dolores B. Yuvienco were re-elected as Independent Directors. Mr. Mario Antonio V. Paner was elected as ID, which was confirmed by the BSP Monetary Board. Board independence is key to fairness and integrity, and allows the board to strike a balance between public, corporate and all stakeholder interests.

- b) **Board Charter.** The Charter of the Board articulates, with specificity, the governance and oversight responsibilities exercised by its directors and their roles and functions in the Bank. It includes provisions on

board composition, committees and governance, subject to provisions of the Bank's Articles of Incorporation, Amended By-Laws and applicable laws. It is incorporated in the BPI Manual on Corporate Governance (MCG) and is reviewed together with the annual review of the Manual. The Bank's updated and revised MCG was approved and adopted by our Board in its entirety on December 4, 2024. As stated in the Charter, the Board's key areas of focus include:

- Governance – Ensuring that corporate responsibility and ethical standards underpin the conduct of BPI's business; developing succession plans for the Board and CEO; establishing the general framework of corporate governance for the Bank;
  - Strategy - Reviewing BPI's strategic and business plans; growing the business sensibly and building resilience into the franchise;
  - Risk management – Ensuring that effective risk management, compliance and assurance processes undergird our business;
  - Financial performance – Monitoring management performance; achieving goals and targets;
  - Sustainability - Considering sustainability issues (including environmental and social factors) and including these as part of the Bank's strategy.
- c) Board Committees. To heighten the efficiency of board operations, the Board has established Committees that assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank. In 2024, the Bank had eight board-level committees: Executive, Risk Management, Audit, Corporate Governance and Sustainability, Personnel and Compensation, Nominations, Retirement and Pension, and Related Party Transactions Committees. Board-level committee memberships were also evaluated and calibrated to improve on the committees' focused oversight and high-level engagement with management. Their respective charters stating committee purpose, membership, structure, operations, reporting processes and other information, are disclosed in regulatory reports and posted on the company website as well as are reviewed annually. Annual performance reviews are conducted by all board-level committees. The Board approved the reconstitution of the Corporate Governance Committee as Corporate Governance and Sustainability Committee in April 2024.

During the Organizational Meeting of the Board immediately after the 2024 ASM, Mr. Mario Antonio V. Paner was appointed as new member of the Audit Committee. Mr. Paner was likewise appointed as a member of the Risk Management Committee. Mr. Fernando Zobel de Ayala was appointed as new member of the Personnel and Compensation Committee vice Mr. Romeo L. Bernardo. Ms. Janet Guat Har Ang, Independent Director, was appointed as new Chairperson of the Related Party Transactions Committee. Mr. Karl Kendrick T. Chua was appointed member of the Retirement/Pension Committee.

- d) Corporate Secretary. The Board is assisted in its duties by a Corporate Secretary who is not a member of the Board of Directors and is a senior, strategic-level corporate officer who plays a leading role in the Bank's corporate governance, serving as an adviser to the directors on their responsibilities and obligations. The Board has separate and independent access to the Corporate Secretary. All directors and board committees also have unrestricted access to company records and information in addition to receipt of regular detailed financial and operational reports from senior management. Our Corporate Secretary is suitably trained and experienced in legal, accountancy or company secretarial practices and is professionally qualified for these responsibilities. Our Corporate Secretary also possesses the legal skills of a chief legal officer whose training is complemented by business, organizational, human relations and administrative work skills. Our Corporate Secretary is also Corporate Secretary of various BPI subsidiaries and affiliates.
- e) External Advice. Considering the increasing complexity of market transactions and rapid rate of change in the regulatory sphere, the Board, if so requested by the Chairman or other directors, can call on external specialists or consultants for advice, briefings or assistance on specialized areas of focus such as accounting standards, related party transactions, capital, tax, listing, mergers and acquisitions, valuation, etc. Management can arrange for the external auditor, management services company or consultants to present to the Board and the Bank.

- f) **Nomination.** As we are a financial institution imbued with public interest, fit and proper qualifications for membership in our Board of Directors are dictated by our Amended By-Laws, Manual on Corporate Governance, the Corporation Code, and relevant regulations of the Bangko Sentral and the SEC. As a publicly listed company, we also ensure that Board composition and director qualifications also meet pertinent governance regulations, requirements, and standards of the PSE and strive to meet best practice standards of the ASEAN CG Scorecard. The Bank has in place a Board of Directors Succession Plan and also conducts an annual review of the size, composition and structure of the board as well as updates a board skills and expertise matrix for purposes of director recruitment. As disclosed in the Manual on Corporate Governance, candidates for directorship may be recommended by shareholders to the Nomination Committee through the Office of the Corporate Secretary. Among other qualifications, candidates must be fit and proper for the position of a director, taking into consideration integrity/probity, physical/mental fitness, relevant education/financial literacy/training, possession of competencies relevant to the job such as knowledge and experience, skills, diligence and independence of mind and sufficiency of time to carry out responsibilities. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means. The Committee itself may likewise identify and recommend qualified individuals for nomination and election to the board and may make use of professional search firms or other external sources to search for qualified candidates to the board. Separate qualifications and disqualifications for Independent Directors based on regulations, are enumerated in the Bank's Manual on Corporate Governance. Directors must remain qualified throughout the term. All of the Bank's annual reports contain comprehensive profiles of the Board of Directors which disclose the age, qualifications, date of appointment, relevant experience and directorships both in the BPI group as well as in other companies, listed or otherwise. In compliance with SEC Memo. Cir. No. 11, s2014, the Bank also posts biographical details of the Board of Directors and Senior Management on the company website.
- g) **Election and Term of Directors.** Board members are elected by BPI stockholders who are entitled to one vote per share at the Bank's Annual Stockholders Meeting. Voting for the election of members of the Board is considered in a poll, by shares of stock, that is, one share entitles the holder to one vote, two shares to two votes. Votes may be cumulated as provided for in the Corporation Code. The fifteen nominees receiving the highest number of votes are declared elected. The Bank's Amended By-Laws state that elections for the Board of Directors will be held yearly during the Annual Stockholders Meeting. Directors are to hold office for a term of one (1) year immediately upon their election and until the next election when their successor shall have been elected and qualified in accordance with the Amended By-Laws and Corporation Code. No meeting of stockholders shall be competent to transact business unless a majority of the outstanding and subscribed capital stock entitled to vote is represented, except to adjourn from day to day or until such time as may be deemed proper. The Rules of Conduct, voting and vote tabulation procedures are explained during the Annual Stockholders Meeting. In its meeting held on February 14, 2024, the Executive Committee approved Management's recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia through an online electronic system in the 2024 Annual Stockholders Meeting. Hence, at the April 23, 2024 Annual Stockholders Meeting, BPI stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code. The Office of the Corporate Secretary tabulates all votes received and the Bank's independent internal Audit validates the results. Voting results are likewise disclosed on the various exchanges where BPI's capital market issuances are traded and the company's website as soon as possible after the meeting. The election/appointment of directors/officers must also be confirmed by the Monetary Board of the BSP. Elected/appointed directors/officers must submit required certifications and other documentary proof of qualifications for the confirmation of their election/appointment. The nomination and election processes and their effectiveness are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment, by its members, of committee performance. In adherence to Recommendation 2.6 of the SEC CG Code for PLCs, these nomination and election policies are disclosed in BPI's Manual on Corporate Governance as well as on the company website.
- h) **Directorships in PLCs.** The Bank applies a limit of five on directorships of Non-Executive Directors and Independent Directors in publicly-listed companies and within conglomerates. Internally, the Bank ensures

that the policy does not impinge on or violate a shareholder's ownership rights and legal right to vote and be voted upon as directors.

- i) **Interlocking Directorships.** The Bank has a Policy on Directors and Officers Interlocking Positions which: (1) adopts the rules as provided by BSP Circular No. 1129 for determining allowable and prohibited interlocking positions; (2) establishes internal guidelines, procedures and processes for proper management of directors' and officers' interlocking positions, and; (3) sets out the minimum requirements from the circular for monitoring, compliance and regulatory reporting of director and officer interlocking positions in the BPI Group to the BSP.
  
- j) **Meetings and Attendance.** The BPI Board meets regularly for the effective discharge of its obligations. Regular board meetings are convened monthly. Board of Directors meetings are scheduled at the beginning of the year to cover the full term of the newly elected or re-elected members of the Board, reckoned from the date of the current year's Annual Stockholders Meeting to that of the following year. Special meetings may be called for as needed. Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the Bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting subjects that are not on the agenda for that meeting. At the Chairman's discretion, any agenda items may also be referred for discussion in the respective committees. The Chairman presides over meetings of the Board. The Vice Chairman presides in the absence of the Chairman. Board and committee meetings are conducted consistent with the Bank's Amended By-Laws. Discussions during the board meetings are open and independent views are given due consideration. The minimum quorum requirement for board decisions is set at a two-thirds (2/3) of Board members as provided by the Bank's Amended By-Laws. In November 2019, the Board approved the amendment of the company By-Laws to, among others, raise the minimum quorum at any meeting for the transaction of corporate business from a majority to two-thirds (2/3) of the members of the Board of Directors. When necessary, the Board holds executive sessions to discuss highly sensitive matters. Board reference materials are made available to the directors at least five days in advance of the scheduled meeting. As an innovation to board governance, all materials for Board and Board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Board members to ensure immediate receipt and quick access. Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management. In 2024, average attendance of re-elected and newly-elected members at the Board of Director's 13 meetings was 96%. When exigencies prevent a Director from physically attending a Board or Board committee meeting, facilities for telephone conferencing are made available. In those instances when a Director is unable to attend meetings even through teleconferencing due to prior commitments or unavoidable events, said Director provides input to the chairman so that his views can be known and considered. The Bank's Non-Executive Directors conducted a separate meeting on November 18, 2024 to discuss ongoing initiatives and semestral performance of the risk management, internal audit and compliance units of the Bank. The meeting was chaired by the Bank's appointed lead Independent Director. Aside from the NEDs present, the meeting was also attended by the BPI control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer. The external auditor was also in attendance.
  
- k) **Continuing Education.** The Bank ensures that it has in place a formal board and director development program. For new directors, there is a deliberate, systematic and rapid familiarization with the organization and the operations of the board, Articles of Incorporation and Amended By-Laws, Manual of Corporate Governance, Board Charter as well as the Code of Conduct, standards of Conflict of interest and policies such as Insider Trading, Whistleblowing, Data Privacy and Related Party Transactions. The Bank, through its various units, also provides continuing director education in relation to current developments; these include regulatory initiatives with respect to Data Privacy, Cyber Risk and Cyber Security, the Anti-Money Laundering and Terrorist Financing Prevention Program, Foreign Account Tax Compliance Act, Securities Regulations Code, Sustainability Issues and ESG Reporting, SEC memorandum circulars, and BSP regulations, among others. All of the Bank's directors undergo the requisite corporate governance seminar provided by an SEC or Bangko Sentral-accredited institution. On November 05, 2024, members of the Board, including

senior officers of the Bank, attended the Annual CG Training Program conducted by the Institute of Corporate Directors (ICD).

- l) **Remuneration.** The remuneration decisions for the Board and management are aligned with risk incentives and support sustainable, long-term value creation. Apart from ensuring that Board and management pay appropriately reflects industry conditions and financial performance, the Bank likewise rebalances returns back to shareholders through a consistent dividend declaration. Under the Bank's Amended By-Laws, as approved by the shareholders, the Board, as a whole, determines the level of remuneration and/or benefits for directors sufficient to attract and retain directors and compensate them for their time commitments and responsibilities of their role. The Personnel and Compensation Committee recommends to the Board the fees and other compensation for directors, ensuring that compensation fairly remunerates directors for work required in a company of BPI's size and scope. As provided by the Amended By-Laws and pursuant to a Board resolution, each director is entitled to receive fees and other compensation for his services as director. In no case shall the total yearly compensation of the Board exceed 1% of the Bank's net income before income tax during the preceding year. Directors receive per diems for each occasion of attendance at meetings of the Board or of a board committee. All fixed or variable remuneration paid to directors may be given as approved by stockholders during the ASM, upon recommendation of the Personnel and Compensation Committee. Other than the usual per diem arrangement for Board and Committee meetings and the aforementioned compensation of Directors, there is no other standard arrangement as regards compensation of directors, directly or indirectly, for any other service provided by the directors for the last completed fiscal year. Directors with executive responsibilities within the BPI group are compensated as full-time officers of the company, not as Non-Executive Directors. No director participates in discussions of the remuneration scheme for himself or herself. Historically, total compensation paid annually to all directors has been significantly less than the cap stipulated by the Bank's Amended By-Laws. The remuneration policy is reviewed annually to ensure that it remains competitive and consistent with the Bank's high-performance culture, objectives, long-term outlook, risk assessment, and strategies. This relationship between remuneration and performance aligns remuneration of the Board with the long-term interests of the Bank. Directors receive per diem allowances of PHP 70K for attendance at board meetings and PHP 30K for attendance at committee meetings. No distinction is made between per diem allowances for committee chairmen and members. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments. The total compensation for each director for 2024 is disclosed in an Annex of the 2024 Definitive Information Statement. (Recommendation 8.4 SEC CG Code for PLCs)
- m) **Performance Evaluation.** The Board conducts an annual board effectiveness review under the guidance of the Corporate Governance Committee, which ascertains alignment of leadership fundamentals and issues, and validates the Board's appreciation of its roles and responsibilities across four levels: the Board as a body, Board Committees, individual Directors, and President and CEO. Key evaluation criteria are built on the Board's terms of reference and committee charters, and framed around broad leadership fundamentals and best practices. Such an exercise was conducted in early 2025 to assess the 2024 performance of the Board. BSP Circular 969 states that the annual self-assessment of the Board of Directors may be facilitated by the corporate Governance committee or external facilitators. The SEC Code of Corporate Governance for Publicly-Listed Companies, similarly states in Recommendation 6.1, that the conduct of the annual self-assessment of the Board of Directors is to be supported by an external facilitator every three years to improve objectivity of the assessment process. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization. In this respect, the second Third-Party Board of Directors Assessment for BPI was conducted by Aon Singapore from October to November 2023. Results were reported to the Board in December 2023.
- n) **Succession Planning.** The Board understands the importance of succession planning and, through its Personnel and Compensation Committee (PerCom), manages the talent pipeline and assembles the right executive and leadership appetency capable of navigating the Bank through strategic, market, technology and regulatory shifts. In consultation with the Board and the President and CEO, the PerCom evaluates and

nominates potential successors to the President and CEO, as well as ensures there is a sufficient pool of qualified internal candidates to fill other senior and leadership positions. The Bank's effective succession planning has ensured leadership continuity within the last two decades, witnessing three President and CEO changes, marked by early planning and mentoring, smooth organizational and operational transitioning and prudent but progressive institutional building at BPI and across the BPI group. We believe that it is also crucial to have a good balance between continuity and fresh perspectives on the Board. In much the same way, our Board is regularly refreshed in a continuing cycle. The Nomination Committee and the Corporate Governance Committee work within a general board succession plan framework, utilizing a Board Skills and Expertise matrix, annual Board size, structure and composition review, Board Diversity Policy with measurable targets as well as the setting of Board succession priorities, to ensure that the Board is able to fulfill its fiduciary duties so that the Bank remains relevant, agile, and anticipatory of future programs and directions. For this purpose, information from professional search firms or external director databases is also utilized when possible to maximize all available information resources to search for qualified candidates.

- o) Retirement Policy. The Bank believes that imposing uniform and fixed limits on director tenure is counter-productive as it may force the arbitrary retirement of valuable directors. It is the Bank's strong view that with age often comes unmatched wisdom and experience, expert business judgment, invaluable industry and community relations and authority, and that the best interests of the Bank are served by its being able to retain directors that make very meaningful contributions to the Board and the organization regardless of age. The Bank, therefore, sets the retirement age for Directors at 80 years of age but which the Board may opt to waive depending on specific conditions. Term limits of Independent Directors are set at a maximum cumulative term of nine (9) years as prescribed in the Manual of Regulations for Banks and SEC Mem.Cir.No. 9, Series of 2011 and No. 4, Series of 2017. Retirement of senior management is done with the requisite succession planning and in accordance with the Bank's policies and implementing guidelines of its retirement plan for all employees, the Bank's Amended By-Laws, Labor Code and the Corporation Code of the Philippines. Currently, the retirement age for employees of the Bank is set at 60 years of age.

### III. Risk, Control, and Compliance Oversight and Management Relations

- a) Audit. Based on Internal Audit assurance activities, Internal Audit provides reasonable assurance to the Audit Committee, Board of Directors and Senior Management that the Bank's systems of internal controls, corporate governance, and risk management processes are adequate and generally effective. This unit reports directly to the Board through its Audit Committee. It collaborates with other assurance providers such as the Risk Management Office, Compliance Office, external auditors, and other oversight units. Through this system for the comprehensive monitoring and review of risks and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting the business. The Internal Audit Division is headed by a Chief Audit Executive who is appointed by the Board and reports functionally to the Board of Directors through the Audit Committee and administratively to the President and CEO. The Audit Committee recommends to the Board the appointment of a Bangko Sentral-accredited external auditor for the purpose of preparing or issuing an audit report or related work. The appointment or re-appointment of the Bank's external auditor is subject to the approval and endorsement by the Audit Committee, for subsequent confirmation and approval by the Board of Directors and finally the Stockholders.
- b) Risk Management. In the same way, the Board's Risk Management Committee, with the assistance of management's Risk Management Office (RMO) and its Chief Risk Officer (CRO), reviews and recommends the Bank's enterprise risk and capital management framework to ensure that it conforms not only to the Bank's own rigorous standards, but also to Bangko Sentral directives promoting an effective Internal Capital Adequacy Assessment Process. The Chief Risk Officer is appointed by the Risk Management Committee, with approval and confirmation of the Board. The CRO is responsible for leading the formulation of risk management policies, methodologies, and metrics in alignment with the overall strategy of the Bank, ensuring that risks are prudently and rationally undertaken and within the Bank's risk appetite, as well as

commensurate and disciplined to maximize returns on capital. The CRO and the RMO facilitate risk management learning programs and promote best practices on an enterprise- wide basis. The RMC also assesses the annual performance of the Chief Risk Officer and risk management functions taking into account how it carried out its duties and responsibilities.

- c) **Compliance.** Oversight of the management of the Bank’s business risk and implementation of its compliance function is the responsibility of our Board of Directors, through the Audit Committee. At the management level, the compliance function is carried out by the Compliance Office, led by our Chief Compliance Officer (CCO). Designated by the Chairman of the Board, our CCO is not a member of the Board of Directors and has the rank of Senior Vice President. The CCO’s qualifications are subject to the applicable provisions of the Manual of Regulations for Banks, particularly considering fit and proper criteria such as integrity/probity, competence, education, diligence, experience and training. The CCO annually attends corporate governance training.
- d) **Strategy Process.** The Bank’s new vision, mission, strategic objectives, key policies and procedures for management of the company are clearly established and communicated down the line. The Board of Directors creates the framework within which the executive team, under the President and CEO, can lead the business and deliver the agreed strategy. The Board conducts a periodic review of the foregoing and has continuing oversight in its implementation. The management team articulates the agreed strategy in periodic planning exercises and distills business plans in formal budgets. Periodic performance reviews are conducted against budgets and past performance. Management acts in accordance with well- defined operating policies and procedures, and ensures accuracy and transparency of operational and financial reporting to protect the Bank’s reputation for integrity and fair dealing. The management team strives to achieve accountability in revenue performance, efficiency in expenditure of resources, and high quality in delivery of services and achievement of customer satisfaction. Management is periodically reviewed and rewarded according to performance relative to innovation, initiatives, assigned targets, and feedback from customers, peers, and Board. The President heads a management team who lead supervise work of the Bank’s business units and provide focused and strategic, functional leadership and expertise. Management level committees are in place to deal with operational functions and risks from a strategic level and serve as counterpoints to senior and mid-level managers. Yearly, the Board, together with Senior Management, holds an annual strategic planning retreat.

#### **IV. Corporate Governance Policies and Practices**

- a) **Manual on Corporate Governance.** The Bank has a Manual on Corporate Governance which documents the framework of policies, rules, systems and processes in the corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders. A certification on the Bank’s full compliance with the Manual, signed and issued by the Chief Compliance Officer, is posted on the Corporate Governance section of the company website. The Manual on Corporate Governance, reviewed annually, was last amended in December 2024. When updated or amended, the Manual is resubmitted to the SEC. The Manual is also posted on the company website.
- b) **Code of Conduct.** BPI has Codes of Business Conduct and Ethics for its directors, officers and employees that provide the key practices and behaviors derived from the BPI Credo and Core Values, that guides what they say and do, in order that the right decisions are taken in performing their respective roles and responsibilities across various functions in the Bank and in handling relationships with all stakeholders. Both Codes of Conduct are disclosed on the company website and accessible internally on the Bank’s database.

**Employee Code of Business Conduct and Ethics.** The Code is applicable to and mandatory for all BPI employees at all levels, including officers, as are the core values embodied in the Bank’s Credo. As no code could address every situation an employee may encounter, all employees, including officers, are required to follow both the spirit and the letter of the Code, its policies, and procedures. All BPI officers and employees must abide and fulfill their duty and personal responsibility to read, understand and comply with the Code. All officers and employees undergo annual mandatory training on the Code of Conduct and CG-related policies, such as on anti-bribery and anti-corruption and insider trading.

Director's Code of Conduct. BPI has a Code of Conduct for its Board of Directors, adopted in September 2017, which applies to and is binding on all directors of the Bank. The Director's Code is intended to provide guidance to directors, whether executive, non-executive or independent, with policies on standards for conduct of the business of the Bank, the protection of the rights of the Bank and its stakeholders, maintaining BPI's reputation for integrity and fostering compliance with applicable laws and regulations. The Director's Code, therefore, sets forth policy in several basic areas that commonly require directors to exercise sound and informed judgment, recognize and deal with ethical issues, report possible unethical conduct, and foster a culture of openness, fair dealing, diligence and accountability.

Compliance with the Codes. All employees, including senior officers and directors, acknowledge annually through a Statement of Affirmation that they have read and understood the employee Code of Conduct and/or the Director's Code, respectively, as well as the Manual on Corporate Governance, and fully comply and adhere to principles, standards and policies therein.

- c) Conflict of Interest, Gifts Policy and Public Policy (Political Engagement). BPI does not tolerate those who place their interest above that of our institution, our clients, or our business partners. We have in place standards on conflict-of-interest that elevate the interest of the Bank above that of the personal interests of Directors, officers, and employees. These standards prohibit Directors, officers, and employees from using their position of authority or rank to directly or indirectly derive personal gain or advantage. Our standards on conflict of interest expect all Directors, officers and employees to refrain from any conduct that could be viewed unfavorably by our clients, co-employees, competitors, suppliers, investors, regulators, or the public. The standards also require full cooperation and provision of complete and accurate information from employees during government, regulatory or internal enquiries, investigations and audits. The standards also cover specific conflict-of-interest situations such as receipt of gifts from third parties, respect for trade secrets, and use of non-public information, and use of company funds, assets and information. All officers and employees undergo annual mandatory training on the Code of Conduct and CG-related policies which includes training on the Conflict of Interest standards. Guidance on the Bank's Anti-Bribery and Anti-Corruption Policy is supplemented by the Standards on Conflict of Interest, Gifts Policy, which prohibits employees from making direct or indirect requests or acceptance of any gift, share, percentage, discounts, special privileges, or benefit for oneself or any other person in an employee's past, present or intended intervention in any dealings between the Bank and any other party with the exception of, but not limited to, the following:

- Receipt of gifts during the Christmas season or any occasion from clients or suppliers which should be in view or due to one's position of the bank, unless said gifts are of considerable monetary value, i.e., above Php 5,000.00;
- Receipt of unsolicited gifts of a token nature, promotional items

Employees are required to: 1) Disclose items received in any occasion except during Christmas; 2) Turn over the gift to the Division Head, who subsequently endorses such to the Group Head for proper disposition when it is not practical to return a gift.

The Bank also has guidance on Public Policy and Political Engagement which mandates employees to exercise utmost prudence in ensuring that their personal political activities are separate from their work duties and responsibilities. The Bank is non-partisan and does not lobby nor contribute or solicit political contributions, funds, assets or resources to any political candidate, party, or similar organization. Employees who wish to campaign for a political candidate or party may do so as long as this does not violate any of the HR policies of the Bank.

- d) Whistleblower Policy. This policy covers all employees of BPI and all wrongful acts that adversely impact the Bank and its stakeholders. Under the policy, it is the responsibility of all personnel to comply with rules and regulations of the Bank and to report violations or suspected violations in accordance with the policy. Anybody who knowingly aids, abets, or conceals or otherwise deliberately permits the commission of any irregular or fraudulent act directed against the Bank shall be considered as guilty as the principal perpetrators of the fraud or irregularity. Hence, all employees have a duty to cooperate with investigations

initiated under the policy. No action will be taken against anyone for reporting such violations in good faith, or participating or assisting in investigations of a suspected violation. Any act of retaliation against a whistleblower is a violation of the Whistleblower Policy and Code of Business Conduct and Ethics. All officers and employees undergo annual mandatory training on the Code of Conduct and the Whistleblower Policy. The Whistleblower Policy is disclosed on the company website and internal database.

- e) **Related Party Transactions Policy.** This policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to nonrelated parties or to similar transactions in the market. Vetting transactions with related parties is done either by the board-level Related Party Transaction Committee (RPTC) or Management Vetting Committee (MVC), depending on materiality, prior to implementation. The two committees provide guidance and vet on credit and non-credit related party transactions of significant amounts (P50Mn and above for RPTC and below P50Mn for MVC). Related party transactions are properly disclosed in BPI's audited financial statements, and applicable filings in accordance with relevant rules and issuances of SEC, BSP, etc. In addition, the Bank in compliance with the SEC Memo Cir. No. 10, s2019, considers related party transaction/s, that are either individually, or in aggregate amounting to ten percent (10%) or higher of the Banks total assets based on its latest audited financial statement as Material Related Party Transactions, subject to the rules set on the policy. The policy also ensures that all Material RPTs are entered and conducted in fair and at arm's length terms. The RPT Policy is disclosed on the company website and internal database.
- f) **Insider Trading Policy.** This policy, in general, prohibits covered persons, i.e., directors, officers, employees of BPI and BPI's subsidiaries, and other parties who are considered to have knowledge, made aware of or have access to inside information or material non-public information, from buying or selling BPI stocks for their own personal account to benefit themselves or others, especially during the blackout trading period. All directors and senior management (SVP and up), Treasurer, Corporate Secretary and Assistant Corporate Secretary, are also required to report to the Compliance Office within ten (10) days from the end of each quarter their trades of shares of BPI stock during such quarter. In compliance with the SEC, all directors and senior management file within three (3) business days the required SEC Form 23A/B. Officers and directors are expected to strictly comply with the Policy and to be knowledgeable of BPI's related policies, standards or internal procedures such as on information barriers, which impact on compliance with the Insider Trading Policy. A breach of the Insider Trading Policy may result in internal disciplinary action and any violation of related securities laws may also subject the Bank and/or the director to civil liability and possibly monetary penalties. All officers and employees undergo annual mandatory training on the Code of Conduct which includes training on the Insider Trading Policy. The Insider Trading Policy is disclosed on the company website and internal database.
- g) **Anti-Bribery and Anti-Corruption Policy, Anti-Money Laundering and Financial Crime Policies.** The Bank puts the highest premium on sound, responsible and effective corporate governance and does not tolerate bribery, corruption or improper payments of any kind. It advocates that Directors, officers and employees do not tolerate corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing. Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the Anti-Bribery and Anti-Corruption Policy complements the BPI's financial crime policies/programs such as the Money Laundering and Terrorist Financing Prevention Program and Whistleblower Policy. Guidance on the Bank's Anti-Corruption and Anti-Bribery program is supplemented by the Bank's Standards on Conflict of Interest under Request or Acceptance of Fees, Commissions, Gifts. Monitoring and compliance with the Code of Conduct and related policies are undertaken by departments or units of the Bank such as Human Resources and Corporate Governance, Compliance Division. All officers and employees undergo annual mandatory training on the Code of Conduct which includes training on the ABC Policy. The ABC Policy is disclosed on the company website and internal database.

- h) **Data Privacy Policy.** BPI has a strong Data Privacy Policy in place, which complies with the requirements of the Data Privacy Act and the National Privacy Commission (NPC). BPI's Data Privacy Policy, posted on the company website, is supported by a comprehensive program utilizing a combination of policies, organizational structure, access controls and technologies designed for risk reduction. The Bank has a Data Privacy Office, headed by a Board-appointed Data Privacy Officer (DPO), a lead senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks consistent with Data Privacy Act rules and regulations, issuances by the NPC and other applicable laws. Management has also appointed Compliance Officers for Privacy for major business units of the Bank. All officers and employees undergo annual mandatory training on the Data Privacy Policy.
- i) **Employee Welfare, Health and Safety.** Having engaged and competent employees is BPI's goal for delivering best-in-class customer experiences and for achieving its vision of being recognized as the most trusted partner and financial advisor. The Bank strives to be an employer of choice among Philippine financial institutions. We have a wide array of training and development programs and activities designed along the Bank's business objectives, aimed at honing the skills and capabilities of our employees in carrying out their daily duties, as well as preparing them to assume higher responsibilities as the next leaders of the organization. The Bank has adopted a compensation policy that it believes is competitive with industry standards in the Philippines. Regular employees are provided with a comprehensive pay and benefits package, which is reviewed periodically and adjusted to retain current employees and attract new talent. Tied to this is a performance management system that calls for the alignment of individual key results, competencies, and development plans with the Bank's overall business targets and strategy. Officers and employees undergo regular performance evaluations based on their individual accomplishments vis-a-vis their responsibilities, as well as that of the business unit or the Bank. The Bank has an Executive Stock Purchase Plan (ESPP), a major initiative under its long-term incentive program, which aligns management's interest with shareholders and the long-term prospects of the Bank. Moreover, we strive to provide a safe, secure and conducive working environment for our employees, to continually safeguard their health and rights and provide equal opportunity for everyone to realize their fullest potential and make them agents of uplifting change for their communities. (Recommendation 2.9 of the SEC CG Code for PLCs)

#### V. **Investor Relations, Continuous Disclosure and Transparency**

- a) **Investor Relations.** Through its Investor Relations Office, the Bank employs a program of proactive, uniform, appropriate and timely communication and reporting, in the spirit of full disclosure and in compliance with the Securities Regulation Code and Bangko Sentral, SEC and PSE rules, regulations and disclosure guidelines. The Bank provides company presentations in the Annual Stockholders Meeting and conducts analyst and media or press briefings apart from maintaining the relevant disclosures on its website. The Board has a policy of continuous disclosure and transparency and commits at all times to fully disclose all material information about the company for the benefit of the stockholder and other stakeholders. Such information includes earnings results, materially significant acquisition or disposal of assets, board changes, related party transactions which are not in the ordinary course of business, shareholding of directors and major changes to ownership/voting rights, group structures, intra- group relations, ownership data, and beneficial ownership. As a listed company, BPI files structured and unstructured disclosures through the appropriate Exchange mechanisms for listed companies and submits mandated regulatory reports to the SEC. The Bank also maintains an official company website in accordance with the SEC-prescribed format and template to ensure a comprehensive, cost-efficient, transparent, timely manner of disseminating relevant information to the public. BPI also maintains official company sites on social media-based platforms.
- b) **Annual Stockholders Meeting (ASM).** The ASM is held annually and is organized in an easy to reach and cost-efficient venue and location in Metro Manila. The ASM allows shareholders to advise and adopt resolutions on important matters affecting the Bank, such as: ratification of all acts and resolutions of the Board of Directors and Management, approval of the annual report of the President and Bank's statement of condition, amendments to the Articles of Incorporation or By-Laws, election of Board of Directors and

external auditor as well as measures to amend the shareholders' equity. In 2024, the Annual Stockholders meeting was conducted virtually via <http://www.ayalagroupshareholders.com/>. Shareholders intending to participate by remote communication were requested to notify the Bank by email to [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph).

Notice of the ASM. The Notice is sent to shareholders well before the meeting date to allow shareholders to review the meeting's agenda and provide shareholders with sufficient information regarding issues to be decided at the meeting; the Definitive Information Statement, or SEC Form 20-IS is issued in accordance with BPI's Amended By-Laws and SRC 20. In 2024, the Notice was sent out to stockholders of record by March 26, 2024, 28 days before the ASM.

Voting and Voting Results. All items in the agenda requiring stockholder approval need the affirmative vote of at least a majority of the issued and outstanding voting stock. Stockholders may vote in person or in absentia by proxy executed in writing by the stockholder or by a duly authorized attorney-in-fact. In its meeting held on February 14, 2024, the Executive Committee approved Management's recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia in the 2023 ASM. Hence, at the April 23, 2024 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code. Voting is considered in a poll, by shares of stock, that is, one share entitles the holder to one vote. Cumulative voting as provided for in the Corporation Code may be applied in the election of the Board of Directors and directors are elected individually. The Rules of Conduct, voting and vote tabulation procedures are likewise explained during the meeting. The Office of the Corporate Secretary tabulates all votes received and the Bank's external auditor validates the results. Voting results are disclosed on PSE EDGE and company's website.

Shareholder Participation. BPI proactively encourages the full participation of all shareholders, including institutional shareholders, at the ASM each year. Shareholders are encouraged to ask questions at the ASM to ensure accountability and identification with the Board of Directors' and Management's strategy and goals for the business of BPI.

Minutes of the Annual Stockholders' Meeting. The Minutes of the ASM includes all information pertinent to the meeting and is promptly disclosed on the company website within the period mandated by the SEC. Minutes of the 2024 ASM were likewise posted on the company website within five (5) calendar days from the date of the ASM.

- c) Annual and Quarterly Reports. The Bank's Annual, Quarterly and Current Reports are its primary disclosure mechanisms used to impart knowledge about the Bank to all its stakeholders in an informative, structured and cost-effective manner. The Annual and Quarterly accountability reports effectively detail its performance during the period under review and put that performance in context of the objectives of the Bank, its strategies and future direction. The Current Reports similarly provide timely updates on significant corporate actions undertaken by the Bank. The Annual, Quarterly and Current Reports are regularly submitted to the SEC pursuant to Section 17 of the SRC, which also prescribes format and content. These Reports are also disclosed on the websites of the various exchanges. These may also be viewed at [www.bpi.com.ph](http://www.bpi.com.ph).

## VI. Sustainability, Stakeholder Engagement and ESG Reporting

### a) Sustainability and Stakeholder Engagement

The Bank operates on a sustainability framework of shared values which emphasizes the importance of all stakeholders and how their interests are integrated into the business of BPI. Stakeholder engagement takes on various forms and is carried out through a range of information, communication, and consultative activities and disclosures.

For employees: safeguarding and ensuring health and safety in the workplace; provisioning for flexible work tools and work arrangements; setting-up learning and development programs; providing short and long-term, merit-based performance incentive mechanisms and employee benefit programs

For communities: extending credit and financial services to underserved and unbanked sectors; providing financial literacy and capacity building educational programs; integrating ESG considerations which affects local communities in credit assessment practices prior to loan approval and disbursement; factoring ESG into business and risk models, products and services, as well as day-to-day operations; holding Corporate Social Responsibility (CSR) initiatives centered on financial literacy, enterprise development and livelihood, and disaster recovery.

For clients: supporting nation-building through sustainable development financing as well as financial inclusion initiatives; providing financial wellness educational programs; ensuring financial consumer protection and data privacy in accessing products and services; expanding means by which products and services can be accessed (eg. traditional and phygital brick-and-mortar branches, digital platforms, and agency banking partners)

For suppliers: setting up a supplier policy based on the principle of business transparency and fair competition; providing equal opportunities for qualified suppliers and contractors while ensuring a sustainable supply chain observing good governance practices; engaging suppliers on environmental and social concerns via an E&S attestation

For creditors: ensuring counterparties are protected by fairness, accountability, and transparency; policies and procedures are in place for safeguarding creditor's rights as required by the BSP.

### b) Environmental, Social and Governance Reporting

Our ESG performance evaluation and management discussions are likewise disclosed regularly, primarily through the annual publication of the Integrated Report as well as periodic and special updates of the BPI website. Sustainability disclosures are in accordance with the Integrated Reporting <IR> Framework, Global Reporting Initiative (GRI) Standards, and Sustainability Accounting Standards Board (SASB) Standards for Commercial Banks. Disclosures recommended by the Task Force for Climate-Related Financial Disclosures (TCFD) are still included in BPI's 2023 Integrated Report, following the discontinuation of the Task Force last October 2023. As in previous years, an external assurance provider has been engaged for the ESG disclosures in our integrated report. A copy of the latest BPI Integrated Report is available for download from the BPI website ([www.bpi.com.ph](http://www.bpi.com.ph)).

## VII. Corporate Governance Awards and Recognition

**ICD Golden Arrow Award.** In 2024, BPI was a recipient of the ICD's Golden Arrow Award as a Top Performing Company in the domestic assessment of the ACGS.

**VIII. Reports on SEC 17-C****Items reported under SEC Form 17-C in 2024:**

- (1) On 1 January 2024, Bank of the Philippine Islands (“BPI”) and Robinsons Bank Corporation closed their merger, with BPI as the surviving bank, and the merger became effective after securing the requisite corporate and regulatory approvals.
- (2) On 12 January 2024, disclosure was updated to reflect the updated public float level as a result of the change in the issued and outstanding shares. The change in the total issued and outstanding shares from 4,945,197,291 as of 31 December 2023 to 5,259,201,283 as of 01 January 2024 or an equivalent of 314,003,992 additional common shares represents the original issuance of common shares pursuant to the Merger of Bank of the Philippine Islands (“BPI”) and Robinsons Bank Corporation (“RBC”) which took effect on 01 January 2024.
- (3) On 2 February 2024, BPI has posted its performance highlights for the fourth quarter and full year 2023 in its earnings announcement.
- (4) Publication on February 19, 2024 of BPI Solo and Consolidated Balance Sheet as of December 31, 2023.
- (5) Submission on March 5, 2024, of the copy of the Audited Financial Statements of Bank of the Philippine Islands as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023.
- (6) Disclosure that there are arrangements for Fixed Income investor meetings for possible USD Notes Issuance.
- (7) Announcement of US Dollar Bond offering.
- (8) The Bank of the Philippine Islands successfully prices US\$400 million 5-Year Reg S Senior Unsecured Notes Offering
- (9) Approval on 20 March 2024 by the Board of Directors of the sale of its 752,056,290 common shares representing all of its stakes in GoTyme Bank Corporation to GoTyme Financial Pte. Ltd. (744,099,587 common shares) and Giga Investment Holdings Pte. Ltd., (7,956,703 common shares) at Php1.20 per share, subject to BSP approval. The Go Tyme Shares were acquired by BPI pursuant to the merger between BPI and Robinsons Bank Corporation (“RBank”) with BPI as the surviving bank.
- (10) Approval on 20 March 2024 by the Board of Directors of the change in stock transfer agency from BPI Stock Transfer Agency (“BPI STA”) to Stock Transfer Service, Inc. effective 01 May 2024.
- (11) Detailed Notice of Annual Stockholders’ Meeting to be held on 23 April 2024, Agenda Explanation and Proxy Form
- (12) Approval by the Board of Directors in the regular Board meeting on 17 April 2024, of the 2024 Employee Stock Purchase Program pursuant to the Employee Stock Purchase Plan (the “Plan”).
- (13) On 22 April 2024, BPI has posted its performance highlights for the first quarter of 2024 in its earnings announcement.
- (14) Declaration of cash dividend of One Peso and Ninety-Eight Centavos (Php 1.98) per common share for the first semester of 2024, for stockholders of record as of 07 June 2024, with payment date on 28 June 2024.
- (15) Publication of BPI Solo and Consolidated Balance Sheet as of March 31, 2024.

- (16) On July 4, 2024, BPI announces upcoming ASEAN Sustainable Bond Issuance.
- (17) On 18 July 2024, BPI has posted its performance highlights for the second quarter and first half of 2024 in its earnings announcement.
- (18) On 19 July 2024, BPI prices BPI SEED bonds and announces offer period.
- (19) On 31 July 2024, BPI shortens offer period for BPI SEED bonds.
- (20) On 9 August 2024, BPI Successfully lists Php 33.7 billion SEED Bonds.
- (21) Publication of BPI Solo and Consolidated Balance Sheet as of June 30, 2024.
- (22) On 17 Oct 2024, BPI has posted its performance highlights for the third quarter and nine month of 2024 in its earnings announcement.
- (23) Declaration of cash dividend of One Peso and Ninety-Eight Centavos (Php 1.98) per common share for the second semester of 2024, for stockholders of record as of 04 December 2024, with payment date on 20 December 2024.

#### **Subsequent Events**

- (1) In its regular meeting last 22 January 2025, the BPI Board approved the secondment of EVP Juan Carlos L. Syquia, Head of Institutional Banking, to Ayala Corporation (AC) effective 01 May 2025 to assume a senior role at AC, subject to approval of the Board of Directors of AC.
- (2) On 13 Feb 2025, the Bank approved the appointment of Senior Vice President (SVP) Luis Geminiano E. Cruz as Head of Institutional Banking, effective May 1, 2025, subject to regulatory approval. His appointment follows the secondment of Juan Carlos L. Syquia to Ayala Corporation (AC).
- (3) On 27 March 2025, BPI successfully tapped the international capital markets with a public USD bond offering of US\$500 million 5-year and US\$300 million 10-year Reg S senior unsecured fixed rate notes offering (“Notes”).

#### **Material Event/s and Uncertainties:**

Other than the disclosure enumerated above, the Bank has nothing to report on the following:

- a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
- b) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- c) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the bank with unconsolidated entities or other persons created during the reporting period.
- d) Any material commitments for capital expenditures.
- e) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- f) Any significant elements of income or loss that did not arise from the Bank’s continuing operations.
- g) Any seasonal aspects that had a material effect on the financial condition or results of operations.

**PART V – EXHIBITS AND SCHEDULES**

## Item 14. Exhibits and Reports on SEC Form 17-C

**a. Exhibits****Securities Regulation Code Forms**

(1)	Publication of Notice re: Filing	NA
(2)	Underwriting Agreement	NA
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	NA
(4)	(A) Articles of Incorporation	NA
	(B) By-laws	NA
(5)	Instruments Defining the Rights of Security Holders, including indentures	NA
(6)	Opinion re: Legality	NA
(7)	Opinion re: Tax Matters	NA
(8)	Voting Trust Agreement	NA
(9)	Material Contracts	NA
(10)	Annual Report to Security Holders	NA
(11)	Material Foreign Patents	NA
(12)	Letter re: Unaudited Interim Financial Information	NA
(13)	Letter re: Change in Certifying Accountant	NA
(14)	Letter re: Director Resignation	NA
(15)	Letter re: Change in Accounting Principles	NA
(16)	Report Furnished to Security Holders	NA
(17)	Other Documents or Statements to Security Holders	NA
(18)	Subsidiaries of the Registrants	NA
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20)	Consents of Experts and Independent Counsel	NA
(21)	(A) Power of Attorney	NA
	(B) Power of Attorney-Foreign Registrant	NA
(22)	Statement of Eligibility of Trustee	NA
(23)	Exhibits to be filed with Commercial Papers/Bonds Issues	NA
(24)	Exhibits to be filed with Stock Options Issues	NA
(25)	Exhibits to be filed by Investment Companies	NA
(26)	Notarized Curriculum Vitae and Photographs of Officers and Members of the Board of Directors	NA
(27)	Copy of the BOI Certificate for BOI Registered Companies	NA
(28)	Authorization re: Registrant's Bank Accounts	NA
(29)	Additional Exhibits	NA
	Financial Indicators	Exhibit A
	Sch. A – Financial Assets	Exhibit A
	Sch. B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders	Exhibit A
	Sch. C – Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	Exhibit A
	Sch. D - Long-Term Debt	Exhibit A
	Sch. E – Indebtedness to Related Parties	Exhibit A
	Sch. F – Guarantees of Securities of Other Issuers	Exhibit A
	Sch. G – Capital Stock	Exhibit A
	List of Subsidiaries	Exhibit B
	Top 20 Shareholders	Exhibit C
	Statistical Report by Sharelots as of December 31, 2024	Exhibit D

**SIGNATURES**

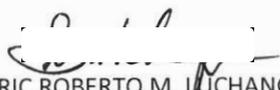
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly notarized, in the City of Makati on \_\_\_\_\_, 2025.

APR 11 2023

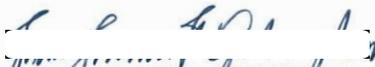
**BANK OF THE PHILIPPINE ISLANDS**  
Issuer

By:

  
JOSE TEODORO K. LIMCAOCO  
President & Chief Executive Officer

  
ERIC ROBERTO M. LUCHANGCO  
Senior Vice-President & Chief Finance Officer

  
EMMANUEL JESUS G. OSALVO  
Senior Vice-President &  
Head, Unibank Central Accounting

  
MARIA LOURDES P. GATMAYTAN  
Senior Vice-President & Corporate Secretary

APR 11 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_; affiant(s) exhibiting to me his/her ID Number, as follows:

NAME(S)	PASSPORT NO. / SSS NO.	DATE / PLACE OF ISSUE	VALID UNTIL
Jose Teodoro K. Limcaoco			
Eric Roberto M. Luchangco			
Emmanuel Jesus G. Osalvo			
Maria Lourdes P. Gatmaytan			

Doc. No. 145  
Page No. 27  
Book No. VII  
Series 2024

  
**ATTY. CESAR T. VERANO**  
NOTARY PUBLIC MAKATI CITY  
APPOINTMENT NO: M-029  
VALID UNTIL DECEMBER 31, 2025  
ISSUED ON: DECEMBER 15, 2023  
TRK NO.: MKT 10465510 / 01-02-2025 / MAKATI CITY  
IBP NO.: 484720 ROLL NO.: 29024  
MCLE COMPLIANCE NO.: VII-0023845  
VALID UNTIL DECEMBER 31, 2025  
OFFICE ADDRESS: #2733 G/F CARREON BLDG  
ENNAIDA ST., BRGY. POBLACION MAKATI CIT

**EXHIBIT A**  
**(Audited Financial Statements)**



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**

## FILING REFERENCE NO.

TIN	: 000-438-366-000
Name	: BANK OF THE PHILIPPINE ISLANDS
RDO	: 125
Form Type	: 1702
Reference No.	: <b>462500065295011</b>
Amount Payable (Over Remittance)	: 1,057,833,088.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2024
Date Filed	: 04/11/2025
Tax Type	: IT

[Proceed to Payment](#)

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### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Bank of the Philippine Islands (the "Bank") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, 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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's 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.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Bank 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.

  
Jaime Augusto Zobel de Ayala  
Chairman of the Board

Jose Teodoro K. Limcaoco  
President and Chief Executive Officer

Eric Roberto M. Luchangco  
Senior Vice President  
and Chief Finance Officer

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this 14 MAR 2025,  
affiants exhibited to me their Passport with the following details:

Name	Passport No.	Date/Place of Issue	Valid Until
Jaime Augusto Zobel de Ayala			
Jose Teodoro K. Limcaoco			
Eric Roberto M. Luchangco			

**ATTY. CESARY VERANO**

NOTARY PUBLIC MAKATI CITY

APPOINTMENT NO.: M-029

VALID UNTIL DECEMBER 31, 2025

ISSUED ON: DECEMBER 15, 2023

PTR NO.: MKT 10465510 / 01-02-2025 / MAKATI CITY

IBP NO.: 484720 ROLL NO 29024

MCLE COMPLIANCE NO.: VII-0023845

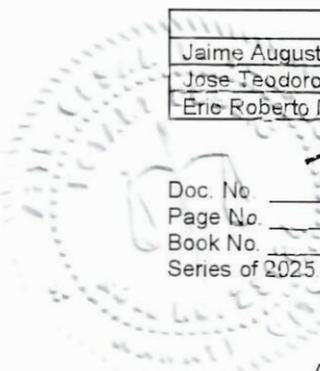
VALID UNTIL DECEMBER 31, 2025

**BANK OF THE PHILIPPINE ISLANDS**

Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue 7 Makati City 1206

Phone Banking: +632 889-1000

Doc. No. 290  
Page No. 59  
Book No. 21  
Series of 2025





## Independent Auditor's Report

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

### *Report on the Audits of the Financial Statements*

#### **Our Opinion**

In our opinion, the accompanying consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") present fairly, in all material respects, the financial position of the BPI Group and of the Parent Bank as at December 31, 2024 and 2023, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *What we have audited*

The financial statements comprise:

- the consolidated and parent statements of condition as at December 31, 2024 and 2023;
- the consolidated and parent statements of income for each of the three years in the period ended December 31, 2024;
- the consolidated and parent statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated and parent statements of changes in capital funds for each of the three years in the period ended December 31, 2024;
- the consolidated and parent statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated and parent financial statements, comprising material accounting policy information.

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Bank of the Philippine Islands  
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### *Independence*

We are independent of the BPI Group and the Parent Bank in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated and parent financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

### **Our Audit Approach**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and parent financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and parent financial statements as a whole, taking into account the structure of the BPI Group and the Parent Bank, the accounting processes and controls, and the industry in which the BPI Group and the Parent Bank operate.

### *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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the impairment losses on loans and advances, which applies to both the BPI Group's and the Parent Bank's financial statements.



Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Impairment losses on loans and advances</b></p> <p>We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the provision for loan impairment. The calculation of impairment losses is inherently judgmental for any bank. As at December 31, 2024, the total allowance for impairment for loans and advances amounted to PHP54,102 million for the BPI Group and PHP50,379 million for the Parent Bank while provision for loan losses recognized in profit or loss for the year then ended amounted to PHP4,693 million for the BPI Group and PHP1,513 million for the Parent Bank. Refer to Notes 10 and 26 of the financial statements for the details of the impairment losses on loans and advances.</p> <p>Provision for impairment losses on loans that are assessed to be individually credit impaired is determined in reference to the estimated future cash repayments and proceeds from the realization of collateral held by the BPI Group and the Parent Bank.</p> <p>For other loan accounts which are not individually credit impaired, these are included in a group of loans with similar risk characteristics and are collectively assessed on a portfolio basis using internal models developed by the BPI Group and the Parent Bank.</p>	<p>We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included:</p> <ul style="list-style-type: none"> <li>• governance over the development, validation and approval of the BPI Group's ECL models to assess compliance with PFRS 9, including continuous re-assessment by the BPI Group that the impairment models are operating in a way which is appropriate for the credit risks in the BPI Group and the Parent Bank's loan portfolios;</li> <li>• review and approval of key judgments, assumptions and forward-looking information used in the ECL models;</li> <li>• review of data from source systems to the detailed ECL model analyses;</li> <li>• assessment of credit quality of loans and advances relative to the established internal credit risk rating system;</li> <li>• the review and approval process for the outputs of the impairment models; and</li> <li>• the review and approval process over the determination of credit risk rating, performance of credit reviews and calculation of required reserves for loans assessed as credit-impaired.</li> </ul> <p>Our work over the impairment of loans and advances included:</p> <ul style="list-style-type: none"> <li>• independent assessment of the methodology applied by the BPI Group and the Parent Bank in the development of the ECL models vis-a-vis the requirements of PFRS 9;</li> </ul>



Key Audit Matter	How our audit addressed the Key Audit Matter
<i>(cont'd.)</i>	
<p>Key elements in the impairment of loans and advances include:</p> <ul style="list-style-type: none"> <li>• the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, significant increase in credit risk, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD); and</li> <li>• the identification of credit-impaired loans, and estimation of cash flows (including the expected realizable value of any collateral held) supporting the calculation of individually assessed provisions.</li> </ul> <p>The impairment losses include both quantitative and qualitative components. In calculating the loan loss provisioning, the BPI Group and the Parent Bank applied the expected credit loss (ECL) calculation and post-model adjustments as allowed by Philippine Financial Reporting Standard (PFRS) 9, <i>Financial instruments</i>, which is a complex process that takes into account forward-looking information reflecting the BPI Group and the Parent Bank's view on potential future economic events.</p>	<ul style="list-style-type: none"> <li>• independent testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data, including segmentation. Our assessment included the involvement of our internal specialist.</li> <li>• assessment of the appropriateness of the BPI Group's and the Parent Bank's definition of significant increase in credit risk and staging of accounts through analysis of historical trends and past credit behavior of loan portfolios;</li> <li>• independent comparison of economic information used within, and weightings applied to, forward-looking scenarios in the ECL calculation which includes assumptions used in the post-model adjustments, against available macro-economic data;</li> <li>• testing of the accuracy and completeness of data inputs in the ECL models and in the ECL calculation by comparing them with the information obtained from source systems;</li> <li>• testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation;</li> <li>• for a sample of individually assessed loans identified as credit-impaired, examined relevant supporting documents such as the latest financial information of the borrower or valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and</li> <li>• recalculation of the loan loss allowance for selected accounts and portfolios at reporting date using the ECL methodology adopted by the BPI Group and the Parent Bank.</li> </ul>



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Bank of the Philippine Islands  
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### **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, but does not include the consolidated and parent financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent 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 financial statements, our responsibility is to read the other information identified above when these become available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and parent financial statements in accordance with PFRS Accounting Standards 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 consolidated and parent financial statements, management is responsible for assessing the ability of each entity within the BPI Group and of the Parent Bank 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 BPI Group and the Parent Bank or to cease operations, or has no realistic alternative but to do so.

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



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To the Board of Directors and Shareholders of  
Bank of the Philippine Islands  
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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and parent 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 PSA 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 financial statements.

As part of an audit in accordance with PSA, 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 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 BPI Group's and of the Parent Bank'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 BPI Group and the Parent Bank'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 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 BPI Group and the Parent Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent financial statements, including the disclosures, and whether the consolidated and parent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Bank of the Philippine Islands  
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- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group 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, actions taken to eliminate threats or safeguards applied.

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 financial statements of the current period and is therefore the key audit matter. 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.



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
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***Report on Other Legal and Regulatory Requirements***

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 Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 in Note 31 and Bureau of Internal Revenue (BIR) Revenue Regulations No. 15-2010 in Note 32 to the financial statements is presented for the purposes of filing with the BSP and the BIR, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of the BPI Group and the Parent Bank. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements, and, in our opinion, 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 Roderick M. Danao.

**Isla Lipana & Co.**

A handwritten signature in black ink, appearing to read 'R. Danao', is written over the printed name of the partner.

Roderick M. Danao  
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280; issued on January 3, 2025, Makati City

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, effective until November 14, 2025

Makati City  
February 19, 2025

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CONDITION

December 31, 2024 and 2023

(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
<b>A S S E T S</b>					
CASH AND OTHER CASH ITEMS	4	<b>49,762</b>	34,843	<b>49,136</b>	34,444
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	4	<b>164,571</b>	199,619	<b>161,247</b>	192,246
DUE FROM OTHER BANKS	4	<b>72,060</b>	36,292	<b>68,439</b>	33,081
INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL, net	4,5	<b>16,715</b>	20,643	<b>9,093</b>	17,342
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,7	<b>47,308</b>	23,654	<b>39,757</b>	17,456
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	8	<b>268,202</b>	218,654	<b>263,212</b>	214,183
INVESTMENT SECURITIES AT AMORTIZED COST, net	9	<b>343,108</b>	382,711	<b>336,233</b>	377,120
LOANS AND ADVANCES, net	10	<b>2,238,765</b>	1,882,007	<b>2,186,928</b>	1,849,840
ASSETS HELD FOR SALE, net		<b>8,411</b>	4,743	<b>8,154</b>	4,646
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT, net	11	<b>21,209</b>	19,751	<b>19,759</b>	18,401
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net	12	<b>10,904</b>	8,287	<b>19,165</b>	15,526
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS	2	<b>20,995</b>	19,067	-	-
DEFERRED INCOME TAX ASSETS, net	13	<b>18,201</b>	18,185	<b>17,183</b>	17,536
OTHER ASSETS, net	14	<b>38,602</b>	19,916	<b>38,772</b>	20,001
Total assets		<b>3,318,813</b>	2,888,372	<b>3,217,078</b>	2,811,822

(forward)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CONDITION

December 31, 2024 and 2023

(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
<b>LIABILITIES AND CAPITAL FUNDS</b>					
DEPOSIT LIABILITIES	15	<b>2,614,802</b>	2,295,106	<b>2,564,135</b>	2,264,133
DUE TO BSP AND OTHER BANKS		<b>3,135</b>	1,881	<b>3,135</b>	1,881
DERIVATIVE FINANCIAL LIABILITIES	7	<b>4,976</b>	2,821	<b>4,913</b>	2,774
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	<b>163,182</b>	137,104	<b>163,083</b>	133,726
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		<b>9,941</b>	8,463	<b>9,935</b>	8,431
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		<b>17,327</b>	14,973	<b>15,061</b>	13,543
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	<b>16,541</b>	15,202	-	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	<b>56,219</b>	53,452	<b>53,050</b>	51,031
Total liabilities		<b>2,886,123</b>	2,529,002	<b>2,813,312</b>	2,475,519
<b>CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS</b>					
OF BPI	18				
Share capital		<b>52,610</b>	49,307	<b>52,610</b>	49,307
Share premium		<b>143,278</b>	113,414	<b>143,248</b>	113,383
Treasury shares		-	-	-	-
Reserves		<b>10,889</b>	643	<b>43,217</b>	32,975
Accumulated other comprehensive loss		<b>(12,640)</b>	(11,127)	<b>(10,722)</b>	(9,076)
Surplus		<b>236,332</b>	204,967	<b>175,413</b>	149,714
NON-CONTROLLING INTERESTS		<b>430,469</b>	357,204	<b>403,766</b>	336,303
Total capital funds		<b>432,690</b>	359,370	<b>403,766</b>	336,303
Total liabilities and capital funds		<b>3,318,813</b>	2,888,372	<b>3,217,078</b>	2,811,822

(The notes on pages 1 to 112 are an integral part of these financial statements.)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF INCOME

For each of the three years in the period ended December 31, 2024  
(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
<b>INTEREST INCOME</b>							
On loans and advances		<b>159,594</b>	120,900	84,909	<b>148,062</b>	114,050	80,724
On investment securities		<b>27,251</b>	21,737	16,863	<b>26,834</b>	21,466	16,683
On deposits with BSP and other banks		<b>3,109</b>	2,935	1,496	<b>2,240</b>	2,460	1,385
		<b>189,954</b>	145,572	103,268	<b>177,136</b>	137,976	98,792
<b>INTEREST EXPENSE</b>							
On deposits	15	<b>53,181</b>	36,027	14,821	<b>50,659</b>	34,934	14,711
On bills payable and other borrowed funds	16	<b>9,187</b>	5,195	3,381	<b>9,045</b>	4,956	3,273
		<b>62,368</b>	41,222	18,202	<b>59,704</b>	39,890	17,984
<b>NET INTEREST INCOME</b>		<b>127,586</b>	104,350	85,066	<b>117,432</b>	98,086	80,808
<b>PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>	26	<b>6,600</b>	4,000	9,167	<b>3,428</b>	2,202	8,437
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>		<b>120,986</b>	100,350	75,899	<b>114,004</b>	95,884	72,371
<b>OTHER INCOME</b>							
Fees and commissions	19	<b>15,162</b>	12,717	11,339	<b>13,744</b>	11,166	9,516
Income from foreign exchange trading		<b>3,474</b>	3,223	2,617	<b>3,361</b>	3,205	2,511
Securities trading gain		<b>3,293</b>	1,919	857	<b>3,017</b>	1,827	831
Income attributable to insurance operations	2	<b>3,011</b>	1,843	1,379	-	-	-
Net gains on disposals of investment securities at amortized cost	9	<b>4</b>	2	214	<b>5</b>	2	214
Other operating income	19	<b>17,609</b>	14,267	17,053	<b>13,572</b>	12,741	14,565
		<b>42,553</b>	33,971	33,459	<b>33,699</b>	28,941	27,637
<b>OTHER EXPENSES</b>							
Compensation and fringe benefits	21	<b>28,939</b>	23,221	19,528	<b>25,214</b>	20,310	17,407
Occupancy and equipment-related expenses	11,20	<b>25,132</b>	22,012	18,761	<b>22,648</b>	20,139	17,124
Other operating expenses	21	<b>29,725</b>	23,877	19,701	<b>27,404</b>	22,142	18,195
		<b>83,796</b>	69,110	57,990	<b>75,266</b>	62,591	52,726
<b>PROFIT BEFORE INCOME TAX</b>		<b>79,743</b>	65,211	51,368	<b>72,437</b>	62,234	47,282
<b>INCOME TAX EXPENSE</b>							
Current	22	<b>16,757</b>	13,934	12,438	<b>14,993</b>	12,600	11,226
Deferred	13	<b>746</b>	(635)	(906)	<b>1,060</b>	(419)	(943)
		<b>17,503</b>	13,299	11,532	<b>16,053</b>	12,181	10,283
<b>NET INCOME AFTER TAX</b>		<b>62,240</b>	51,912	39,836	<b>56,384</b>	50,053	36,999
Attributable to:							
Equity holders of BPI		<b>62,049</b>	51,687	39,605	<b>56,384</b>	50,053	36,999
Non-controlling interests		<b>191</b>	225	231	-	-	-
		<b>62,240</b>	51,912	39,836	<b>56,384</b>	50,053	36,999
Basic and diluted earnings per share attributable to the equity holders of BPI during the year							
	18	<b>11.78</b>	10.90	8.78	<b>10.71</b>	10.56	8.20

(The notes on pages 1 to 112 are an integral part of these financial statements.)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF TOTAL COMPREHENSIVE INCOME For each of the three years in the period ended December 31, 2024 (In Millions of Pesos)

	Note	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
<b>NET INCOME FOR THE YEAR</b>		<b>62,240</b>	51,912	39,836	<b>56,384</b>	50,053	36,999
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	18						
Items that may be subsequently reclassified to profit or loss							
Share in other comprehensive (loss) income of associates		(175)	405	(1,015)	-	-	-
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect		(810)	556	(1,525)	(891)	546	(1,480)
Fair value reserve on investments of insurance subsidiaries, net of tax effect		24	90	(225)	-	-	-
Currency translation differences and others		349	(54)	(65)	-	-	-
Cash flow hedge, net of tax effect		(1)	-	-	(1)	-	-
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit obligation		(474)	(2,476)	(8)	(397)	(2,395)	120
Share in other comprehensive (loss) income of associates		(45)	49	687	-	-	-
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect		(360)	4,609	(3,503)	(357)	4,616	(3,658)
<b>Total other comprehensive (loss) income, net of tax effect</b>		<b>(1,492)</b>	3,179	(5,654)	<b>(1,646)</b>	2,767	(5,018)
<b>Total comprehensive income for the year</b>		<b>60,748</b>	55,091	34,182	<b>54,738</b>	52,820	31,981
Attributable to:							
Equity holders of BPI		60,536	54,816	34,019	54,738	52,820	31,981
Non-controlling interests		212	275	163	-	-	-
		<b>60,748</b>	55,091	34,182	<b>54,738</b>	52,820	31,981

(The notes on pages 1 to 112 are an integral part of these financial statements.)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CHANGES IN CAPITAL FUNDS For each of the three years in the period ended December 31, 2024 (In Millions of Pesos)

Consolidated	Attributable to equity holders of BPI (Note 18)						Total	Non-controlling interests	Total capital funds
	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive loss	Surplus			
<b>Balance, January 1, 2022</b>	45,131	74,934	-	564	(8,670)	181,101	293,060	2,096	295,156
Comprehensive income									
Net income for the year	-	-	-	-	-	39,605	39,605	231	39,836
Other comprehensive loss for the year	-	-	-	-	(5,586)	-	(5,586)	(68)	(5,654)
<b>Total comprehensive income for the year</b>	-	-	-	-	(5,586)	39,605	34,019	163	34,182
Transactions with owners									
Issuance of shares as consideration of the merger	4,062	28,981	(33,043)	-	-	-	-	-	-
Executive stock plan amortization	-	208	-	(8)	-	-	200	-	200
Cash dividends	-	-	-	-	-	(9,568)	(9,568)	(177)	(9,745)
<b>Total transaction with owners</b>	4,062	29,189	(33,043)	(8)	-	(9,568)	(9,368)	(177)	(9,545)
Other movements									
Transfer from surplus to reserves	-	-	-	73	-	(73)	-	-	-
Transfer from reserves to surplus	-	-	-	(2)	-	2	-	-	-
Others	-	-	-	17	-	(6)	11	-	11
<b>Total other movements</b>	-	-	-	88	-	(77)	11	-	11
<b>Balance, December 31, 2022</b>	49,193	104,123	(33,043)	644	(14,256)	211,061	317,722	2,082	319,804
Comprehensive income									
Net income for the year	-	-	-	-	-	51,687	51,687	225	51,912
Other comprehensive income for the year	-	-	-	-	3,129	-	3,129	50	3,179
<b>Total comprehensive income for the year</b>	-	-	-	-	3,129	51,687	54,816	275	55,091
Transactions with owners									
Executive stock plan exercise and amortization	114	342	-	(84)	-	-	372	-	372
Cash dividends	-	-	-	-	-	(15,934)	(15,934)	(191)	(16,125)
Dividends - treasury shares	-	8,949	33,043	-	-	(42,364)	(372)	-	(372)
<b>Total transaction with owners</b>	114	9,291	33,043	(84)	-	(58,298)	(15,934)	(191)	(16,125)
Other movements									
Transfer from surplus to reserves	-	-	-	13	-	(13)	-	-	-
Others	-	-	-	70	-	530	600	-	600
<b>Total other movements</b>	-	-	-	83	-	517	600	-	600
<b>Balance, December 31, 2023</b>	49,307	113,414	-	643	(11,127)	204,967	357,204	2,166	359,370
Comprehensive income									
Net income for the year	-	-	-	-	-	62,049	62,049	191	62,240
Other comprehensive loss for the year	-	-	-	-	(1,513)	-	(1,513)	21	(1,492)
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,513)	62,049	60,536	212	60,748
Transactions with owners									
Issuance of shares as consideration of the merger	3,140	29,453	-	-	-	-	32,593	-	32,593
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)	(157)	(21,035)
<b>Total transaction with owners</b>	3,303	29,864	-	(32)	-	(20,878)	12,257	(157)	12,100
Other movements									
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-	-	-
Others	-	-	-	4	-	468	472	-	472
<b>Total other movements</b>	-	-	-	10,278	-	(9,806)	472	-	472
<b>Balance, December 31, 2024</b>	<b>52,610</b>	<b>143,278</b>	<b>-</b>	<b>10,889</b>	<b>(12,640)</b>	<b>236,332</b>	<b>430,469</b>	<b>2,221</b>	<b>432,690</b>

(The notes on pages 1 to 112 are an integral part of the financial statements.)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CHANGES IN CAPITAL FUNDS For each of the three years in the period ended December 31, 2024 (In Millions of Pesos)

Parent (Note 18)	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive loss	Surplus	Total capital funds
<b>Balance, January 1, 2022</b>	45,131	74,934	-	160	(6,825)	130,100	243,500
Comprehensive income							
Net income for the year	-	-	-	-	-	36,999	36,999
Other comprehensive loss for the year	-	-	-	-	(5,018)	-	(5,018)
<b>Total comprehensive income for the year</b>	-	-	-	-	(5,018)	36,999	31,981
Transactions with owners							
Issuance of shares as consideration of the merger	4,062	28,981	(33,043)	-	-	-	-
Executive stock plan amortization	-	208	-	(10)	-	-	198
Cash dividends	-	-	-	-	-	(9,568)	(9,568)
<b>Total transactions with owners</b>	4,062	29,189	(33,043)	(10)	-	(9,568)	(9,370)
Other movements	-	-	-	32,905	-	13	32,918
	4,062	29,189	(33,043)	32,895	-	(9,555)	23,548
<b>Balance, December 31, 2022</b>	49,193	104,123	(33,043)	33,055	(11,843)	157,544	299,029
Comprehensive income							
Net income for the year	-	-	-	-	-	50,053	50,053
Other comprehensive income for the year	-	-	-	-	2,767	-	2,767
<b>Total comprehensive income for the year</b>	-	-	-	-	2,767	50,053	52,820
Transactions with owners							
Executive stock plan exercise and amortization	114	342	-	(80)	-	-	376
Cash dividends	-	-	-	-	-	(15,934)	(15,934)
Dividends - treasury shares	-	8,918	33,043	-	-	(42,364)	(403)
<b>Total transactions with owners</b>	114	9,260	33,043	(80)	-	(58,298)	(15,961)
Other movements	-	-	-	-	-	415	415
	114	9,260	33,043	(80)	-	(57,883)	(15,546)
<b>Balance, December 31, 2023</b>	49,307	113,383	-	32,975	(9,076)	149,714	336,303
Comprehensive income							
Net income for the year	-	-	-	-	-	56,384	56,384
Other comprehensive loss for the year	-	-	-	-	(1,646)	-	(1,646)
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,646)	56,384	54,738
Transactions with owners							
Issuance of shares as consideration of the merger	3,140	29,454	-	-	-	-	32,594
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)
<b>Total transactions with owners</b>	3,303	29,865	-	(32)	-	(20,878)	12,258
Other movements							
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-
Others	-	-	-	-	-	467	467
<b>Total other movements</b>	-	-	-	10,274	-	(9,807)	467
<b>Balance, December 31, 2024</b>	52,610	143,248	-	43,217	(10,722)	175,413	403,766

(The notes on pages 1 to 112 are an integral part of these financial statements.)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CASH FLOWS

For each of the three years in the period ended December 31, 2024

(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Profit before income tax		<b>79,743</b>	65,211	51,368	<b>72,437</b>	62,234	47,282
Adjustments for:							
Impairment losses	26	<b>6,600</b>	4,000	9,167	<b>3,428</b>	2,202	8,437
Depreciation and amortization	11,14	<b>5,257</b>	6,615	5,445	<b>4,786</b>	6,195	4,871
Share in net income of associates	12	<b>(2,738)</b>	(1,372)	(1,055)	-	-	-
Dividend and other income	19	<b>(93)</b>	(100)	(60)	<b>(1,505)</b>	(3,066)	(1,810)
Share-based compensation	18	<b>(32)</b>	(84)	(8)	<b>(32)</b>	(80)	(11)
Profit from asset sold		<b>(134)</b>	(139)	(5,392)	<b>(134)</b>	(126)	(5,392)
Realized gain - investment securities		<b>(2,314)</b>	(949)	(189)	<b>(2,317)</b>	(949)	(189)
Interest income		<b>(189,954)</b>	(145,572)	(103,268)	<b>(177,136)</b>	(137,976)	(98,792)
Interest received		<b>183,606</b>	142,013	98,874	<b>178,854</b>	134,880	92,487
Interest expense		<b>62,740</b>	41,543	18,503	<b>59,997</b>	40,171	18,265
Interest paid		<b>(61,860)</b>	(38,683)	(17,238)	<b>(59,560)</b>	(37,801)	(17,061)
Decrease (increase) in:							
Interbank loans receivable and securities purchased under agreements to resell		<b>5,651</b>	4,117	(2,612)	<b>5,395</b>	4,058	(2,699)
Financial assets at fair value through profit or loss		<b>(23,569)</b>	(1,455)	(801)	<b>(22,288)</b>	(450)	(1,267)
Loans and advances, net		<b>(244,187)</b>	(181,412)	(231,573)	<b>(230,778)</b>	(170,155)	(221,575)
Assets held for sale		<b>(1,678)</b>	(761)	(914)	<b>(1,706)</b>	(773)	(927)
Assets attributable to insurance operations		<b>(1,504)</b>	254	(2,316)	-	-	-
Other assets		<b>1,061</b>	(5,752)	540	<b>219</b>	(6,564)	4,870
Increase (decrease) in:							
Deposit liabilities		<b>173,533</b>	199,096	140,855	<b>157,817</b>	181,540	132,034
Due to BSP and other banks		<b>1,126</b>	(1,151)	1,680	<b>1,126</b>	(1,075)	1,744
Manager's checks and demand drafts outstanding		<b>358</b>	1,708	(176)	<b>383</b>	1,680	(169)
Accrued taxes, interest and other expenses		<b>(587)</b>	798	1,382	<b>(882)</b>	730	1,133
Liabilities attributable to insurance operations		<b>1,346</b>	306	1,693	-	-	-
Derivative financial liabilities		<b>2,155</b>	(1,476)	665	<b>2,139</b>	(1,479)	708
Deferred credits and other liabilities		<b>(695)</b>	213	4,950	<b>(1,477)</b>	353	2,064
Net cash (absorbed by) from operations		<b>(6,169)</b>	86,968	(30,480)	<b>(11,234)</b>	73,549	(35,997)
Income taxes paid		<b>(16,084)</b>	(14,004)	(12,938)	<b>(14,379)</b>	(12,712)	(11,605)
Net cash (used in) from operating activities		<b>(22,253)</b>	72,964	(43,418)	<b>(25,613)</b>	60,837	(47,602)

(forward)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CASH FLOWS

For each of the three years in the period ended December 31, 2024

(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
<i>(forwarded)</i>							
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Acquisition of bank premises, furniture, fixtures and equipment		<b>(3,416)</b>	(4,778)	(1,657)	<b>(3,267)</b>	(4,578)	(1,580)
Disposal of bank premises, furniture, fixtures and equipment		<b>849</b>	2,144	1,200	<b>835</b>	2,127	1,191
Placements in investment securities		<b>(201,348)</b>	(248,565)	(95,218)	<b>(200,635)</b>	(247,299)	(94,789)
Proceeds from:							
Maturities/sales of investment securities		<b>227,374</b>	171,331	49,008	<b>227,205</b>	171,332	49,008
Sale of investment properties		-	-	4,721	-	-	4,721
Decrease (increase) in:							
Investment in subsidiaries and associates, net		<b>53</b>	769	694	<b>(2,182)</b>	(120)	-
Assets attributable to insurance operations		<b>(418)</b>	(270)	474	-	-	-
Impact of merger	29	<b>22,071</b>	-	-	<b>20,572</b>	-	78,200
Dividends received		<b>93</b>	100	60	<b>1,505</b>	3,066	880
<b>Net cash from (used in) investing activities</b>		<b>45,258</b>	(79,269)	(40,718)	<b>44,033</b>	(75,472)	37,631
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Cash dividends paid	17,18	<b>(21,034)</b>	(16,125)	(9,745)	<b>(20,877)</b>	(15,934)	(9,568)
Issuance cost of treasury shares as dividends	18	-	(372)	-	-	(403)	-
Proceeds from share issuance	18	<b>573</b>	456	208	<b>573</b>	456	208
Increase in bills payable and other borrowed funds	16,29	<b>11,127</b>	39,601	2,464	<b>14,405</b>	40,724	868
Payments for principal portion of lease liabilities		<b>(2,066)</b>	(1,893)	(1,624)	<b>(1,803)</b>	(1,652)	(1,417)
<b>Net cash (used in) from financing activities</b>		<b>(11,400)</b>	21,667	(8,697)	<b>(7,702)</b>	23,191	(9,909)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>11,605</b>	15,362	(92,833)	<b>10,718</b>	8,556	(19,880)
<b>CASH AND CASH EQUIVALENTS</b>							
January 1	4,5	288,482	273,120	365,953	274,005	265,449	285,329
December 31		<b>300,087</b>	288,482	273,120	<b>284,723</b>	274,005	265,449
Non-cash financing and investing activities	11,16,18						

(The notes on pages 1 to 112 are an integral part of these financial statements.)

## **BANK OF THE PHILIPPINE ISLANDS**

Notes to the Financial Statements

As at December 31, 2024 and 2023 and for each of the three years  
in the period ended December 31, 2024

### **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 December 31, 2024, the BPI Group has 22,062 employees (2023 - 18,982 employees) and operates 1,266 branches (2023 - 1,187 branches) and 1,876 automated teller machines (ATMs) and cash accept machines (CAMs) (2023 - 1,530) 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 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.

On September 30, 2022, the Board of Directors (BOD) of BPI approved the execution of an agreement between the Parent Bank and Robinsons Bank Corporation (“RBC”) and Robinsons Retail Holdings, Inc. and JG Summit Capital Services Corporation, as RBC shareholders, for the merger of BPI and RBC, with BPI as the surviving entity. As at December 31, 2023, all corporate and regulatory approvals have been obtained, and the Parent Bank and RBC merged, effective January 1, 2024 (Note 29). The comparative figures presented in the financial statements and notes to financial statements as at December 31, 2023 and for the years ended December 31, 2023 and 2022 exclude RBC balances.

### **Approval and authorization for issuance of financial statements**

These financial statements have been approved and authorized for issuance by the BOD on February 19, 2025.

The consolidated financial statements comprise the financial statements of the Parent Bank and the following subsidiaries:

Subsidiaries	Country of incorporation	Principal activities	% of ownership	
			2024	2023
BPI Capital Corporation	Philippines	Investment house	100	100
BPI Direct BanKo, Inc., A Savings Bank	Philippines	Banking	100	100
BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth	Philippines	Asset management	100	100
BPI Wealth Hong Kong Ltd. (formerly BPI International Finance Limited)	Hong Kong	Financing	100	100
BPI Europe Plc.	England and Wales	Banking (deposit)	100	100
BPI Securities Corp.	Philippines	Securities dealer	100	100
BPI Payments Holdings Inc. (BPHI)	Philippines	Financing	100	100
Filinvest Algo Financial Corp.	Philippines	Financing	100	100
BPI Investments, Inc. (formerly BPI Investment Management, Inc.)	Philippines	Mutual fund distribution	100	100
Santiago Land Development Corporation	Philippines	Land holding	100	100
BPI Computer Systems Corp.	Philippines	Business systems service	100	100
BPI Forex Corp.	Philippines	Foreign exchange	100	100
BPI Remittance Centre (HK) Ltd.	Hong Kong	Remittance	100	100
BPI Wealth Singapore Pte. Ltd.	Singapore	Asset management	100	100
First Far East Development Corporation	Philippines	Real estate	100	100
FEB Stock Brokers, Inc.	Philippines	Securities dealer	100	100
FEB Speed International	Philippines	Remittance	100	100
Legazpi Savings Bank, Inc. (LSB)	Philippines	Banking	99.94	-
Ayala Plans, Inc.	Philippines	Pre-need	98.93	98.93
FGU Insurance Corporation	Philippines	Non-life insurance	94.62	94.62
BPI/MS Insurance Corporation	Philippines	Non-life insurance	50.85	50.85

## 2 Assets and liabilities attributable to insurance operations

Details of assets and liabilities attributable to insurance operations at December 31 are as follows:

	Note	2024	2023
(In Millions of Pesos)			
<b>Assets</b>			
Cash and cash equivalents	4	175	193
Insurance balances receivable, net		7,137	6,111
Investment securities			
Financial assets at fair value through profit or loss		1,954	1,814
Financial assets at fair value through other comprehensive income		7,256	6,905
Financial assets at amortized cost		359	353
Investment in associates		167	167
Accounts receivable and other assets, net		3,856	3,378
Land, building and equipment		91	146
		<b>20,995</b>	<b>19,067</b>
<b>Liabilities</b>			
Reserves and other balances		14,682	13,240
Accounts payable, accrued expenses and other payables		1,859	1,962
		<b>16,541</b>	<b>15,202</b>

Details of income attributable to insurance operations before income tax and minority interest for the years ended December 31 are as follows:

	2024	2023	2022
(In Millions of Pesos)			
Premiums earned and related income	3,481	3,312	3,016
Investment and other income	3,019	1,675	1,070
	<b>6,500</b>	<b>4,987</b>	<b>4,086</b>
Benefits, claims and maturities	1,673	1,573	1,280
Decrease in actuarial reserve liabilities	(208)	(288)	(336)
Commissions	1,053	954	924
Management and general expenses	946	876	811
Other expenses	25	29	28
	<b>3,489</b>	<b>3,144</b>	<b>2,707</b>
Income before income tax and minority interest	<b>3,011</b>	<b>1,843</b>	<b>1,379</b>

## 3 Business segments

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 Standards (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 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 and ATMs as well as phone and internet-based banking platforms for individual customers.
- 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. Information on the assets, liabilities and results of operations of the insurance business is fully disclosed in Note 2.

The BPI Group and the Parent Bank 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 year. 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 reasonable 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, impairment charge, 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 statement of condition, but exclude items such as taxation.



	2022			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
	(In Millions of Pesos)			
Net interest income	49,614	26,746	12,281	88,641
Provision for credit and impairment losses	2,808	6,326	25	9,159
Net interest income after provision for credit and impairment losses	46,806	20,420	12,256	79,482
Fees, commissions and other income, net	17,017	2,847	7,064	26,928
Total income	63,823	23,267	19,320	106,410
Compensation and fringe benefits	14,698	2,459	1,162	18,319
Occupancy and equipment-related expenses	5,471	115	646	6,232
Other operating expenses	25,215	3,211	1,484	29,910
Total other expenses	45,384	5,785	3,292	54,461
Operating profit	18,439	17,482	16,028	51,949
Income tax expense				11,532
Net income				39,836
Share in net income of associates				1,056
Total assets	579,926	1,390,803	658,828	2,629,557
Total liabilities	1,534,471	618,008	142,236	2,294,715

Reconciliation of segment results to consolidated results of operations:

	2024		Total per consolidated financial statements
	Total per management reporting	Consolidation adjustments/ Others	
	(In Millions of Pesos)		
Net interest income	133,176	(5,590)	127,586
Provision for credit and impairment losses	6,627	(27)	6,600
Net interest income after provision for credit and impairment losses	126,549	(5,563)	120,986
Fees, commissions and other income, net	38,910	3,643	42,553
Total income	165,459	(1,920)	163,539
Compensation and fringe benefits	26,615	2,324	28,939
Occupancy and equipment-related expenses	10,763	14,369	25,132
Other operating expenses	39,851	(10,126)	29,725
Total other expenses	77,229	6,567	83,796
Operating profit	88,230	(8,487)	79,743
Income tax expense	17,503		17,503
Net income	62,240		62,240
Share in net income of associates	2,738		2,738
Total assets	3,256,400	62,413	3,318,813
Total liabilities	2,852,576	33,547	2,886,123

	2023		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	108,496	(4,146)	104,350
Provision for credit and impairment losses	4,014	(14)	4,000
Net interest income after provision for credit and impairment losses	104,482	(4,132)	100,350
Fees, commissions and other income, net	32,009	1,962	33,971
Total income	136,491	(2,170)	134,321
Compensation and fringe benefits	24,475	(1,254)	23,221
Occupancy and equipment-related expenses	12,098	9,914	22,012
Other operating expenses	33,788	(9,911)	23,877
Total other expenses	70,361	(1,251)	69,110
Operating profit	66,130	(919)	65,211
Income tax expense	13,299		13,299
Net income	51,912		51,912
Share in net income of associates	1,372		1,372
Total assets	2,867,080	21,292	2,888,372
Total liabilities	2,522,002	7,000	2,529,002
	2022		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	88,641	(3,575)	85,066
Provision for credit and impairment losses	9,159	8	9,167
Net interest income after provision for credit and impairment losses	79,482	(3,583)	75,899
Fees, commissions and other income, net	26,928	6,531	33,459
Total income	106,410	2,948	109,358
Compensation and fringe benefits	18,319	1,209	19,528
Occupancy and equipment-related expenses	6,232	12,529	18,761
Other operating expenses	29,910	(10,209)	19,701
Total other expenses	54,461	3,529	57,990
Operating profit	51,949	(581)	51,368
Income tax expense	11,532		11,532
Net income	39,836		39,836
Share in net income of associates	1,056		1,056
Total assets	2,629,557	(25,596)	2,603,961
Total liabilities	2,294,715	(10,558)	2,284,157

“Consolidation adjustments/Others” pertain to amounts of insurance operations and support units and inter-segment elimination in accordance with the BPI Group’s internal reporting.

#### 4 Cash and cash equivalents

The account at December 31 consists of:

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Cash and other cash items		<b>49,762</b>	34,843	<b>49,136</b>	34,444
Due from Bangko Sentral ng Pilipinas (BSP)		<b>164,571</b>	199,619	<b>161,247</b>	192,246
Due from other banks		<b>72,060</b>	36,292	<b>68,439</b>	33,081
Interbank loans receivable and securities purchased under agreements to resell (SPAR)	5	<b>13,519</b>	17,535	<b>5,901</b>	14,234
Cash and cash equivalents attributable to insurance operations	2	<b>175</b>	193	-	-
		<b>300,087</b>	288,482	<b>284,723</b>	274,005

#### 5 Interbank loans receivable and SPAR, net

The account at December 31 consists of transactions with:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
BSP	<b>7,500</b>	15,177	-	11,982
Other banks	<b>9,227</b>	5,483	<b>9,111</b>	5,379
	<b>16,727</b>	20,660	<b>9,111</b>	17,361
Accrued interest receivable	<b>31</b>	26	<b>25</b>	24
	<b>16,758</b>	20,686	<b>9,136</b>	17,385
Allowance for impairment	<b>(43)</b>	(43)	<b>(43)</b>	(43)
	<b>16,715</b>	20,643	<b>9,093</b>	17,342

As at December 31, 2024, interbank loans receivable and SPAR maturing within 90 days from the date of acquisition amounting to P13,519 million (2023 - P17,535 million) for the BPI Group and P5,901 million (2023 - P14,234 million) for the Parent Bank are classified as cash equivalents in the statements of cash flows (Note 4).

Government bonds are pledged by the BSP as collateral under reverse repurchase agreements. The aggregate face value of securities pledged approximates the total balance of outstanding placements as at reporting date.

The range of average interest rates (%) of interbank loans receivable and SPAR for the years ended December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Peso-denominated	<b>4.95 - 8.37</b>	4.75 - 8.50	<b>4.95 - 8.37</b>	4.75 - 8.50
US dollar-denominated	<b>4.10 - 5.70</b>	4.85 - 5.25	<b>4.40 - 5.41</b>	4.85 - 5.15

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

The account at December 31 consists of:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Debt securities					
Government securities		<b>35,942</b>	15,928	<b>33,548</b>	13,654
Commercial papers of private companies		<b>5,159</b>	3,813	<b>376</b>	6
Listed equity securities		<b>351</b>	111	-	-
Derivative financial assets	7	<b>5,856</b>	3,802	<b>5,833</b>	3,796
		<b>47,308</b>	23,654	<b>39,757</b>	17,456

All financial assets at FVTPL held by the BPI Group and the Parent Bank are classified as current.

## 7 Derivative financial instruments

Derivatives held by the BPI Group consist mainly of the following:

- Foreign exchange forwards represent commitments to purchase or sell one currency against another at an agreed forward rate on a specified date in the future. Settlement can be made via full delivery of forward proceeds or via payment of the difference (non-deliverable forward) between the contracted forward rate and the prevailing market rate at maturity.
- Foreign exchange swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future.
- Interest rate swaps refer to agreement to exchange fixed rate versus floating interest payments (or vice versa) on a reference notional amount over an agreed period.
- Cross currency swaps refer to an exchange of notional amounts on two currencies at a given exchange rate where the parties on the transaction agree to pay a stated interest rate on the received notional amount and accept a stated interest rate on the delivered notional amount, payable and receivable or net settled (non-deliverable swaps) periodically over the term of the transaction.

The BPI Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfill their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the BPI Group assesses counterparties using the same techniques as for its lending activities.

The fair values of derivative financial instruments as at December 31 are set out below:

Consolidated

	Assets		Liabilities	
	2024	2023	2024	2023
	(In Millions of Pesos)			
<b><i>Held for trading</i></b>				
Foreign exchange derivatives				
Currency swaps	127	174	160	53
Currency forwards	3,967	1,309	3,743	1,262
Options	-	-	-	-
Interest rate swaps	1,760	2,317	1,069	1,506
Warrants	2	2	-	-
<b><i>Held for hedging</i></b>				
Interest rate swap	-	-	4	-
	<b>5,856</b>	<b>3,802</b>	<b>4,976</b>	<b>2,821</b>

Parent

	Assets		Liabilities	
	2024	2023	2024	2023
	(In Millions of Pesos)			
<b><i>Held for trading</i></b>				
Foreign exchange derivatives				
Currency swaps	127	173	160	53
Currency forwards	3,944	1,304	3,680	1,215
Options	-	-	-	-
Interest rate swaps	1,760	2,317	1,069	1,506
Warrants	2	2	-	-
<b><i>Held for hedging</i></b>				
Interest rate swap	-	-	4	-
	<b>5,833</b>	<b>3,796</b>	<b>4,913</b>	<b>2,774</b>

*Cash flow hedge of floating rate securities*

Consistent with its established risk management framework and asset liability management strategies, the Parent Bank decided to hedge the interest rate exposure arising from the floating rate securities (hedged item) acquired in 2024.

The Parent Bank aims to minimize or reduce the variability in cash flows arising from the floating rate securities through the float-for-fix interest rate swap (IRS) hedging instrument. Under the terms of the IRS, the Parent Bank agrees to receive a fixed rate in exchange a floating rate which coincides with the interest from the hedged item. The hedge ratio of 1:1 is observed so as not to create an imbalance that would create hedge ineffectiveness. The hedge has been assessed to be effective as of reporting date.

As of December 31, 2024, the Parent Bank's IRS hedging instrument notional amount is P587 million.

*Critical accounting estimate - Determination of fair value of derivatives and other financial instruments*

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.

All models are approved by the BOD before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect reported fair value of financial instruments. The BPI Group considers that it is impracticable, however, to disclose with sufficient reliability the possible effects of sensitivities surrounding the fair value of financial instruments that are not quoted in active markets.

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

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities				
Government securities	231,908	191,506	229,754	188,459
Commercial papers of private companies	28,852	21,732	27,496	21,452
	260,760	213,238	257,250	209,911
Accrued interest receivable	3,598	2,542	3,584	2,531
	264,358	215,780	260,834	212,442
Equity securities				
Listed	2,293	1,266	2,094	1,043
Unlisted	1,551	1,608	284	698
	3,844	2,874	2,378	1,741
	268,202	218,654	263,212	214,183

The BPI Group has designated a small portfolio of equity securities from listed and unlisted private corporations as financial assets at FVOCI. The BPI Group adopted this presentation as the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

Debt securities classified as financial assets at FVOCI are classified as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	55,200	40,551	83,578	38,990
Non-current (over 12 months)	209,158	175,229	177,256	173,452
	264,358	215,780	260,834	212,442

The range of average interest rates (%) of financial assets at FVOCI for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Peso-denominated	2.25 - 8.57	2.20 - 8.57	2.25 - 8.57	2.20 - 8.57
Foreign currency-denominated	0.24 - 7.00	0.24 - 7.00	0.24 - 7.00	0.24 - 7.00

Interest income from debt instruments recognized in the statement of income for the year ended December 31, 2024 amounts to P11,569 million (2023 - P6,176 million; 2022 - P1,987 million) and P11,394 million (2023 - P6,060 million; 2022 - P1,945 million) for the BPI Group and Parent Bank, respectively.

As at December 31, 2024, government securities aggregating P4.80 billion (2023 - nil) are used as security for bills payable of the Parent Bank (Note 16).

Dividend income from equity instruments recognized in the statement of income under other operating income for the year ended December 31, 2024 amounts to P93 million (2023 - P100 million; 2022 - P60 million) and P65 million (2023 - P66 million; 2022 - P36 million) for the BPI Group and Parent Bank, respectively (Note 19).

## 9 Investment securities at amortized cost, net

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Government securities	<b>285,396</b>	320,808	<b>284,620</b>	320,161
Commercial papers of private companies	<b>54,186</b>	58,326	<b>48,142</b>	53,448
	<b>339,582</b>	379,134	<b>332,762</b>	373,609
Accrued interest receivable	<b>3,642</b>	3,608	<b>3,554</b>	3,542
	<b>343,224</b>	382,742	<b>336,316</b>	377,151
Allowance for impairment	<b>(116)</b>	(31)	<b>(83)</b>	(31)
	<b>343,108</b>	382,711	<b>336,233</b>	377,120

The range of average effective interest rates (%) for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Peso-denominated	<b>2.48 - 8.13</b>	2.09 - 8.13	<b>2.48 - 8.13</b>	2.09 - 8.13
Foreign currency-denominated	<b>0.13 - 8.13</b>	0.13 - 7.32	<b>0.80 - 5.92</b>	0.80 - 6.07

In 2024, the BPI Group and the Parent Bank recognized a net gain of P4 million and P5 million, respectively, from the sale of investment securities that are close-to-maturity and an insignificant amount of debt securities. In 2023, the Parent Bank recognized a net gain of P2 million resulting from sale of close-to-maturity debt securities. In 2022, the Parent Bank recognized a net gain on disposal of P214 million resulting from sale of an insignificant amount of debt securities.

As at December 31, 2024, government securities aggregating P30.37 billion (2023 - P3.43 billion) are used as security for bills payable of the Parent Bank (Note 16).

Interest income from these investment securities recognized in the statement of income for the year ended December 31, 2024 amounts to P14,444 million (2023 - P14,678 million; 2022 - P14,514 million) and P14,282 million (2023 - P14,549 million; 2022 - P14,388 million) for the BPI Group and the Parent Bank, respectively.

Investment securities at amortized cost are expected to be realized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	<b>30,866</b>	64,063	<b>29,364</b>	63,742
Non-current (over 12 months)	<b>312,242</b>	318,648	<b>306,869</b>	313,378
	<b>343,108</b>	382,711	<b>336,233</b>	377,120

As at December 31, 2024, the Parent Bank has P5,593 million (2023 - P6,459 million) outstanding securities overlying securitization structures measured at amortized cost. The securities are held for collection of contractual cash flows until maturity and those cash flows represent solely payments of principal and interest.

*Critical accounting judgment - Classification of investment securities at amortized cost*

The BPI Group classifies its financial assets at initial recognition as to whether it will be subsequently measured at FVOCI, at amortized cost, or at FVTPL. The BPI Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The BPI Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the "SPPI"). If the instrument fails the SPPI test, it will be measured at FVTPL.

## 10 Loans and advances, net

Details of this account at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Corporate loans				
Large corporate customers	1,618,027	1,446,426	1,613,767	1,442,251
Small and medium enterprise	103,138	79,097	103,119	79,093
Retail loans				
Credit cards	180,830	137,889	180,830	137,889
Real estate mortgages	236,089	171,495	234,520	170,321
Auto loans	98,166	71,896	98,161	71,895
Others	50,797	28,536	2,459	229
	2,287,047	1,935,339	2,232,856	1,901,678
Accrued interest receivable	18,115	12,943	16,598	12,006
Unearned discount/income	(12,295)	(8,801)	(12,147)	(8,795)
	2,292,867	1,939,481	2,237,307	1,904,889
Allowance for impairment	(54,102)	(57,474)	(50,379)	(55,049)
	2,238,765	1,882,007	2,186,928	1,849,840

Others include personal loans, microfinance loans and bills purchased for the BPI Group and the Parent Bank as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the BPI Group has no outstanding loans and advances used as security for bills payable (Note 16).

Loans and advances include amounts due from related parties (Note 25).

Loans and advances are expected to be realized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	798,681	776,788	781,931	766,284
Non-current (over 12 months)	1,494,186	1,162,693	1,455,376	1,138,605
	2,292,867	1,939,481	2,237,307	1,904,889

The range of average interest rates (%) of loans and advances for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Commercial loans				
Peso-denominated loans	6.24 - 6.44	5.44 - 6.13	6.24 - 6.44	5.44 - 6.13
Foreign currency-denominated loans	6.38 - 6.81	5.80 - 6.63	6.38 - 6.81	5.80 - 6.63
Real estate mortgages	7.17 - 8.23	6.63 - 7.32	7.17 - 8.23	6.72 - 7.31
Auto loans	11.03 - 11.99	9.76 - 10.32	11.08 - 11.75	9.76 - 10.32

Interest income from loans and advances recognized in the statement of income for the year ended December 31, 2024 amounts to P159,594 million (2023 - P120,900 million; 2022 - P84,909 million) and P148,062 million (2023 - P114,050 million; 2022 - P80,724 million) for the BPI Group and the Parent Bank, respectively.

Details of the loans and advances portfolio at December 31 as to collateral (amounts net of unearned discounts and exclusive of accrued interest receivable) are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	348,232	304,090	346,616	302,870
Project assets	162,641	138,915	162,641	138,915
Chattel mortgage	94,493	75,028	94,488	75,028
Others	48,507	25,912	48,482	25,757
	653,873	543,945	652,227	542,570
Unsecured loans	1,620,879	1,382,593	1,568,482	1,350,313
	2,274,752	1,926,538	2,220,709	1,892,883

Others represent loans secured mainly by hold-out deposits, mortgage trust indentures, government and corporate securities and bonds, quedan/warehouse receipts, standby letters of credit, trust receipts, deposit substitutes and inventories.

## 11 Bank premises, furniture, fixtures and equipment, net

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

### Consolidated

	2024			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
	(In Millions of Pesos)			
Cost				
January 1, 2024	2,983	34,293	16,389	53,665
Additions	23	3,538	1,716	5,277
Disposals	(29)	(636)	(1,462)	(2,127)
Transfers	-	228	(4)	224
Other changes	-	(42)	2	(40)
Impact of merger*	9	741	299	1,049
<b>December 31, 2024</b>	<b>2,986</b>	<b>38,122</b>	<b>16,940</b>	<b>58,048</b>
Accumulated depreciation				
January 1, 2024	-	19,388	14,526	33,914
Depreciation and amortization	-	3,026	1,185	4,211
Disposals	-	(530)	(779)	(1,309)
Transfers	-	1	(4)	(3)
Other changes	-	24	2	26
<b>December 31, 2024</b>	<b>-</b>	<b>21,909</b>	<b>14,930</b>	<b>36,839</b>
<b>Net book value, December 31, 2024</b>	<b>2,986</b>	<b>16,213</b>	<b>2,010</b>	<b>21,209</b>

\*The impact of merger includes the fair value of bank premises, furniture, fixtures and equipment of LSB. This is presented as part of Investments in subsidiaries and associates, net, under net assets acquired disclosed in Note 29.

	2023			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
(In Millions of Pesos)				
<b>Cost</b>				
January 1, 2023	3,015	31,087	16,400	50,502
Additions	-	3,523	2,954	6,477
Disposals	(30)	(330)	(2,946)	(3,306)
Transfers	-	(30)	(19)	(49)
Other changes	(2)	43	-	41
<b>December 31, 2023</b>	<b>2,983</b>	<b>34,293</b>	<b>16,389</b>	<b>53,665</b>
<b>Accumulated depreciation</b>				
January 1, 2023	-	16,622	14,525	31,147
Depreciation and amortization	-	2,922	989	3,911
Disposals	-	(244)	(980)	(1,224)
Transfers	-	4	(8)	(4)
Other changes	-	84	-	84
<b>December 31, 2023</b>	<b>-</b>	<b>19,388</b>	<b>14,526</b>	<b>33,914</b>
<b>Net book value, December 31, 2023</b>	<b>2,983</b>	<b>14,905</b>	<b>1,863</b>	<b>19,751</b>

#### Parent

	2024			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
(In Millions of Pesos)				
<b>Cost</b>				
January 1, 2024	2,982	30,974	15,627	<b>49,583</b>
Additions	23	3,078	1,634	<b>4,735</b>
Disposals	(28)	(512)	(1,424)	<b>(1,964)</b>
Transfers	-	230	2	<b>232</b>
Other changes	-	(9)	-	<b>(9)</b>
Impact of merger	-	663	290	<b>953</b>
<b>December 31, 2024</b>	<b>2,977</b>	<b>34,424</b>	<b>16,129</b>	<b>53,530</b>
<b>Accumulated depreciation</b>				
January 1, 2024	-	17,295	13,887	<b>31,182</b>
Depreciation and amortization	-	2,628	1,121	<b>3,749</b>
Disposals	-	(407)	(756)	<b>(1,163)</b>
Transfers	-	3	-	<b>3</b>
Other changes	-	-	-	<b>-</b>
<b>December 31, 2024</b>	<b>-</b>	<b>19,519</b>	<b>14,252</b>	<b>33,771</b>
<b>Net book value, December 31, 2024</b>	<b>2,977</b>	<b>14,905</b>	<b>1,877</b>	<b>19,759</b>

	2023			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
	(In Millions of Pesos)			
<b>Cost</b>				
January 1, 2023	3,015	28,880	15,693	47,588
Additions	-	3,167	2,870	6,037
Disposals	(30)	(294)	(2,936)	(3,260)
Transfers	-	(30)	-	(30)
Other changes	(3)	(749)	-	(752)
<b>December 31, 2023</b>	<b>2,982</b>	<b>30,974</b>	<b>15,627</b>	<b>49,583</b>
<b>Accumulated depreciation</b>				
January 1, 2023	-	14,934	13,933	28,867
Depreciation and amortization	-	2,567	928	3,495
Disposals	-	(209)	(974)	(1,183)
Transfers	-	3	-	3
Other changes	-	-	-	-
<b>December 31, 2023</b>	<b>-</b>	<b>17,295</b>	<b>13,887</b>	<b>31,182</b>
<b>Net book value, December 31, 2023</b>	<b>2,982</b>	<b>13,679</b>	<b>1,740</b>	<b>18,401</b>

As at December 31, 2024, the BPI Group has recognized construction-in-progress amounting to P2.10 billion (2023 - P1.45 billion) in relation to the redevelopment of its main office, of which P650.84 million relates to costs during 2024 (2023 - P535 million).

In 2022, the Parent Bank entered into a contract of lease with Ayala Land, Inc., a related party, for the lease of office space at Ayala Triangle Gardens Tower 2. In 2023, the Parent Bank assigned a portion of its office unit to BPI Securities Corporation, BPI Capital Corporation and BPI Wealth, effective July 1, 2023.

Other changes pertain to additions and remeasurement of right-of-use assets due to lease modification, renewal of lease agreements, modification of lease terms and deferral of escalation clause on existing lease contracts.

Depreciation and amortization charges are included in "Occupancy and equipment-related expenses" category in the statements of income.

In 2024, the Parent Bank realized a gain of P216 million (2023 - P420 million) (Note 19) from the disposal of certain bank premises, furniture, fixtures and equipment.

In 2022, the Parent Bank sold two properties located at Pasong Tamo, Makati City with a net book value of P126 million for a purchase price of P5.49 billion resulting in a gain on sale of P4.99 billion, net of gross receipts tax, which forms part of the realized gain recorded within Other operating income (Note 19). Out of the total gain of P4.99 billion, P4.31 billion pertains to the portion of the property classified as investment property under Other assets (Note 14).

*Critical accounting estimate - Useful lives of bank premises, furniture, fixtures and equipment*

The BPI Group determines the estimated useful lives of its bank premises, furniture, fixtures and equipment based on the period over which the assets are expected to be available for use. The BPI Group annually reviews the estimated useful lives of bank premises, furniture, fixtures and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the carrying values of bank premises, furniture, fixtures and equipment.

## 12 Investments in subsidiaries and associates, net

This account at December 31 consists of investments in shares of stock as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Carrying value (net of impairment)				
Investments at equity method	10,904	8,287	-	-
Investments at cost method	-	-	19,165	15,526
	10,904	8,287	19,165	15,526

Investments in associates accounted for using the equity method in the consolidated statement of condition are as follows:

Name of entity	Place of business/ country of incorporation	Percentage of ownership interest		Acquisition cost	
		2024	2023	2024	2023
		(in %)		(In Millions of Pesos)	
Global Payments Asia-Pacific Philippines, Incorporated	Philippines	49.00	49.00	1,342	1,342
AF Payments, Inc. (AFPI)	Philippines	20.00	20.00	1,140	1,060
BPI AIA Life Assurance Corporation (formerly BPI-Philamlife Assurance Corporation)	Philippines	47.97	47.96	390	389
BPI Century Tokyo Lease and Finance Corporation	Philippines	49.00	49.00	316	316
Beacon Property Ventures, Inc.	Philippines	20.00	20.00	72	72
CityTrust Realty Corporation	Philippines	40.00	40.00	2	2
Unicon Insurance and Reinsurance Brokers Corporation	Philippines	40.00	-	148	-
				3,410	3,181

The movements in investments in associates accounted for using the equity method in the consolidated financial statements are summarized as follows:

	2024	2023
	(In Millions of Pesos)	
Acquisition cost		
At January 1	3,181	3,061
Impact of merger	148	-
Additions during the year	81	120
At December 31	3,410	3,181
Accumulated equity in net income		
At January 1	4,920	4,437
Share in net income for the year*	2,738	1,372
Dividends received	(134)	(889)
At December 31	7,524	4,920
Accumulated share in other comprehensive income		
At January 1	326	(131)
Share in other comprehensive (loss) income for the year	(216)	457
At December 31	110	326
Allowance for impairment	(140)	(140)
	10,904	8,287

\*The share in net income for the year is presented as part of miscellaneous income under other operating income in the statement of income.

No associate is deemed individually significant for financial reporting purposes. Accordingly, the relevant unaudited financial information of associates as at and for the years ended December 31 are aggregated as follows:

	<b>2024</b>	2023
	(In Millions of Pesos)	
Total assets	<b>137,610</b>	129,429
Total liabilities	<b>114,882</b>	111,601
Total revenues	<b>30,386</b>	24,198
Total net income	<b>5,556</b>	2,924

The details of equity investments accounted for using the cost method in the separate financial statements of the Parent Bank follow:

	Acquisition cost		Allowance for impairment		Carrying value	
	<b>2024</b>	2023	<b>2024</b>	2023	<b>2024</b>	2023
	(In Millions of Pesos)					
Subsidiaries						
BPI Europe Plc.	<b>7,180</b>	7,180	-	-	<b>7,180</b>	7,180
BPI Direct BanKo, Inc., A Savings Bank (BanKo)	<b>2,509</b>	2,009	-	-	<b>2,509</b>	2,009
Legazpi Savings Bank (LSB)	<b>2,050</b>	-	-	-	<b>2,050</b>	-
BPI Wealth	<b>1,512</b>	1,502	-	-	<b>1,512</b>	1,502
BPI Payments Holdings Inc.	<b>893</b>	813	<b>(700)</b>	(672)	<b>193</b>	141
BPI Wealth Singapore Pte. Ltd.	<b>878</b>	-	-	-	<b>878</b>	-
Ayala Plans, Inc.	<b>864</b>	864	-	-	<b>864</b>	864
BPI Capital Corporation	<b>623</b>	623	-	-	<b>623</b>	623
FGU Insurance Corporation	<b>303</b>	303	-	-	<b>303</b>	303
BPI Forex Corp.	<b>195</b>	195	-	-	<b>195</b>	195
BPI Wealth Hong Kong Ltd.	<b>143</b>	143	-	-	<b>143</b>	143
Santiago Land Development Corporation	<b>140</b>	140	-	-	<b>140</b>	140
BPI Remittance Centre (HK) Ltd.	<b>132</b>	132	-	-	<b>132</b>	132
First Far East Development Corporation	<b>91</b>	91	-	-	<b>91</b>	91
FEB Stock Brokers, Inc.	<b>25</b>	25	-	-	<b>25</b>	25
BPI Computer Systems Corp.	<b>23</b>	23	-	-	<b>23</b>	23
Others	<b>35</b>	35	-	-	<b>35</b>	35
Associates	<b>2,269</b>	2,120	-	-	<b>2,269</b>	2,120
	<b>19,865</b>	16,198	<b>(700)</b>	(672)	<b>19,165</b>	15,526

In 2024, the Parent Bank made additional capital infusion to Legazpi Saving Bank, BPI Direct BanKo, and BPI Wealth Singapore Pte. Ltd. amounting to P750 million, P500 million and Singaporean Dollars (SGD) 20 million equivalent to P878 million, respectively. Further, the Parent Bank entered into an Assignment Agreement with BPI Wealth to transfer the trust accounts acquired from merger of with RBC accounted for as additional capital contribution of P10 million. In 2023, the Parent Bank made additional capital infusions to BPHI amounting to P120 million.

The merger between BPI and RBC involves the acquisition of RBC's investments in various entities. Investments in associate and subsidiary consists of investments in Unicon Insurance Brokers Corporation (UIBC) and LSB. UIBC is an insurance brokerage company while LSB, a wholly owned entity by the bank, is a thrift bank with teacher's loans as its main product offering.

In June 2023, BPI Wealth Singapore Pte. Ltd. was incorporated with the Accounting and Corporate Regulatory Authority of Singapore with BPI Parent as the sole owner of its share amounting to SGD1. In 2024, BPI Wealth Singapore Pte. Ltd. issued the SGD20 million ordinary shares to Parent Bank. As at December 31, 2024, the entity is non-operational and awaiting approval of its Capital Market Services license by the Monetary Authority of Singapore.

No non-controlling interest arising from investments in subsidiaries is deemed material to the BPI Group.

Critical accounting judgment and estimate - Impairment of investments in subsidiaries and associates

The BPI Group assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the BPI Group considers important which could trigger an impairment review include the following:

- significant decline in market value;
- 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 BPI Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Management has not identified any indicators of impairment as at December 31, 2024 and 2023 in its subsidiaries apart from BPHI.

In 2024, the Parent Bank recognized an impairment loss of P28 million in its investment in BPHI due to financial losses incurred by BPHI's associate, AFPI (2023 - nil).

For the 2024 and 2023 reporting periods, the recoverable amount of the subsidiary was determined based on the higher between fair value less cost to sell and value-in-use (VIU) calculations which require the use of assumptions. The VIU calculations use cash flow projections based on financial budgets approved by management.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the recoverable amount of the subsidiary.

### 13 Deferred income taxes

Details of deferred income tax assets and liabilities at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Deferred income tax assets				
Allowance for credit and impairment losses	14,879	15,277	13,916	14,607
Pension liability	2,319	2,499	2,254	2,419
Provisions	832	644	767	595
Others	480	(62)	476	24
Total deferred income tax assets	18,510	18,358	17,413	17,645
Deferred income tax liabilities				
Unrealized gain on assets	(103)	(39)	(39)	(39)
Others	(206)	(134)	(191)	(70)
Total deferred income tax liabilities	(309)	(173)	(230)	(109)
Deferred income tax assets, net	18,201	18,185	17,183	17,536

Movements in net deferred income tax assets are summarized as follows:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Beginning of the year		<b>18,185</b>	16,752	<b>17,536</b>	16,356
Impact of merger	29	<b>860</b>	-	<b>782</b>	-
Amounts recognized in statement of income		<b>(746)</b>	635	<b>(1,060)</b>	419
Amounts recognized in other comprehensive income		<b>(98)</b>	798	<b>(75)</b>	761
End of the year		<b>18,201</b>	18,185	<b>17,183</b>	17,536

Details of deferred income tax items recognized in the statement of income are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
(In Millions of Pesos)						
Allowance for impairment	<b>1,286</b>	99	(1,164)	<b>1,580</b>	280	(1,152)
Pension	<b>155</b>	(629)	33	<b>144</b>	(606)	46
Others	<b>(695)</b>	(105)	225	<b>(664)</b>	(93)	163
	<b>746</b>	(635)	(906)	<b>1,060</b>	(419)	(943)

*Critical accounting judgment - Realization of deferred income tax assets*

Management reviews at each reporting date the carrying amounts of deferred tax assets. The carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. Management believes that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized.

**14 Other assets, net**

The account at December 31 consists of the following:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Goodwill	29	<b>9,518</b>	-	<b>9,518</b>	-
Intangible assets		<b>9,206</b>	854	<b>8,636</b>	831
Accounts receivable		<b>3,806</b>	2,780	<b>6,058</b>	4,118
Sundry debits		<b>3,197</b>	10,025	<b>3,196</b>	9,988
Prepaid expenses		<b>2,926</b>	1,991	<b>2,842</b>	1,924
Rental deposits		<b>905</b>	828	<b>851</b>	782
Accrued trust and other fees		<b>857</b>	673	<b>134</b>	138
Creditable withholding tax		<b>557</b>	428	<b>367</b>	286
Investment properties		<b>62</b>	69	<b>51</b>	58
Miscellaneous assets		<b>9,563</b>	3,376	<b>9,038</b>	2,895
		<b>40,597</b>	21,024	<b>40,691</b>	21,020
Allowance for impairment		<b>(1,995)</b>	(1,108)	<b>(1,919)</b>	(1,019)
		<b>38,602</b>	19,916	<b>38,772</b>	20,001

Intangible assets comprise computer software costs, contractual customer relationships, management contracts and identifiable intangible assets acquired from the merger with RBC which consist of core deposits, customer relationships and branch licenses (Note 29).

Core deposits refer to stable, long-term funding sources for a bank that provide a reliable and lower-cost source of funds.

Customer relationships refer to the expected future economic benefits that result from customer loyalty, repeat business, and long-term relationships of RBC.

Branch licenses represent the cost of acquired branches from the merger with RBC equivalent to the processing fees paid to the BSP to obtain these licenses.

Accounts receivable includes non-loan related receivables from merchants and service providers, litigation related receivables and receivables from employees.

Sundry debits are float items caused by timing differences in recording of transactions. These float items are normally cleared within one day.

Prepaid expenses include Philippine Deposit Insurance Corporation (PDIC) assessment dues, prepayments for rent, allowances and taxes.

Miscellaneous assets include postage stamps, stationery and supplies.

The allowance for impairment pertains mainly to accounts receivable. The reconciliation of the allowance for impairment at December 31 is summarized as follows:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Beginning of the year		1,108	1,189	1,019	1,135
Provision for impairment losses	26	1,064	61	1,044	40
Transfer/reallocation		(38)	(6)	(5)	(20)
Write-off		(139)	(136)	(139)	(136)
End of the year		1,995	1,108	1,919	1,019

Other assets are expected to be realized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Current (within 12 months)	21,581	20,040	22,340	20,117
Non-current (over 12 months)	19,016	984	18,351	903
	40,597	21,024	40,691	21,020

Critical accounting estimate - Useful lives of intangible assets

The Parent Bank estimates the useful life of the core deposits intangible to be at 18 years and the customer relationship at 9 years. The Parent Bank amortizes intangible assets with a finite useful life, using the straight-line method.

Critical accounting judgment - Impairment of goodwill

The Parent Bank recognized goodwill amounting to P9,518 million from the merger with RBC equivalent to the excess of the purchase price over the fair value of net assets acquired. The goodwill is attributable to the expected synergies from combining the operations of RBC with BPI.

As at December 31, 2024, management assessed that the goodwill is not impaired as there are no significant events or changes in circumstances from January 1, 2024 that affects the expected benefit coming out of the merger.

## 15 Deposit liabilities

The account at December 31 consists of:

	Consolidated		Parent	
	2024	2023	2024	2023
		(In Millions of Pesos)		
Demand	<b>426,789</b>	379,076	<b>428,977</b>	382,443
Savings	<b>1,225,451</b>	1,158,548	<b>1,207,114</b>	1,148,770
Time	<b>962,562</b>	757,482	<b>928,044</b>	732,920
	<b>2,614,802</b>	2,295,106	<b>2,564,135</b>	2,264,133

Deposit liabilities include amounts due to related parties (Note 25).

Deposit liabilities are expected to be settled as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
		(In Millions of Pesos)		
Current (within 12 months)	<b>1,465,575</b>	1,392,507	<b>1,425,359</b>	1,368,484
Non-current (over 12 months)	<b>1,149,227</b>	902,599	<b>1,138,776</b>	895,649
	<b>2,614,802</b>	2,295,106	<b>2,564,135</b>	2,264,133

In 2024, the interest rate on demand and savings deposit ranges from 0.06% to 0.09% (2023 - 0.05% to 0.09%) and interest rate on time deposit ranges from 5.34% to 5.50% (2023 - 4.35% to 5.35%).

In 2019, the Parent Bank issued the first tranche of long-term negotiable certificates of deposit (LTNCD) amounting to P3 billion out of the established P50-billion LTNCD program approved by the BSP. The LTNCDs pay interest on a quarterly basis at a rate 4% per annum and carry a tenor of 5.5 years maturing on April 25, 2025. The proceeds from the LTNCD issuance are included in "Time deposits" category.

Related interest expense on deposit liabilities is presented below:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
		(In Millions of Pesos)				
Demand	<b>263</b>	248	287	<b>264</b>	248	286
Savings	<b>2,343</b>	2,115	2,420	<b>1,956</b>	2,065	2,375
Time	<b>50,575</b>	33,664	12,114	<b>48,439</b>	32,621	12,050
	<b>53,181</b>	36,027	14,821	<b>50,659</b>	34,934	14,711

### *BSP reserve requirement*

The Parent Bank and its bank subsidiaries should comply with a minimum reserve requirement on deposit and deposit substitute liabilities in local currency.

In 2024, the BSP approved the reduction in minimum reserve requirement for universal and commercial banks to 7% from 9.5% and for thrift banks to 1% from 2% effective October 25, 2024 by virtue of BSP Circular No. 1201. These rates continue to be consistent for the remaining period of 2024 from the date of effectivity.

Reserves must be set aside in deposits with the BSP. As at December 31, 2024, the reserves (included in Due from BSP) amounted to P156,122 million (2023 - P186,356 million) for the BPI Group and P155,643 million (2023 - P185,703 million) for the Parent Bank. The BPI Group is in full compliance with the reserve requirement as at December 31, 2024 and 2023.

## 16 Bills payable and other borrowed funds

The account at December 31 consists of:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Bills payable				
Local banks	8,082	720	7,983	-
Foreign banks	47,614	22,359	47,614	19,701
Other borrowed funds	107,486	114,025	107,486	114,025
	<b>163,182</b>	137,104	<b>163,083</b>	133,726

### 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. Financial assets at FVOCI and investment securities at amortized cost serve as collateral for the Parent Bank's bills payable (Notes 8 and 9). The payment terms of these bills payable ranges from 6 days to 5 years (2023 - 29 days to 3 years).

As a result of the merger with RBC, BPI assumed peso-denominated borrowings with Land Bank of the Philippines and Development Bank of the Philippines. As at December 31, 2024, the carrying amount of the borrowings is P4,983 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 US Dollar (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. The loan matures on August 24, 2026 and has a carrying amount of P17,274 million as at December 31, 2024 (2023 - P16,494 million). The Parent Bank incurred origination costs amounting to USD2.35 million.

The range of average interest rates (%) of bills payable for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Private firms and local banks - Peso - denominated	5.94 - 7.00	5.75 - 7.00	5.94 - 7.00	5.75 - 7.00
Foreign banks - Foreign currency-denominated	4.40 - 7.23	2.70 - 7.23	4.40 - 6.33	5.00 - 6.33

### 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 November 20, 2019, the BOD of the Parent Bank approved the issuance of Peso-denominated bonds and commercial papers of up to P100 billion, of which P97 billion has been drawdown in multiple tranches, under the updated Bond Issuance Program with outstanding drawdown as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2024	2023
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	January 31, 2022	2.81%	January 31, 2024	27,000	-	27,000

On May 18, 2022, the BOD of the Parent Bank approved a new P100 billion Bond Program. 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.

As at December 31, the drawdowns are outstanding with the following details:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2024	2023
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	January 30, 2023	5.75%	July 30, 2024	20,300	-	20,236
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	November 13, 2023	6.43%	May 13, 2025	36,661	<b>36,586</b>	36,371
Fixed rate bond, unconditional, unsecured and unsubordinated	August 9, 2024	6.20%	February 9, 2026	33,700	<b>33,485</b>	-

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 Bank’s Bond Program established in 2022.

*(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 million. As at December 31, the outstanding drawdowns are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2024	2023
(In Millions of Pesos)						
USD 300 million, 5-year senior unsecured Green Bonds	September 10, 2019	2.50%	September 10, 2024	15,572	-	16,594
USD 400 million, 5-year senior unsecured Green Bonds	March 26, 2024	5.25%	March 26, 2029	22,528	<b>22,967</b>	-

*(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 December 31, 2024, the carrying amount of the bond amounts to P14,448 million (2023 - P13,824 million).

Interest expense for the years ended December 31 is summarized as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Bills payable	2,727	1,050	143	2,585	811	35
Other borrowed funds	6,460	4,145	3,238	6,460	4,145	3,238
	<b>9,187</b>	<b>5,195</b>	<b>3,381</b>	<b>9,045</b>	<b>4,956</b>	<b>3,273</b>

The movements in bills payable and other borrowed funds are summarized as follows:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		(In Millions of Pesos)			
At January 1		137,104	97,503	133,726	93,002
Impact of merger	29	14,952	-	14,952	-
Additions		392,738	138,190	360,659	122,029
Maturities		(384,648)	(98,232)	(349,140)	(80,976)
Amortization of discount		478	342	478	342
Exchange differences		2,558	(699)	2,408	(671)
At December 31		<b>163,182</b>	<b>137,104</b>	<b>163,083</b>	<b>133,726</b>

Bills payable and other borrowed funds are expected to be settled as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	70,025	69,861	69,926	67,038
Non-current (over 12 months)	93,157	67,243	93,157	66,688
	<b>163,182</b>	<b>137,104</b>	<b>163,083</b>	<b>133,726</b>

## 17 Deferred credits and other liabilities

The account at December 31 consists of the following:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		(In Millions of Pesos)			
Bills purchased - contra		14,968	10,674	14,968	10,674
Lease liabilities	20	9,824	9,756	8,641	8,678
Accounts payable		8,180	7,603	7,229	7,082
Outstanding acceptances		3,238	7,862	3,238	7,862
Other deferred credits		3,215	3,063	3,215	3,063
Withholding tax payable		1,962	1,503	1,871	1,441
Due to the Treasurer of the Philippines		1,552	1,568	1,541	1,557
Miscellaneous liabilities		13,280	11,423	12,347	10,674
		<b>56,219</b>	<b>53,452</b>	<b>53,050</b>	<b>51,031</b>

Bills purchased - contra represents liabilities arising from the outright purchases of checks due for clearing as a means of immediate financing offered by the BPI Group to its clients.

Accounts payable consists of unpaid balances arising from transfer tax payments, settlement fees and operating expenses.

Outstanding acceptances represent liabilities arising from the bank drafts and bills of exchange the Parent Bank has accepted from its clients.

Other deferred credits mainly pertain to unexpired portion of membership fee paid by the credit card holders and liabilities in relation to purchased contract-to-sell receivables from developers.

Miscellaneous liabilities include pension liability, allowance for credit losses for undrawn committed credit facilities and other employee-related payables.

The account is expected to be settled as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	<b>46,481</b>	41,642	<b>42,908</b>	40,268
Non-current (over 12 months)	<b>9,738</b>	11,810	<b>10,142</b>	10,763
	<b>56,219</b>	53,452	<b>53,050</b>	51,031

## 18 Capital funds

### (a) Share capital

Details of authorized share capital of the Parent Bank follow:

	2024	2023	2022
	(In Millions of Pesos, except par value per share)		
Authorized capital (at P10 par value per share)			
Common shares	<b>54,000</b>	54,000	50,000
Preferred A shares	<b>600</b>	600	600
	<b>54,600</b>	54,600	50,600

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

	2024	2023	2022
	(In absolute number of shares)		
Common shares			
At January 1	<b>4,945,197,291</b>	4,919,307,531	4,513,128,255
Subscription of shares during the year	<b>12,893,860</b>	25,889,760	406,179,276
Impact of merger (Note 29)	<b>314,003,992</b>	-	-
At December 31	<b>5,272,095,143</b>	4,945,197,291	4,919,307,531
	(In absolute amounts of Pesos)		
Subscription receivable	<b>111,000,871</b>	144,726,145	-

The BPI common shares are listed and traded in the PSE since October 12, 1971.

As at December 31, 2024, the Parent Bank has a subscription receivable representing the amortization of Executive Stock Purchase Plan (ESPP) shares in excess of par value and booked against share premium amounting to P411 million (2023 - P342 million; 2022 - P208 million).

On February 10, 2014, additional 370,370,370 common shares were listed as a result of the stock rights offer. Likewise, on April 25, 2018, BPI completed its P50 billion stock rights offer, which paved the way for the issuance of 558,659,210 new common shares at P89.50 per share. The new shares were issued to shareholders as of record date of April 6, 2018, at a ratio of 1:7.0594, or 1 new common share for every 7 shares held, or 14.2% of BPI's outstanding common shares. These new shares were listed on the Philippine Stock Exchange (PSE) on May 4, 2018.

As at December 31, 2024, 2023 and 2022, the Parent Bank has 11,641, 11,760 and 11,864 common shareholders, respectively. There are no preferred shares issued and outstanding at December 31, 2024, 2023 and 2022.

Preferred A shares shall have pre-emptive rights with respect to additional issues of Preferred A shares of the Parent Bank.

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.

*BPI and RBC merger (Note 29)*

On January 1, 2024, the Parent Bank issued common shares to RBC shareholders as consideration of the merger. The fair value of the 314,003,992 shares issued is based on the share price on December 31, 2023 of P103.80 per share. The total consideration for the merger amounted to P32.59 billion.

Pursuant to the issuance of shares due to the merger as at January 1, 2024, the Parent Bank's share capital and share premium increased by P3.14 billion and P29.45 million, respectively.

*(b) Reserves*

The account consists of:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
General loan loss provision	10,274	-	-	10,274	-	-
Reserve for trust business	400	400	387	-	-	-
Executive stock option plan amortization	17	49	132	4	36	116
Reserve for trading participants	73	73	73	-	-	-
Reserve for self-insurance	34	34	34	34	34	34
Merger reserves	-	-	-	32,905	32,905	32,905
Others	91	87	18	-	-	-
	<b>10,889</b>	<b>643</b>	<b>644</b>	<b>43,217</b>	<b>32,975</b>	<b>33,055</b>

*General loan loss provision (GLLP)*

In 2018, the BSP issued Circular 1011 which mandates among others, banks 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. Under the said Circular, if the PFRS 9 "Stage 1" loan loss allowance is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at December 31, 2024, the Parent Bank appropriated P10,274 million (2023 - nil) out of surplus representing the excess of GLLP over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP.

*Reserve for trust business*

In compliance with existing BSP regulations, 10% of income from trust business of 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 2024.

*Reserve for trading participants*

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.

### Reserve for self-insurance

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.

### Merger reserves

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the value of the shares acquired in respect of the acquisition of BPI Family Savings Bank, Inc. (BFB), accounted for under the pooling-of-interest method. It also includes the results of operations of BFB during the year ended December 31, 2021, net of dividends declared on December 29, 2021.

### Share-based compensation plan

The BOD of the Parent Bank approved to grant the Executive Stock Option Plan (ESOP) and ESPP to qualified beneficiaries/participants up to the following number of shares for future distribution:

Date	Approved ESOP shares	Approved ESPP shares
April 17, 2024	-	50,510,010
July 1, 2021	-	34,000,000
December 11, 2019	4,035,000	9,100,000
December 12, 2018	4,168,000	11,500,000
December 6, 2017	3,560,000	7,500,000
January 25, 2017	3,560,000	4,500,000

The ESOP has a three-year vesting period from grant date. The exercise price for ESOP is equal to the volume weighted average of BPI share price for the 30-trading days immediately prior to the grant date. The weighted average fair value of options granted determined using the Black-Scholes valuation model was P19.04 and P6.50 for the options granted in December 2019 and 2018, respectively.

Movements in the number of share options under the ESOP are summarized as follows:

	2024	2023	2022
At January 1	5,966,559	9,866,999	12,905,000
Granted	-	-	-
Exercised	(2,552,606)	(3,900,440)	(2,353,001)
Cancelled	(153,333)	-	(685,000)
At December 31	3,260,620	5,966,559	9,866,999
Exercisable	3,260,620	5,966,559	8,708,666

The impact of ESOP is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned above.

The subscription price for 2021 to 2023 ESPP is equivalent to 10% below the volume weighted average of BPI share price for 30-trading days prior to the grant date. The subscribed shares will vest over a period of three (3) years from grant date. The grant dates for the last three-year ESPP were on April 26, 2023, December 13, 2022 and February 4, 2020. The initial subscriptions for the ESPP granted on April 26, 2023 and December 13, 2022 were received on April 26, 2023 and March 10, 2023, respectively. The ESPP has a five-year payment period for the grants 2019 and prior, and a ten-year payment period for grants 2021 and onwards.

The subscription price for 2024 ESPP is equivalent to 15% below the volume weighted average price of BPI share for 30-trading days prior to the grant date. The subscribed shares will vest over a period of three (3) years from grant date. The 2024 ESPP was granted on May 15, 2024 and subscriptions were received on May 27, 2024.

(c) Accumulated other comprehensive loss

Details of and movements in the account are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Fair value reserve on financial assets at FVOCI						
At January 1	<b>(2,893)</b>	(8,058)	(3,030)	<b>(2,303)</b>	(7,465)	(2,327)
Unrealized fair value gain (loss) before tax	<b>997</b>	6,996	(4,337)	<b>917</b>	7,005	(4,393)
Amount recycled to profit or loss	<b>(2,350)</b>	(947)	(28)	<b>(2,349)</b>	(947)	(28)
Deferred income tax effect	<b>183</b>	(884)	(663)	<b>184</b>	(896)	(717)
At December 31	<b>(4,063)</b>	(2,893)	(8,058)	<b>(3,551)</b>	(2,303)	(7,465)
Share in other comprehensive loss of insurance subsidiaries						
At January 1	<b>(30)</b>	(80)	71	-	-	-
Share in other comprehensive income (loss) for the year, before tax	<b>10</b>	63	(187)	-	-	-
Deferred income tax effect	<b>(2)</b>	(13)	36	-	-	-
At December 31	<b>(22)</b>	(30)	(80)	-	-	-
Share in other comprehensive income (loss) of associates						
At January 1	<b>292</b>	(162)	166	-	-	-
Share in other comprehensive (loss) income for the year	<b>(220)</b>	454	(328)	-	-	-
At December 31	<b>72</b>	292	(162)	-	-	-
Translation adjustment on foreign operations						
At January 1	<b>(636)</b>	(582)	(517)	-	-	-
Translation differences and others	<b>349</b>	(54)	(65)	-	-	-
At December 31	<b>(287)</b>	(636)	(582)	-	-	-
Cash flow hedge reserves						
At January 1	-	-	-	-	-	-
Translation differences and others	<b>(1)</b>	-	-	<b>(1)</b>	-	-
At December 31	<b>(1)</b>	-	-	<b>(1)</b>	-	-
Remeasurements of defined benefit obligation, net						
At January 1	<b>(7,860)</b>	(5,374)	(5,360)	<b>(6,773)</b>	(4,378)	(4,498)
Actuarial (losses) gains for the year	<b>(399)</b>	(3,434)	191	<b>(323)</b>	(3,342)	104
Deferred income tax effect	<b>(80)</b>	948	(205)	<b>(74)</b>	947	16
At December 31	<b>(8,339)</b>	(7,860)	(5,374)	<b>(7,170)</b>	(6,773)	(4,378)
	<b>(12,640)</b>	(11,127)	(14,256)	<b>(10,722)</b>	(9,076)	(11,843)

(d) Dividend declarations

Cash dividends

Dividends declared by the BOD of the Parent Bank are as follows:

Date declared	Amount of dividends	
	Per share	Total
(In Millions of Pesos)		
<i>For the year ended December 31, 2024</i>		
May 15, 2024	1.98	10,439
November 20, 2024	1.98	10,439
		20,878
<i>For the year ended December 31, 2023</i>		
May 17, 2023	1.68	7,626
November 15, 2023	1.68	8,308
		15,934
<i>For the year ended December 31, 2022</i>		
May 18, 2022	1.06	4,784
November 16, 2022	1.06	4,784
		9,568

Property dividends

The Parent Bank issued 406,179,276 treasury shares on January 1, 2022 at a price of P81.35 per share as a consideration for the merger with BFB amounting to P33,043 billion. On March 15, 2023, the BOD declared the treasury shares as property dividends.

(e) Earnings per share (EPS)

EPS is calculated as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
(In Millions of Pesos, except earnings per share amounts)						
a) Net income attributable to equity holders of the Parent Bank	<b>62,049</b>	51,687	39,605	<b>56,384</b>	50,053	36,999
b) Weighted average number of common shares outstanding during the year	<b>5,266</b>	4,741	4,513	<b>5,266</b>	4,741	4,513
c) Basic EPS (a/b) based on net income	<b>11.78</b>	10.90	8.78	<b>10.71</b>	10.56	8.20

The basic and diluted EPS are the same for the years presented as the impact of stock options outstanding is not significant to the calculation of weighted average number of common shares.

## 19 Other income

### (a) Fees and commission

Details of fees and commission are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Service charges	11,812	9,673	8,382	11,055	9,000	7,745
Bank commissions	2,694	2,168	1,787	2,689	2,166	1,771
Underwriting fees	456	693	936	-	-	-
Stock brokerage fees	200	183	234	-	-	-
	<b>15,162</b>	12,717	11,339	<b>13,744</b>	11,166	9,516

Service charges represent service fees and processing fees collected from customers.

Bank commissions include foreign and domestic commissions collected for services rendered.

### (b) Other operating income

Details of other operating income are as follows:

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
		(In Millions of Pesos)					
Credit card income		8,089	6,209	4,594	8,089	6,209	4,594
Trust and asset management fees		4,983	4,211	3,802	-	2	4
Gain on sale of assets	11	247	407	5,303	216	420	5,295
Rental income		141	135	195	156	167	225
Dividend income	8	93	100	60	1,505	3,066	1,810
Miscellaneous income		4,056	3,205	3,099	3,606	2,877	2,637
		<b>17,609</b>	14,267	17,053	<b>13,572</b>	12,741	14,565

Dividend income recognized by the Parent Bank substantially pertains to dividend distributions of subsidiaries.

Miscellaneous income includes recoveries on charged-off assets, fees arising from service arrangements with customers and related parties and share in net income (loss) of associates.

## 20 Leases

The BPI Group (as lessee) has various lease agreements which mainly pertain to branch premises and equipment. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes. The balances arising from the lease contracts are presented below:

### *Right-of-use assets and lease liabilities (PFRS 16)*

Details of right-of-use assets and lease liabilities as at December 31 are as follows:

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
<i>Right-of-use assets</i>					
Buildings and leasehold improvements	11	<b>8,287</b>	8,404	<b>7,177</b>	7,365
<i>Lease liabilities (included in "Deferred credits and other liabilities")</i>	17				
Current		<b>2,964</b>	2,577	<b>2,665</b>	2,337
Non-current		<b>6,860</b>	7,179	<b>5,976</b>	6,341
		<b>9,824</b>	9,756	<b>8,641</b>	8,678

Additions to the right-of-use assets, excluding impact of merger (Note 11), in 2024 aggregated P1,862 million (2023 - P1,701 million) and P1,469 million (2023 - P1,459 million) for BPI Group and Parent bank, respectively. Total cash outflow for leases in 2024 amounted to P2,438 million (2023 - P2,214 million) and P2,096 million (2023 - P1,933 million) for BPI Group and Parent bank, respectively.

Lease contracts assumed from the merger with RBC mostly pertain to building and parking spaces with terms ranging from 2 to 10 years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Parent Bank's option. Additions to the right-of-use asset due to the impact of merger amounted to P411 million (Note 11).

Amounts recognized in the statement of income relating to leases:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
<i>Depreciation expense</i>					
Buildings and leasehold improvements	11	<b>2,278</b>	2,186	<b>1,965</b>	1,936
Interest expense (included in "Occupancy and equipment-related expenses")		<b>372</b>	321	<b>293</b>	281
Expense relating to short-term leases (included in "Occupancy and equipment-related expenses")		<b>450</b>	101	<b>449</b>	101
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in "Occupancy and equipment-related expenses")		<b>511</b>	397	<b>452</b>	354
		<b>3,611</b>	3,005	<b>3,159</b>	2,672

The BPI Group has received COVID-19 related rent discount and deferral of the escalation of lease payments and has applied the practical expedients allowed under PFRS 16, *Leases*, introduced in May 2020 in accounting for the rent concessions. Consequently, the BPI Group recognized the following amounts for the years ended December 31:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Rent concession (included in "Other operating income")	1	1	1	1

Critical accounting judgment - Determining the lease term

In determining the lease term, the BPI Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Critical accounting judgment - Determining the incremental borrowing rate

To determine the incremental borrowing rate, each entity within the BPI Group:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held which do not have recent third-party financing; and
- makes adjustments specific to the lease (e.g. term, currency and security).

The BPI Group's weighted average incremental borrowing rates applied to the lease liabilities ranged from 4.08% to 6.84% (2023 - 2.00% to 7.40%). The rates were determined in reference to the borrowing rates arising from the most recent debt issuances of the Parent Bank.

## 21 Operating expenses

### (a) Compensation and fringe benefits

Details of the account for the years ended December 31:

	Note	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
		(In Millions of Pesos)					
Salaries and wages		23,423	18,600	16,024	20,562	16,320	14,236
Retirement expense	23	1,450	1,232	1,438	1,363	1,148	1,379
Other employee benefit expenses		4,066	3,389	2,066	3,289	2,842	1,792
		<b>28,939</b>	23,221	19,528	<b>25,214</b>	20,310	17,407

Other employee benefit expenses pertain to employee incentives like HMO coverage and SSS premiums.

(b) Other operating expenses

Details of the account for the years ended December 31:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Insurance	6,371	5,204	4,768	6,256	5,140	4,711
Advertising	3,996	4,124	2,393	3,822	4,020	2,259
Travel and communication	1,685	1,575	1,194	1,484	1,414	1,069
Management and other professional fees	1,288	730	651	1,244	673	572
Supervision and examination fees	999	963	873	774	783	695
Litigation expenses	665	477	349	653	468	345
Taxes and licenses	634	224	1,214	554	165	1,147
Office supplies	579	428	358	502	363	305
Amortization expense	484	18	172	465	1	3
Others	13,024	10,134	7,729	11,650	9,115	7,089
	<b>29,725</b>	<b>23,877</b>	<b>19,701</b>	<b>27,404</b>	<b>22,142</b>	<b>18,195</b>

Insurance expense comprise mainly of premium payments made to PDIC and other product-related insurance costs.

Amortization expense includes the amortization of intangible assets acquired from the merger with RBC (Notes 14 and 29).

Other expenses mainly include fees and incentives paid to agents, outsourcing fees, freight charges and other business expense such as those incurred in staff meetings, donations, periodicals and magazines.

## 22 Income taxes

The reconciliation between the income tax expense at the statutory tax rate and the effective income tax for the years ended December 31 is shown below:

	Consolidated					
	2024		2023		2022	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	19,936	25.00	16,303	25.00	12,842	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(1,598)	(2.00)	(392)	(0.60)	(723)	(1.41)
Tax-exempt income	(1,715)	(2.15)	(1,134)	(1.74)	(1,318)	(2.56)
Others, net	880	1.10	(1,478)	(2.27)	731	1.42
Effective income tax	<b>17,503</b>	<b>21.95</b>	<b>13,299</b>	<b>20.39</b>	<b>11,532</b>	<b>22.45</b>

	Parent					
	2024		2023		2022	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	18,109	25.00	15,559	25.00	11,821	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(579)	(0.80)	(446)	(0.72)	(77)	(0.17)
Tax-exempt income	(1,683)	(2.32)	(1,872)	(3.01)	(1,506)	(3.18)
Others, net	206	0.28	(1,060)	(1.70)	45	0.10
Effective income tax	<b>16,053</b>	<b>22.16</b>	<b>12,181</b>	<b>19.57</b>	<b>10,283</b>	<b>21.75</b>

## 23 Retirement plans

The BPI Group maintains both defined benefit and defined contribution retirement plans. Assets of both retirement plans are held in trust and governed by local regulations and practices in the Philippines. The key terms of these pension plans are discussed below.

### *a) Defined benefit retirement plan*

#### BPI Group (excluding insurance operations and LSB)

BPI has a unified plan which covers all subsidiaries except insurance entities. Under this plan, the normal retirement age is 60 years. Those who elect to retire prior to the normal retirement age will require company approval, subject to meeting the eligibility conditions on age and years of credited services. Normal retirement benefit consists of a lump sum benefit equivalent to 200% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service and cash equivalent of the accrued and unused vacation and sick leave, if any subject to the BPI Group's implementing guidelines and policies. For voluntary retirement, the benefit is equivalent to 112.50% of the employee's basic monthly salary for a minimum of 10 years of service with the rate factor progressing to a maximum of 200% of basic monthly salary for service years of 25 or more. Death or disability benefit, on the other hand, shall be the highest amount among the (1) same basis as in voluntary retirement; (2) 100% of basic monthly salary of the employee at the time of his retirement for each year of service; and (3) minimum amount required by Labor Code.

The net defined benefit cost and contributions to be paid by the entities within the BPI Group are determined by an independent actuary.

With the merger of RBC with the Bank effective January 1, 2024, its retirement fund assets were also transferred to the BPI Group's retirement fund.

#### Non-life insurance subsidiary

BPI/MS Insurance Corporation has a separate trustee defined benefit plan. Under the plan, the normal retirement age is 60 years. Normal retirement benefit consists of a lump sum benefit equivalent to 175% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service. Death or disability benefit for all employees of the non-life insurance subsidiary shall be determined on the same basis as in normal or voluntary retirement as the case may be.

#### LSB

LSB has a stand-alone non-contributory defined benefit plan covering all its regular and permanent employees. Under the retirement plan, all employees are entitled to cash benefits after satisfying certain age and service requirements. As at December 31, 2024, the pension liability amounts to P9 million. The impact of LSB's pension plan is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned.

Following are the amounts recognized based on recent actuarial valuation exercise:

(a) Pension liability as at December 31 recognized in the statement of condition:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Present value of defined benefit obligation	<b>19,860</b>	18,632	<b>19,304</b>	18,098
Fair value of plan assets	<b>(15,667)</b>	(14,103)	<b>(15,182)</b>	(13,722)
	<b>4,193</b>	4,529	<b>4,122</b>	4,376
Effect of asset ceiling	<b>33</b>	12	-	-
	<b>4,226</b>	4,541	<b>4,122</b>	4,376

Pension liability is shown as part of "Miscellaneous liabilities" within Deferred credits and other liabilities (Note 17).

The movements in plan assets are summarized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	<b>14,103</b>	12,876	<b>13,722</b>	12,515
Impact of merger	<b>470</b>	-	<b>470</b>	-
Contributions	<b>1,213</b>	2,251	<b>1,165</b>	2,229
Interest income	<b>775</b>	886	<b>752</b>	860
Benefit payments	<b>(1,703)</b>	(1,032)	<b>(1,691)</b>	(1,030)
Remeasurement gain (loss) - return on plan assets	<b>1,539</b>	(878)	<b>1,494</b>	(852)
Transfer to the plan	<b>(730)</b>	-	<b>(730)</b>	-
At December 31	<b>15,667</b>	14,103	<b>15,182</b>	13,722

The carrying values of the plan assets represent their fair value as at December 31, 2024 and 2023.

The plan assets comprised the following:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities	<b>10,130</b>	8,517	<b>9,817</b>	8,287
Equity securities	<b>4,341</b>	4,307	<b>4,207</b>	4,191
Others	<b>1,196</b>	1,279	<b>1,158</b>	1,244
	<b>15,667</b>	14,103	<b>15,182</b>	13,722

The plan assets of the unified retirement plan include investment in BPI's common shares with aggregate fair value of P2,747 million at December 31, 2024 (2023 - P2,413 million). An officer of the Parent Bank exercises the voting rights over the plan's investment in BPI's common shares.

Others include cash and cash equivalents and other receivables.

The movements in the present value of defined benefit obligation are summarized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	18,632	15,600	18,098	15,296
Impact of merger	471	-	471	-
Interest cost	1,124	1,115	1,091	1,088
Current service cost	863	757	826	730
Remeasurement - changes in financial assumptions	(76)	1,013	(73)	980
Remeasurement - experience adjustment	1,279	1,512	1,267	1,416
Remeasurement - changes in demographic assumption	-	(332)	-	(306)
Benefit payments	(1,703)	(1,033)	(1,691)	(1,030)
Transfer from the plan	(730)	-	(685)	(76)
At December 31	19,860	18,632	19,304	18,098

Other than the regular funding contributions to the BPI Group's retirement fund, the transfer of RBC fund assets were also considered as presented above.

(b) Expense recognized in the statement of income for the years ended December 31 are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Current service cost	863	757	782	826	730	656
Net interest cost	349	229	295	339	228	258
	1,212	986	1,077	1,165	958	914

The principal assumptions used for the actuarial valuations of the unified plan are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Discount rate	6.12%	6.03%	6.12%	6.03%
Future salary increases	6.00%	6.00%	6.00%	6.00%

Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The defined benefit plan typically exposes the BPI Group to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the BPI Group. However, the BPI Group believes that due to the long-term nature of the pension liability and the strength of the BPI Group itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the BPI Group's long-term strategy to manage the plan efficiently.

The BPI Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The BPI Group's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustor, as necessary to better ensure the appropriate asset-liability matching.

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2024 for the BPI Group and the Parent Bank amount to P1,272 billion and P1,223 billion, respectively (2023 - P1,273 billion and P1,217 billion, respectively). The weighted average duration of the defined benefit obligation under the BPI unified retirement plan as at December 31, 2024 is 5.64 years (2023 - 5.09 years).

The projected maturity analysis of retirement benefit payments as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Up to one year	<b>3,845</b>	3,347	<b>3,754</b>	3,260
More than 1 year to 5 years	<b>14,575</b>	13,753	<b>14,163</b>	13,165
More than 5 years to 10 years	<b>9,837</b>	9,837	<b>9,545</b>	9,409
More than 10 years to 15 years	<b>4,569</b>	4,716	<b>4,340</b>	4,421
More than 15 years to 20 years	<b>3,319</b>	3,306	<b>3,139</b>	3,047
Over 20 years	<b>3,069</b>	3,410	<b>2,875</b>	3,068

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at December 31 follows:

#### Consolidated

##### 2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

##### 2023

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.90%	Increase by 5.30%
Salary growth rate	1.00%	Increase by 5.20%	Decrease by 4.90%

#### Parent

##### 2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

##### 2023

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.90%	Increase by 5.30%
Salary growth rate	1.00%	Increase by 5.20%	Decrease by 4.90%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of condition.

*b) Defined contribution retirement plan subject to the requirements of Republic Act (RA) No. 7641*

All non-unionized employees hired on or after the January 1, 2016 are automatically under the new defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the new defined contribution plan.

Upon normal or late retirement, employees are entitled to a lump sum benefit equal to the total of the following amounts:

- The greater of the (a) updated member account balance where the company periodically contributes 8% of the basic monthly salary and (b) the minimum legal retirement benefit under the Labor Code; and
- The updated member account balance funded by (a) voluntary employee contribution and (b) employer matching contribution; and
- Cash equivalent of the accrued and unused vacation and sick leave, if any.

The defined contribution retirement plan has a defined benefit minimum guarantee equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the liability for the defined benefit minimum guarantee is actuarially calculated similar to the defined benefit plan.

Upon effectivity of the merger, the active employees of RBC were enrolled in the defined benefit plan. Subsequently, they were provided an option to participate to the BPI Group's defined contribution plan instead resulting to the transfer of P730 million representing the initial balance offer.

The funding status of the defined contribution plan as at December 31 is shown below:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	(In Millions of Pesos)			
Present value of defined benefit obligation	<b>3,911</b>	595	<b>3,443</b>	531
Fair value of plan assets	<b>(3,712)</b>	(2,261)	<b>(3,270)</b>	(1,898)
	<b>199</b>	(1,666)	<b>173</b>	(1,367)
Effect of asset ceiling	-	1,666	-	1,367
	<b>199</b>	-	<b>173</b>	-

The movements in the present value of the defined benefit obligation follow:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	(In Millions of Pesos)			
At January 1	<b>595</b>	889	<b>531</b>	767
Impact of merger	-	-	-	-
Interest cost	<b>36</b>	66	<b>33</b>	56
Current service cost	<b>62</b>	120	<b>54</b>	95
Benefit payments	<b>(186)</b>	(184)	<b>(157)</b>	(156)
Remeasurement - changes in financial assumptions	<b>3</b>	54	<b>3</b>	45
Remeasurement - experience adjustment	<b>2,671</b>	369	<b>2,262</b>	336
Remeasurement - changes in demographic assumptions	-	(719)	-	(601)
Transfer to the plan	<b>730</b>	-	<b>717</b>	(11)
At December 31	<b>3,911</b>	595	<b>3,443</b>	531

The movements in the fair value of plan assets follow:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	2,261	1,961	1,898	1,684
Impact of merger	-	-	-	-
Contribution paid by employer	591	332	496	270
Interest income	133	145	111	124
Benefit payments	(186)	(184)	(156)	(156)
Remeasurement gain (loss) - return on plan assets	183	7	191	(24)
Transfer to the plan	730	-	730	-
At December 31	3,712	2,261	3,270	1,898

Total retirement expense for the year ended December 31, 2024 under the defined contribution plan for the BPI Group and Parent Bank amounts to P68 million (2023 - P119 million) and P59 million (2023 - P94 million), respectively.

The components of plan assets of the defined contribution as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities	705	619	621	520
Equity securities	2,248	1,495	1,980	1,255
Others	759	147	669	123
	3,712	2,261	3,270	1,898

The weighted average duration of the defined contribution retirement plan for the BPI Group and Parent Bank is 10.45 years (2023 - 8.17 years).

Critical accounting estimate - Calculation of defined benefit obligation

The BPI Group estimates its pension benefit obligation and expense for defined benefit pension plans based on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, the discount rate and future salary increases. The BPI Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. The present value of the defined benefit obligations of the BPI Group at December 31, 2024 and 2023 are determined using the market yields on Philippine government bonds with terms consistent with the expected payments of employee benefits. Plan assets are invested in either equity securities, debt securities or other forms of investments. Equity markets may experience volatility, which could affect the value of pension plan assets. This volatility may make it inherently impracticable and difficult to estimate the long-term rate of return on plan assets. Actual results that differ from the BPI Group's assumptions are reflected as remeasurements in other comprehensive income. The BPI Group's assumptions are based on actual historical experience and external data regarding compensation and discount rate trends.

**24 Asset management business**

At December 31, 2024, the total trust and fund assets under management of the BPI Group through BPI Wealth amounts to P1,531 billion (2023 - P1,223 billion).

As required by the General Banking Act, BPI Wealth has deposited government securities with the BSP valued at P989 million (2023 - P990 million).

## 25 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. Likewise, the BPI Group has transactions with Ayala Corporation (AC) and its subsidiaries (Ayala Group), on an arm's length basis. AC is a significant stockholder of BPI as at reporting date.

The Parent Bank has a Board-level Related Party Transactions Committee (RPTC) that vets and endorses all significant related party transactions which exceed the Parent Bank's set materiality threshold, including those involving DOSRI, for which the latter shall require final BOD approval. The RPTC consists of three directors, majority of whom are independent directors including the Chairman, and two resource persons from management's control groups, namely, the Chief Audit Executive and the Chief Compliance Officer. Those related party transactions involving amounts below the materiality threshold, the Management Vetting Committee (MVC), which is composed of the Parent Bank's Executive Vice Presidents, the Bank's Chief Finance Officer, and the Bank's Treasurer, shall have the authority to vet these transactions. In case any of the vetting committees has conflict of interest, be it actual or perceived, in a particular related party transaction, he or she is required to inhibit from the vetting and endorsement of the particular RPT.

Transactions with related parties have terms and conditions that are generally comparable to those offered to non-related parties and/or to similar transactions in the market. Any deviation or amendment from previously vetted terms and conditions shall require appropriate RPT vetting and approval.

To ensure that related party transactions are within prudent levels, the Parent Bank's BOD shall prescribe, from time to time, internal limits or sub-limits for individual and aggregate credit exposures to related parties that are consistent with the Parent Bank's risk appetite and regulatory guidelines. The limits shall be computed and based on the Parent Bank's prescribed capital metrics.

The RPTC shall report to the BOD, on a regular basis, the status and aggregate credit exposures of the Parent Bank to each related party as well as the total amount of credit exposure to all related parties.

A summary of significant related party transactions and outstanding balances as at and for the years ended December 31 is shown below (transactions with subsidiaries have been eliminated in the consolidated financial statements):

### Consolidated

	<b>2024</b>		
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances from:			
Associates	<b>366</b>	<b>479</b>	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.67% to 8.15% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	<b>18,335</b>	<b>79,902</b>	
Key management personnel	<b>20</b>	<b>20</b>	
Other related parties	-	-	
	<b>18,721</b>	<b>80,401</b>	
Deposits from:			
Associates	<b>(1,229)</b>	<b>720</b>	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.11% to 0.13% Time - 5.39% to 5.52%
Ayala Group	<b>14,729</b>	<b>15,416</b>	
Key management personnel	<b>(783)</b>	<b>432</b>	
	<b>12,717</b>	<b>16,568</b>	

2023			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Associates	71	113	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.45% to 7.58% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(3,016)	61,680	
Deposits from:			
Associates	912	1,949	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.08% to 0.10% Time - 4.35% to 5.38% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(2,239)	687	
Key management personnel	958	1,215	
	(369)	3,851	
2022			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Associates	(18)	42	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 4.95% to 6.09% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(541)	64,654	
Other related parties	(546)	-	
	(1,105)	64,696	
Deposits from:			
Associates	(236)	1,037	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.80% Savings - 0.09% to 0.10% Time - 1.71% to 4.17% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(8,475)	2,926	
Key management personnel	(727)	257	
	(9,438)	4,220	

Parent

<b>2024</b>			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	(12)	75	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.33% to 7.71% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Associates	366	479	
Ayala Group	18,335	79,902	
Key management personnel	20	20	
	<b>18,709</b>	<b>80,476</b>	
Deposits from:			
Subsidiaries	(982)	5,383	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.08% to 0.09% Time - 5.34% to 5.50%
Associates	(1,229)	720	
Ayala Group	14,729	15,416	
Key management personnel	(759)	432	
	<b>11,759</b>	<b>21,951</b>	
<b>2023</b>			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	53	87	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.22% to 7.23% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Associates	71	113	
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	<b>(2,963)</b>	<b>61,767</b>	
Deposits from:			
Subsidiaries	442	6,365	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.80% Savings - 0.09% to 0.09% Time - 4.35% to 5.35% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	912	1,949	
Ayala Group	(2,239)	687	
Key management personnel	936	1,191	
	<b>51</b>	<b>10,192</b>	

2022			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	34	34	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 4.95% to 6.09% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years. Additional information on DOSRI loans are discussed below.
Associates	(18)	42	
Ayala Group	(541)	64,654	
Other related parties	(546)	-	
	(1,071)	64,730	
Deposits from:			
Subsidiaries	(5,408)	5,923	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.80% Savings - 0.09% to 0.10% Time - 1.71% to 4.17% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	(234)	1,037	
Ayala Group	(7,203)	2,926	
Key management personnel	(692)	255	
	(13,537)	10,141	

The aggregate amounts included in the determination of income before income tax (after elimination) that resulted from transactions with each class of related parties are as follows:

<b>Consolidated</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
(In Millions of Pesos)			
Interest income			
Associates	-	8	-
Ayala Group	<b>3,162</b>	2,297	1,724
Key management personnel	<b>1</b>	-	-
	<b>3,163</b>	2,305	1,724
Other income			
Associates	<b>2,359</b>	327	1,771
Ayala Group	<b>1,543</b>	935	833
	<b>3,902</b>	1,262	2,604
Interest expense			
Associates	<b>17</b>	18	1
Ayala Group	<b>539</b>	4	29
Key management personnel	<b>9</b>	14	1
	<b>565</b>	36	31
Other expenses			
Associates	<b>216</b>	191	389
Ayala Group	<b>1,632</b>	799	1,769
	<b>1,848</b>	990	2,158
Retirement benefits			
Key management personnel	<b>61</b>	50	52
Salaries, allowances and other short-term benefits			
Key management personnel	<b>1,646</b>	1,477	831
Directors' remuneration	<b>125</b>	113	157

<b>Parent</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
	(In Millions of Pesos)		
Interest income			
Subsidiaries	21	19	5
Associates	-	8	-
Ayala Group	3,162	2,297	1,724
Key management personnel	1	-	-
	<b>3,184</b>	<b>2,324</b>	<b>1,729</b>
Other income			
Subsidiaries	1,811	209	733
Associates	2,359	139	1,771
Ayala Group	1,543	935	648
	<b>5,713</b>	<b>1,283</b>	<b>3,152</b>
Interest expense			
Subsidiaries	21	19	5
Associates	17	18	1
Ayala Group	539	4	29
Key management personnel	9	14	1
	<b>586</b>	<b>55</b>	<b>36</b>
Other expenses			
Subsidiaries	48	127	817
Associates	216	-	282
Ayala Group	1,632	799	1,744
	<b>1,896</b>	<b>926</b>	<b>2,843</b>
Retirement benefits			
Key management personnel	60	48	51
Salaries, allowances and other short-term benefits			
Key management personnel	1,603	1,433	796
Directors' remuneration	91	88	131

Other income mainly consists of revenue from service arrangements with related parties in which the related outstanding balance is included under accounts receivable. Other expenses pertain to shared costs with related parties and the related outstanding balance is recognized as accounts payable.

Details of DOSRI loans are as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	(In Millions of Pesos)			
Outstanding DOSRI loans	<b>31,588</b>	18,701	<b>31,588</b>	18,701

As at December 31, 2024, allowance for credit losses amounting to P140 million (2023 - P247 million) have been recognized against receivables from related parties.

## **26 Financial risk management**

The BOD carries out its risk management function through the Risk Management Committee (RMC). The RMC is tasked with nurturing a culture of risk management across the BPI Group. The RMC sets the risk appetite; proposes and approves risk management policies, frameworks, and guidelines; and regularly reviews risk management structures, metrics, limits, and issues across the BPI Group, in order to meet and comply with regulatory and international standards on risk measurement and management.

At the management level, the Risk Management Office (RMO) is headed by the Chief Risk Officer (CRO). The CRO is ultimately responsible in leading the formulation of risk management policies and methodologies in alignment with the overall business strategy of BPI, ensuring that risks are prudently and rationally undertaken and within its risk appetite, as well as commensurate and disciplined to maximize returns on shareholders' capital. Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive prior operational experience. BPI's risk managers regularly monitor key risk indicators and report exposures against carefully established financial and business risk metrics and limits approved by the RMC.

Finally, independent reviews are regularly conducted by the Internal Audit group, external auditors, and regulatory examiners to ensure that risk controls and mitigants are in place and functioning effectively as intended.

The possibility of incurring losses is, however, compensated by the possibility of earning more than expected income. Risk-taking is, therefore, not entirely negative to be avoided. Risk-taking actions present opportunities if risks are fully identified and accounted, deliberately taken, and are kept within prudent and rationalized limits.

Credit risk, liquidity risk and market risk, as well as operational and cyber security risks are some of the top risks that the BPI Group manages.

## **26.1 Credit risk**

The BPI Group takes on exposure to credit risk, which is the risk that may arise if a borrower or counterparty fails to meet its obligations in accordance with agreed repayment terms. Credit risk is the single largest risk for the BPI Group's business; management therefore carefully manages its exposure to credit risk as governed by prudent credit policies, standards and methodologies, relevant regulatory requirements, and international benchmarks.

Loans and advances are the most evident source of credit risks; however, other sources of credit risk exist throughout the activities of the BPI Group, including in credit-related activities recorded in the banking books, investment securities in the trading books and off-balance sheet transactions.

### **26.1.1 Credit risk management**

The Credit Policy and Risk Management (CPRM) division is responsible for the overall management of the BPI Group's credit risks. CPRM supports the Senior Management in coordination with various business lending and operations units in identifying, measuring, reporting, and managing credit risk.

The BPI Group employs a range of policies and practices to mitigate credit risks. The BPI Group monitors its loan and investment portfolios based on different segmentations to reflect the acceptable level of diversification and concentration. Concentration risk in credit portfolios is inherent in banking and cannot be eliminated. However, said risk may be reduced by adopting proper risk controls, mitigation, and diversification strategies to prevent undue credit risk concentrations from excessive exposures to counterparties, borrower-groups, industries, countries or regions.

The BPI Group structures the levels of credit risks it undertakes by placing limits or monitoring thresholds on the amount of risks accepted in relation to one borrower, or group of borrowers, industry segments, and countries or regions. Such risks are monitored on a regular basis and subjected to annual or more frequent review, when deemed necessary. Limits on large exposures and credit concentration are approved by the BOD through the RMC.

The exposure to any borrower may also be further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against risk limits are monitored regularly. Methodologies for measuring credit risk vary depending on several factors, including type of asset, borrower or counterparties' risk profiles, risk measurement parameters and risk management and collection processes. Credit risk measurement is based on the probability of default (PD) of an obligor or counterparty, the loss severity given a default (LGD) event and the exposure at default (EAD).

A rigorous control framework is applied in the determination of expected credit loss (ECL) models. The BPI Group has policies and procedures that govern the calculation of ECL, which is performed by the Credit Risk Modeling, Analytics and MIS (CRMA-MIS) division. All ECL models are regularly reviewed by the Risk Management Office to ensure that necessary controls are in place and the models are applied accordingly.

The review and validation of ECL models are performed by groups that are independent of CRMA-MIS, e.g., Risk Models Validation Division, Internal Auditors, and/or external assurance partners. Expert judgments on measurement methodologies and assumptions are reviewed by a group of internal experts from various functions across the Parent Bank.

Credit loss estimates are based on estimates of the PD and loss severity given a default. The PD is the likelihood that a borrower will default on its obligation; the LGD is the estimated loss that would be realized upon the default and takes into consideration collateral and structural support for each credit facility. The estimation process includes assigning risk ratings to each borrower and credit facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by RMO and revised as needed to reflect the borrower's current financial position, risk profile, related collateral or credit enhancements, and other credit risk mitigants. The calculations and assumptions are based on both internal and external historical experience and management judgment and are reviewed regularly.

The BPI Group's forward-looking, point-in-time PD models are driven by internal forecasts of macroeconomic variables (MEVs) over the next five years. These models are recalibrated annually and a more frequent review and update of these models may be conducted in response to changing macroeconomic conditions.

The BPI Group also manages counterparty credit risk arising from both pre-settlement and settlement risks. Pre-settlement risk is the risk that a counterparty will default prior to the final settlement/maturity of a transaction, while settlement risk pertains to the risk that a counterparty fails to deliver on settlement/maturity date when the Bank has already delivered on its contractual obligations. In managing counterparty risks, pre-settlement and settlement risk limits are established and exposures are monitored daily for each counterparty to cover the aggregate of pre-settlement and settlement risks arising from transactions with the BPI Group. The BPI Group also employs various tools and methods including use of delivery versus payment settlement, payment versus payment settlement, use of collateral agreements, and other acceptable credit risk mitigation techniques to further manage counterparty credit risk.

The BPI Group employs specific control and risk mitigation measures, some of which are outlined below:

*(a) Collateral or guarantees*

One of the most traditional and common practice in mitigating credit risks is requiring collaterals and/or securities particularly for loans and advances. The BPI Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The BPI Group assesses the valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The common collateral types for loans and advances are:

- Mortgages over physical properties (e.g., real estate and personal);
- Mortgages over financial assets [e.g., guarantees, investments (bonds or equities)]; and
- Margin agreement for derivatives, for which the BPI Group has also entered into master netting agreements.

In order to minimize credit loss, the BPI Group seeks additional collateral and/or securities from the counterparty when impairment indicators are observed for the relevant individual loans and advances.

The BPI Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collaterals held by the BPI Group since the prior period.

*(b) Market limits*

The BPI Group maintains market limits on net open derivative positions (i.e., the difference between purchase and sale contracts). Credit risk is limited to the net current fair value of instruments, which in relation to derivatives is only a portion of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments (except where the BPI Group requires margin deposits from counterparties).

*(c) Master netting arrangements*

The BPI Group further restricts its exposure to credit losses by entering master netting arrangements with certain counterparties with which it undertakes significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts (asset position) is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The BPI Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

*(d) Credit-related commitments*

Documentary and commercial letters of credit - which are written undertakings by the BPI Group on behalf of a customer authorizing a third party to draw drafts on the BPI Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods and therefore carry less risk than a direct loan.

### **26.1.2 Credit risk rating**

The BPI Group uses internal credit risk gradings that reflect its assessment of the PD of individual counterparties. The BPI Group uses its internal credit risk rating system, credit models (e.g. credit risk scorecards) or external ratings from reputable credit rating agencies. Specific data about the borrower and loan are collected at the time of application and credit evaluation (such as financial and business information, source of incomes/revenues, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) and are used in the internal credit scoring models. In addition, the internal models allow expert judgment from the Credit Risk Rating Committee and consideration of other data inputs not captured into the model in the determination of the final internal credit score for each borrower.

The BPI Group has adopted an internal credit classification system that is aligned with regulatory guidelines and aims to identify deteriorating credit exposures on a timely basis. Exposures are classified into each of the following categories:

- *Standard monitoring* - This category includes accounts which do not have a greater-than-normal risk and do not possess the characteristics of special monitoring and defaulted loans. The borrower or counterparty has the ability to satisfy the obligation in full and therefore minimal loss, if any, is anticipated.
- *Special monitoring* - This category includes accounts which need closer and frequent monitoring to prevent any further credit deterioration. The counterparty is assessed to be vulnerable to highly vulnerable and its capacity to meet its financial obligations is dependent upon favorable business, financial, and economic conditions.
- *Default* - This category includes accounts which exhibit probable to severe weaknesses wherein probability of non-repayment of loan obligation is ranging from high to extremely high.
  - i. *Corporate (including cross-border loans, contracts-to-sell/group plans with recourse, floorstock lines) and Small and Medium-sized Enterprise (SME) loans*

The BPI Group's internal credit risk rating system comprises a 22-scale rating with eighteen (18) 'pass' rating levels for large corporate accounts, a 14-scale rating system with ten (10) 'pass' rating grades for SME accounts, and a 23-scale rating with nineteen (19) 'pass' rating levels for cross-border accounts. For cross-border accounts, the BPI Group also uses available external/benchmark credit ratings issued by reputable rating agencies if there is no internal rating. The level of risk and associated PD are determined using either the internal credit risk ratings or external/benchmark credit ratings, as applicable, for corporate loans.

The BPI Group uses the following set of classifications:

<b>Classifications</b>	<b>Large corporate</b>	<b>SME</b>	<b>Cross-Border</b>
Standard monitoring	AAA to B-, unrated, and $\leq 30$ days past due (dpd)	AAA to B-, unrated, and $\leq 30$ dpd	AAA to B- with no significant increase in credit risk (SICR), and $\leq 30$ dpd
Special monitoring	CCC to C or based on prescribed dpd threshold	CCC to C or based on prescribed dpd threshold	Downgraded to lower than BB+ with SICR but not impaired, or based on prescribed dpd threshold
Default	Adversely classified accounts (ACA) or $>90$ dpd or Items in Litigation (IL)	ACA or $>90$ dpd or IL	Default/ACA with objective evidence of impairment, or $> 90$ dpd

*ii. Retail loans*

The BPI Group uses automated credit scoring models to assess the level of risk for retail accounts. Behavioral indicators are considered in conjunction with other forward-looking information (e.g., industry forecast) to assess the level of risk of a loan. After the date of initial recognition, the payment behavior of the borrower is monitored on a periodic basis to develop a behavioral score which is mapped to a PD.

<b>Classifications</b>	<b>Credit cards</b>	<b>Personal*, auto, housing and MAX 500**</b>	<b>SEME***</b>
Standard monitoring	$\leq 29$ dpd	$\leq 30$ dpd	$\leq 10$ dpd
Special monitoring	30 to 89 dpd	31 to 90 dpd or based on prescribed dpd threshold	Not applicable
Default	$>89$ dpd or IL	$>90$ dpd or IL	$>10$ dpd

\*Includes salary-based general purpose consumption loan

\*\* A product of Banko, wholly-owned subsidiary of the Parent Bank, and classified as micro-enterprise loan

\*\*\* A product of Banko and offered to self-employed micro-entrepreneurs

*iii. Treasury and other investment debt securities*

Investments in high grade securities and bills are viewed as a way to gain better credit quality mix and at the same time, maintain a readily available source to meet funding requirements. The level of credit risk for treasury and other investment debt securities and their associated PD are determined using either internal ratings or reputable external ratings and/or available and reliable qualitative and quantitative information. In the absence of both internal and external credit ratings, a comparable issuer or guarantor rating is used. Should there be a change in the credit rating of the chosen comparable, evaluation is made to ascertain whether the rating change is applicable to the security being assessed for impairment.

<b>Classifications</b>	<b>Applicable ratings</b>
Standard monitoring	AAA to B- with no SICR
Special monitoring	Downgraded to lower than BB+ with SICR but not impaired
Default	Default, with objective evidence of impairment

*iv. Other financial assets at amortized cost*

For other financial assets (non-credit receivables), the BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss methodology. These financial assets are grouped based on shared risk characteristics and aging profile. For some of these, impairment is assessed individually at a counterparty level.

## 26.1.3 Maximum exposure to credit risk

### 26.1.3.1 Loans and advances, net

Credit risk exposures relating to on-balance sheet loans and advances are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Corporate and SME loans, net	1,685,197	1,482,335	1,680,654	1,478,037
Retail loans, net	553,568	399,672	506,274	371,803
	<b>2,238,765</b>	<b>1,882,007</b>	<b>2,186,928</b>	<b>1,849,840</b>

The carrying amount of loans and advances above also represents the BPI Group's maximum exposure to credit risk. The following tables contain an analysis of the credit risk exposure of each financial instrument for which an ECL allowance is recognized.

### Credit quality of loans and advances, net

#### Consolidated

#### Corporate and SME loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,419,122	92,448	-	1,511,570	1,152,071	1,865	-	1,153,936
Special monitoring	104,098	56,728	-	160,826	129,537	199,296	-	328,833
Default	-	-	44,378	44,378	-	-	38,812	38,812
Gross amount	1,523,220	149,176	44,378	1,716,774	1,281,608	201,161	38,812	1,521,581
Loss allowance	(5,721)	(2,159)	(23,697)	(31,577)	(10,596)	(3,483)	(25,167)	(39,246)
Carrying amount	1,517,499	147,017	20,681	1,685,197	1,271,012	197,678	13,645	1,482,335

#### Retail loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	518,497	18,837	-	537,334	373,296	16,217	-	389,513
Special monitoring	723	12,412	-	13,135	525	8,705	-	9,230
Default	-	-	25,624	25,624	-	-	19,157	19,157
Gross amount	519,220	31,249	25,624	576,093	373,821	24,922	19,157	417,900
Loss allowance	(4,327)	(3,496)	(14,702)	(22,525)	(4,890)	(3,242)	(10,096)	(18,228)
Carrying amount	514,893	27,753	10,922	553,568	368,931	21,680	9,061	399,672

## Parent

### Corporate and SME loans

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,414,762	92,448	-	<b>1,507,210</b>	1,147,940	1,865	-	1,149,805
Special monitoring	104,098	56,727	-	<b>160,825</b>	129,537	199,296	-	328,833
Default	-	-	44,364	<b>44,364</b>	-	-	38,813	38,813
Gross amount	1,518,860	149,175	44,364	<b>1,712,399</b>	1,277,477	201,161	38,813	1,517,451
Loss allowance	(5,901)	(2,159)	(23,685)	<b>(31,745)</b>	(10,767)	(3,483)	(25,164)	(39,414)
Carrying amount	1,512,959	147,016	20,679	<b>1,680,654</b>	1,266,710	197,678	13,649	1,478,037

### Retail loans

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	472,088	18,810	-	<b>490,898</b>	345,864	16,160	-	362,024
Special monitoring	715	11,655	-	<b>12,370</b>	524	8,286	-	8,810
Default	-	-	21,640	<b>21,640</b>	-	-	16,604	16,604
Gross amount	472,803	30,465	21,640	<b>524,908</b>	346,388	24,446	16,604	387,438
Loss allowance	(3,393)	(3,478)	(11,763)	<b>(18,634)</b>	(4,135)	(3,229)	(8,271)	(15,635)
Carrying amount	469,410	26,987	9,877	<b>506,274</b>	342,253	21,217	8,333	371,803

The tables below present the gross amount of "Stage 2" loans and advances by age category.

### Consolidated

	2024			2023		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
	(In Millions of Pesos)					
Current	148,490	13,729	<b>162,219</b>	200,390	12,072	212,462
Past due up to 30 days	86	5,355	<b>5,441</b>	389	4,544	4,933
Past due 31 - 90 days	600	12,165	<b>12,765</b>	382	8,306	8,688
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	149,176	31,249	<b>180,425</b>	201,161	24,922	226,083

Parent

	2024			2023		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
	(In Millions of Pesos)					
Current	148,490	13,708	<b>162,198</b>	200,390	12,033	212,423
Past due up to 30 days	85	5,343	<b>5,428</b>	389	4,522	4,911
Past due 31 - 90 days	600	11,414	<b>12,014</b>	382	7,891	8,273
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	149,175	30,465	<b>179,640</b>	201,161	24,446	225,607

**26.1.3.2 Treasury and other investment securities, net**

Credit risk exposures arising from treasury and other investment securities are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Due from BSP	<b>164,571</b>	199,619	<b>161,247</b>	192,246
Due from other banks	<b>72,060</b>	36,292	<b>68,439</b>	33,081
Interbank loans receivable and SPAR, net	<b>16,715</b>	20,643	<b>9,093</b>	17,342
Financial assets at FVTPL	<b>46,957</b>	23,543	<b>39,757</b>	17,456
Financial assets at FVOCI, net	<b>264,358</b>	215,780	<b>260,834</b>	212,442
Investment securities at amortized cost, net	<b>343,108</b>	382,711	<b>336,233</b>	377,120
	<b>907,769</b>	878,588	<b>875,603</b>	849,687

**Credit quality of treasury and other investment securities, net**

Consolidated

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
<b>Credit grade</b>								
Standard monitoring								
Due from BSP	164,571	-	-	<b>164,571</b>	199,619	-	-	199,619
Due from other banks	72,060	-	-	<b>72,060</b>	36,292	-	-	36,292
Interbank loans receivable and SPAR	16,720	-	-	<b>16,720</b>	20,645	-	-	20,645
Financial assets at FVTPL	46,957	-	-	<b>46,957</b>	23,543	-	-	23,543
Financial assets at FVOCI	263,903	455	-	<b>264,358</b>	215,438	342	-	215,780
Investment securities at amortized cost	342,189	1,035	-	<b>343,224</b>	381,811	931	-	382,742
Default								
Interbank loans receivable and SPAR	-	-	38	<b>38</b>	-	-	41	41
<b>Gross carrying amount</b>	906,400	1,490	38	<b>907,928</b>	877,348	1,273	41	878,662
Loss allowance	(97)	(24)	(38)	<b>(159)</b>	(33)	-	(41)	(74)
<b>Carrying amount</b>	906,303	1,466	-	<b>907,769</b>	877,315	1,273	-	878,588



## Parent

	2024			Total	2023			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
(In Millions of Pesos)								
Credit grade								
Standard monitoring	704,278	1,609	-	<b>705,887</b>	542,193	1,749	-	543,942
Special monitoring	21,421	19	-	<b>21,440</b>	16,241	-	-	16,241
Default	-	-	339	<b>339</b>	-	-	543	543
Gross amount	725,699	1,628	339	<b>727,666</b>	558,434	1,749	543	560,726
Loss allowance*	(1,130)	(112)	(25)	<b>(1,267)</b>	(1,067)	(94)	(71)	(1,232)
Carrying amount	724,569	1,516	314	<b>726,399</b>	557,367	1,655	472	559,494

\*Included in "Miscellaneous liabilities" in Note 17

### 26.1.4 Credit impaired loans and advances

The BPI Group closely monitors collaterals held for financial assets considered to be credit-impaired (Stage 3), as it becomes more likely that the BPI Group will take possession of collateral to mitigate potential credit losses. Loans and advances that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

#### Consolidated

	2024			2023		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
(In Millions of Pesos)						
Credit-impaired assets						
Corporate and SME loans	44,378	23,697	20,681	38,812	25,167	13,645
Retail loans	25,624	14,702	10,922	19,157	10,096	9,061
Total credit-impaired assets	<b>70,002</b>	<b>38,399</b>	<b>31,603</b>	57,969	35,263	22,706
Fair value of collateral	<b>31,611</b>			27,713		

#### Parent

	2024			2023		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
(In Millions of Pesos)						
Credit-impaired assets						
Corporate and SME loans	44,364	23,685	20,679	38,813	25,164	13,649
Retail loans	21,640	11,763	9,877	16,604	8,271	8,333
Total credit-impaired assets	<b>66,004</b>	<b>35,448</b>	<b>30,556</b>	55,417	33,435	21,982
Fair value of collateral	<b>31,570</b>			27,654		

The BPI Group acquires assets by taking possession of collaterals held as security for loans and advances.

As at December 31, 2024, the foreclosed collaterals of BPI Group and Parent Bank have carrying amount of P8,411 million (2023 - P4,743 million) and P8,154 million (2023 - P4,646 million), respectively. The related foreclosed collaterals of BPI Group and Parent Bank have aggregate fair value of P25,956 million (2023 - P14,424 million) and P25,470 million (2023 - P14,092 million), respectively. Foreclosed collaterals include real estate (land, building, and improvements), auto and chattel. Repossessed properties are sold as soon as practicable and are classified as Assets held for sale in the statement of condition. In 2024, the BPI Group realized total loss of P205 million (2023 - P95 million gain) with book value of P3,030 million (2023 - P2,178 million) while the Parent Bank realized a loss of P237 million (2023 - P83 million gain) from disposals of foreclosed collaterals with book value of P2,997 million (2023 - P2,149 million).

### 26.1.5 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired in the period, and the consequent transfer between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the year and releases for financial instruments derecognized during the year;
- Write-offs of allowances related to assets that were written off during the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs during the year;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange translations for assets denominated in foreign currencies and other movements.

The following tables summarize the changes in the loss allowance for loans and advances between the beginning and the end of the annual period. No movement analysis of allowance for impairment is presented for treasury and other investment debt securities and other financial assets subject to impairment as the related loss allowance is deemed insignificant for financial reporting purposes.

#### Consolidated

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	10,596	3,483	25,167	<b>39,246</b>
Impact of merger	160	268	1,470	<b>1,898</b>
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,030	<b>989</b>
Transfer from Stage 2	87	(2,028)	166	<b>(1,775)</b>
Transfer from Stage 3	17	4	(148)	<b>(127)</b>
New financial assets originated	6,189	-	-	<b>6,189</b>
Financial assets derecognized during the year	(1,500)	(749)	(2,720)	<b>(4,969)</b>
Changes in assumptions and other movements in provision	(3,197)	(309)	(3,184)	<b>(6,690)</b>
	<b>(2,955)</b>	<b>(1,572)</b>	<b>(1,856)</b>	<b>(6,383)</b>
Write-offs and other movements	(2,080)	(20)	(1,084)	<b>(3,184)</b>
Loss allowance, at December 31, 2024	<b>5,721</b>	<b>2,159</b>	<b>23,697</b>	<b>31,577</b>

\*The above movements include the effect of RBC allowance transfers.

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	4,890	3,242	10,096	<b>18,228</b>
Impact of merger	306	53	963	<b>1,322</b>
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(2,530)	2,491	7,020	<b>6,981</b>
Transfer from Stage 2	114	(1,745)	2,401	<b>770</b>
Transfer from Stage 3	7	55	(509)	<b>(447)</b>
New financial assets originated	3,076	-	-	<b>3,076</b>
Financial assets derecognized during the year	(449)	(166)	(816)	<b>(1,431)</b>
Changes in assumptions and other movements in provision	(1,150)	(414)	3,691	<b>2,127</b>
	(932)	221	11,787	<b>11,076</b>
Write-offs and other movements	63	(20)	(8,144)	<b>(8,101)</b>
Loss allowance, at December 31, 2024	<b>4,327</b>	<b>3,496</b>	<b>14,702</b>	<b>22,525</b>

\*The above movements include the effect of RBC allowance transfers.

## Parent

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	10,767	3,483	25,164	<b>39,414</b>
Impact of merger	160	268	1,452	<b>1,880</b>
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,029	<b>988</b>
Transfer from Stage 2	87	(2,028)	166	<b>(1,775)</b>
Transfer from Stage 3	17	4	(148)	<b>(127)</b>
New financial assets originated	6,188	-	-	<b>6,188</b>
Financial assets derecognized during the year	(1,500)	(749)	(2,719)	<b>(4,968)</b>
Changes in assumptions and other movements in provision	(3,193)	(309)	(3,176)	<b>(6,678)</b>
	(2,952)	(1,572)	(1,848)	<b>(6,372)</b>
Write-offs and other movements	(2,074)	(20)	(1,083)	<b>(3,177)</b>
Loss allowance, at December 31, 2024	<b>5,901</b>	<b>2,159</b>	<b>23,685</b>	<b>31,745</b>

\*The above movements include the effect of RBC allowance transfers.

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	4,135	3,229	8,271	<b>15,635</b>
Impact of merger	298	52	833	<b>1,183</b>
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,119)	2,475	4,685	<b>6,041</b>
Transfer from Stage 2	113	(1,591)	2,142	<b>664</b>
Transfer from Stage 3	7	54	(475)	<b>(414)</b>
New financial assets originated	1,441	-	-	<b>1,441</b>
Financial assets derecognized during the year	(161)	(165)	(696)	<b>(1,022)</b>
Changes in assumptions and other movements in provision	(1,421)	(557)	3,153	<b>1,175</b>
	(1,140)	216	8,809	<b>7,885</b>
Write-offs and other movements	100	(19)	(6,150)	<b>(6,069)</b>
Loss allowance, at December 31, 2024	<b>3,393</b>	<b>3,478</b>	<b>11,763</b>	<b>18,634</b>

\*The above movements include the effect of RBC allowance transfers.

## Consolidated

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	9,855	1,444	32,383	43,682
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,237)	2,435	2,597	2,795
Transfer from Stage 2	26	(211)	143	(42)
Transfer from Stage 3	-	-	(106)	(106)
New financial assets originated	3,727	-	-	3,727
Financial assets derecognized during the year	(872)	(426)	(1,596)	(2,894)
Changes in assumptions and other movements in provision	102	243	(7,564)	(7,219)
	746	2,041	(6,526)	(3,739)
Write-offs and other movements	(5)	(2)	(690)	(697)
Loss allowance, at December 31, 2023	10,596	3,483	25,167	39,246

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	4,045	2,195	7,845	14,085
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,839)	2,348	4,569	5,078
Transfer from Stage 2	116	(1,198)	1,573	491
Transfer from Stage 3	6	40	(266)	(220)
New financial assets originated	2,744	-	-	2,744
Financial assets derecognized during the year	(395)	(107)	(502)	(1,004)
Changes in assumptions and other movements in provision	222	(32)	400	590
	854	1,051	5,774	7,679
Write-offs and other movements	(9)	(4)	(3,523)	(3,536)
Loss allowance, at December 31, 2023	4,890	3,242	10,096	18,228

## Parent

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	10,026	1,444	32,333	43,803
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,237)	2,435	2,597	2,795
Transfer from Stage 2	26	(211)	143	(42)
Transfer from Stage 3	-	-	(106)	(106)
New financial assets originated	3,727	-	-	3,727
Financial assets derecognized during the year	(872)	(426)	(1,596)	(2,894)
Changes in assumptions and other movements in provision	102	243	(7,567)	(7,222)
	746	2,041	(6,529)	(3,742)
Write-offs and other movements	(5)	(2)	(640)	(647)
Loss allowance, at December 31, 2023	10,767	3,483	25,164	39,414

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	3,509	2,188	6,531	12,228
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,049)	2,337	3,315	4,603
Transfer from Stage 2	116	(1,152)	1,489	453
Transfer from Stage 3	6	40	(252)	(206)
New financial assets originated	1,525	-	-	1,525
Financial assets derecognized during the year	(112)	(106)	(415)	(633)
Changes in assumptions and other movements in provision	142	(74)	96	164
	628	1,045	4,233	5,906
Write-offs and other movements	(2)	(4)	(2,493)	(2,499)
Loss allowance, at December 31, 2023	4,135	3,229	8,271	15,635

*Critical accounting estimate and judgment - Measurement of expected credit loss for loans and advances*

The measurement of the expected credit loss (ECL) for loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). The explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 30.3.2.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for SICR;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- for individually credit-impaired loans, assessing recoverability through future cash flows or through foreclosure of collateral

*Forward-looking information incorporated in the ECL models*

Three distinct macroeconomic scenarios (baseline, upside and downside) are considered in the BPI Group's estimation of expected credit losses in Stage 1 and Stage 2. These scenarios are based on assumptions supported by economic theories and historical experience. The downside scenario reflects a negative macroeconomic event occurring within the first 12 months, with conditions deteriorating for up to two years, followed by a recovery for the remainder of the period. This scenario is grounded in historical experience and assumes a monetary policy response that returns the economy to a long-run, sustainable growth rate within the forecast period. The probability of each scenario is determined using expert judgment and recession probability tools provided by reputable external service providers. The baseline case incorporates the BPI Group's outlook both for the domestic and global economy. The upside and downside scenarios take into account certain adjustments that will lead to a more positive or negative economic outcome, respectively.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any climate, regulatory, legislative or political changes is likewise considered as post-model adjustments, if material.

The BPI Group has performed historical analyses and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The most significant period-end assumptions used for the ECL estimate are set out below. The scenarios “base”, “upside” and “downside” were used for all portfolios.

*At December 31, 2024*

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	7.2	7.3	7.2	7.3	0.2	2.3
Inflation rate (%)	3.6	3.3	2.4	2.1	10.0	9.8
BVAL 5Y (%)	5.7	5.3	4.0	3.5	9.2	8.8
US federal funds rate	3.9	3.8	2.2	2.0	7.4	7.3
Exchange rate	57.500	60.433	54.686	52.006	63.996	83.640

*At December 31, 2023*

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	6.2	6.3	7.3	7.9	1.9	1.0
Inflation rate (%)	3.7	2.8	3.4	2.1	6.5	9.2
BVAL 5Y (%)	6.1	5.3	4.9	3.4	7.8	10.1
US Treasury 5Y (%)	4.6	4.0	3.5	2.1	6.4	8.8
Exchange rate	54.325	57.325	53.459	55.648	55.648	67.662

The US Treasury 5Y economic variable in 2023 was no longer used as shorter term interest rates were preferred given their sensitivities to immediate market conditions and quicker response to possible policy rate changes.

#### *Sensitivity analysis*

The loan portfolios have different sensitivities to movements in MEVs, so the above three scenarios have varying impact on the expected credit losses of the BPI Group’s portfolios. The allowance for impairment is calculated as the weighted average of expected credit losses under the baseline, upside and downside scenarios. The impact of weighting these multiple scenarios was an increase in the allowance for impairment of BPI Group by P1,036 million as at December 31, 2024 from the baseline scenario (2023 - P247 million).

#### *Transfers between stages*

Transfers from Stage 1 and Stage 2 are based on the assessment of SICR from initial recognition. The impact of moving from 12 month expected credit losses to lifetime expected credit losses, or vice versa, varies by product and is dependent on the expected remaining life at the date of the transfer. Stage transfers may result in significant fluctuations in expected credit losses. Assuming all Stage 2 accounts are considered as Stage 1, allowance for impairment for BPI Group would have decreased by P1,664 million as at December 31, 2024 (2023 - P2,626 million).

## 26.1.6 Concentrations of risks of financial assets with credit risk exposure

The BPI Group's main credit exposure at their carrying amounts, as categorized by industry sectors follow:

### Consolidated (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	164,571	72,060	16,758	25,350	45,393	12,670	241,549	-	<b>578,351</b>
Real estate activities	-	-	-	12	329	4,180	521,509	-	<b>526,030</b>
Manufacturing	-	-	-	263	3,523	4,802	324,932	-	<b>333,520</b>
Consumer	-	-	-	-	983	1,311	305,299	-	<b>307,593</b>
Transportation, storage and communications	-	-	-	21	1,977	9,429	247,634	-	<b>259,061</b>
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	253,819	-	<b>262,529</b>
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,125	-	<b>206,569</b>
Others	-	-	-	20,890	207,838	287,414	211,000	5,405	<b>732,547</b>
Allowance	-	-	(43)	-	-	(116)	(54,102)	(1,435)	<b>(55,696)</b>
<b>At December 31, 2024</b>	<b>164,571</b>	<b>72,060</b>	<b>16,715</b>	<b>46,957</b>	<b>264,358</b>	<b>343,108</b>	<b>2,238,765</b>	<b>3,970</b>	<b>3,150,504</b>

### Consolidated (December 31, 2023)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	199,619	36,292	20,686	7,415	26,354	15,988	188,185	-	494,539
Real estate activities	-	-	-	-	438	3,061	448,479	-	451,978
Manufacturing	-	-	-	261	4,260	5,204	300,056	-	309,781
Consumer	-	-	-	-	-	-	221,824	-	221,824
Transportation, storage and communications	-	-	-	-	1,915	12,453	219,845	-	234,213
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	1,455	6,433	217,264	-	225,152
Electricity, gas, steam and air-conditioning supply	-	-	-	18	537	30,803	177,949	-	209,307
Others	-	-	-	15,849	180,821	308,800	165,879	3,438	674,787
Allowance	-	-	(43)	-	-	(31)	(57,474)	(915)	(58,463)
<b>At December 31, 2023</b>	<b>199,619</b>	<b>36,292</b>	<b>20,643</b>	<b>23,543</b>	<b>215,780</b>	<b>382,711</b>	<b>1,882,007</b>	<b>2,523</b>	<b>2,763,118</b>

Parent Bank (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	161,247	68,439	9,136	21,962	45,393	11,477	241,539	-	<b>559,193</b>
Real estate activities	-	-	-	12	329	4,180	519,857	-	<b>524,378</b>
Manufacturing	-	-	-	210	3,523	3,475	323,052	-	<b>330,260</b>
Consumer	-	-	-	-	983	118	270,573	-	<b>271,674</b>
Transportation, storage and communications	-	-	-	21	1,977	9,429	246,267	-	<b>257,694</b>
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	242,807	-	<b>251,517</b>
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,023	-	<b>206,467</b>
Others	-	-	-	17,131	204,394	284,219	206,189	7,545	<b>719,478</b>
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	<b>(51,864)</b>
<b>At December 31, 2024</b>	<b>161,247</b>	<b>68,439</b>	<b>9,093</b>	<b>39,757</b>	<b>260,914</b>	<b>336,233</b>	<b>2,186,928</b>	<b>6,186</b>	<b>3,068,797</b>

Parent Bank (December 31, 2023)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	192,246	33,081	17,385	3,335	26,073	15,264	187,619	-	475,003
Real estate activities	-	-	-	31	438	3,061	447,244	-	450,774
Manufacturing	-	-	-	85	4,260	4,452	299,068	-	307,865
Consumer	-	-	-	-	-	-	202,241	-	202,241
Transportation, storage and communications	-	-	-	64	1,915	11,073	218,718	-	231,770
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	1	1,455	5,489	209,654	-	216,599
Electricity, gas, steam and air-conditioning supply	-	-	-	135	537	29,677	177,890	-	208,239
Others	-	-	-	13,805	177,764	308,135	162,455	4,742	666,901
Allowance	-	-	(43)	-	-	(31)	(55,049)	(836)	(55,959)
<b>At December 31, 2023</b>	<b>192,246</b>	<b>33,081</b>	<b>17,342</b>	<b>17,456</b>	<b>212,442</b>	<b>377,120</b>	<b>1,849,840</b>	<b>3,906</b>	<b>2,703,433</b>

**26.1.7 Provision for (reversal of) credit and impairment losses**

The BPI Group's provision for (reversal of) credit and impairment losses are attributable to the following accounts:

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
(In Millions of Pesos)							
Loans and advances	10	<b>4,693</b>	3,940	8,215	<b>1,513</b>	2,164	7,512
Assets held for sale		<b>837</b>	(222)	411	<b>837</b>	(223)	396
Interbank loans receivable and SPAR	5	<b>7</b>	3	(6)	<b>7</b>	3	(6)
Investment securities at amortized cost	9	<b>56</b>	20	5	<b>56</b>	20	5
Undrawn loan commitments	31	<b>(57)</b>	198	287	<b>(57)</b>	198	287
Impairment on equity investment	12	-	-	-	<b>28</b>	-	-
Accounts receivable	14	<b>689</b>	34	172	<b>639</b>	12	160
Other assets		<b>375</b>	27	83	<b>405</b>	28	83
		<b>6,600</b>	4,000	9,167	<b>3,428</b>	2,202	8,437

## 26.2 Market risk

The BPI Group is exposed to market risk - the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk management in BPI covers managing exposures to trading risk, foreign exchange risk, and interest rate risk in the banking book.

Market risk management is incumbent on the BOD through the RMC. At the management level, the BPI Group's market risk exposures are managed by the RMO, headed by the Parent Bank's CRO who reports directly to the RMC. In order to effectively manage market risk, the Bank has well established policies and procedures approved by the RMC and confirmed by the Executive Committee/BOD. In addition, the Internal Audit is responsible for the independent review of risk assessment measures and procedures and the control environment.

The BPI Group reviews and controls market risk exposures of both its trading and non-trading portfolios. Trading portfolios include those positions arising from BPI's market-making and risk-taking activities. The BPI Group also has derivatives exposures in interest rate swaps, currency swaps and structured notes as part of its trading and position taking activities. Non-trading portfolios include positions arising from core banking activities, which includes the BPI Group's retail and commercial banking assets and liabilities.

Value-at-Risk (VaR) measurement is an integral part of the BPI Group's market risk control system. This metric is estimated at 99% confidence level, the maximum loss that a trading portfolio may incur over a trading day. This metric indicates as well that there is 1% statistical probability that the trading portfolios' actual loss would be greater than the computed VaR. To ensure model soundness, the VaR is periodically subject to model validation and back testing. VaR is supplemented by other risk metrics and measurements that would provide preliminary signals to Treasury and to Management to assess the vulnerability of BPI Group's positions. To control the risk, the RMC sets risk limits for trading portfolios which are consistent with the BPI Group's goals, objectives, risk appetite, and strategies.

Stress tests indicate the potential losses that could arise in extreme conditions that would have adverse effect to the BPI Group's positions. The BPI Group periodically performs price stress testing to assess the BPI Group's condition on assumed stress scenarios. Contingency plans are frequently reviewed to ensure the BPI Group's preparedness in the event of real stress. Results of stress tests are reviewed by Senior Management and by the RMC.

The average daily VaR for the trading portfolios are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Local fixed-income	66	50	62	47
Foreign fixed-income	182	184	167	173
Foreign exchange	186	214	107	118
Derivatives	46	158	46	158
Equity securities	24	14	-	-
Mutual fund	20	18	-	-
	524	638	382	496

### 26.2.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. It arises on financial instruments that are denominated in a foreign currency other than the functional currency which they are measured.

The BPI Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its foreign currency financial position and cash flows. The table below summarizes the BPI Group's exposure to more material foreign currency exchange rate risk primarily in USD, shown in their Peso equivalent at December 31:

Consolidated

	2024			2023		
	USD	Others*	Total	USD	Others*	Total
	(In Millions of Pesos)					
Financial assets						
Cash and other cash items	3,363	246	<b>3,609</b>	3,196	344	3,540
Due from other banks	36,067	25,860	<b>61,927</b>	16,038	12,530	28,568
Interbank loans receivable and SPAR	20	5,957	<b>5,977</b>	2,287	32	2,319
Financial assets at FVTPL	8,278	2,461	<b>10,739</b>	12,745	455	13,200
Financial assets at FVOCI - debt securities	67,176	1,164	<b>68,340</b>	51,353	1,143	52,496
Investment securities at amortized cost	119,096	1,347	<b>120,443</b>	138,928	1,768	140,696
Loans and advances, net	130,881	11,561	<b>142,442</b>	115,324	5,284	120,608
Others financial assets	302	1	<b>303</b>	61	1	62
<b>Total financial assets</b>	<b>365,183</b>	<b>48,597</b>	<b>413,780</b>	<b>339,932</b>	<b>21,557</b>	<b>361,489</b>
Financial liabilities						
Deposit liabilities	283,061	42,803	<b>325,864</b>	271,646	17,685	289,331
Due to BSP and other banks	2,225	-	<b>2,225</b>	1,149	-	1,149
Derivative financial liabilities	1,127	1,865	<b>2,992</b>	1,568	449	2,017
Bills payable	85,128	-	<b>85,128</b>	53,497	-	53,497
Manager's checks and demand drafts outstanding	200	-	<b>200</b>	209	1	210
Accounts payable	404	3	<b>407</b>	475	3	478
Other financial liabilities	1,208	183	<b>1,391</b>	712	1	713
<b>Total financial liabilities</b>	<b>373,353</b>	<b>44,854</b>	<b>418,207</b>	<b>329,256</b>	<b>18,139</b>	<b>347,395</b>
<b>Net on-balance sheet position</b>	<b>(8,170)</b>	<b>3,743</b>	<b>(4,427)</b>	<b>10,676</b>	<b>3,418</b>	<b>14,094</b>

\*Others category includes financial instruments denominated in JPY, EUR and GBP.

Parent Bank

	2024			2023		
	USD	Others*	Total	USD	Others*	Total
	(In Millions of Pesos)					
Financial assets						
Cash and other cash items	3,363	246	<b>3,609</b>	3,195	344	3,539
Due from other banks	35,601	25,851	<b>61,452</b>	15,701	12,510	28,211
Interbank loans receivable and SPAR	-	5,859	<b>5,859</b>	2,214	-	2,214
Financial assets at FVTPL	6,811	1,930	<b>8,741</b>	11,661	385	12,046
Financial assets at FVOCI - debt securities	66,489	1,164	<b>67,653</b>	50,898	1,143	52,041
Investment securities at amortized cost	113,563	-	<b>113,563</b>	134,797	303	135,100
Loans and advances, net	127,212	10,974	<b>138,186</b>	111,902	659	112,561
Others financial assets	302	-	<b>302</b>	61	-	61
<b>Total financial assets</b>	<b>353,341</b>	<b>46,024</b>	<b>399,365</b>	<b>330,429</b>	<b>15,344</b>	<b>345,773</b>
Financial liabilities						
Deposit liabilities	281,433	38,304	<b>319,737</b>	270,759	17,566	288,325
Due to BSP and other banks	2,225	-	<b>2,225</b>	1,149	-	1,149
Derivative financial liabilities	1,066	1,866	<b>2,932</b>	1,520	449	1,969
Bills payable	85,028	-	<b>85,028</b>	50,119	-	50,119
Manager's checks and demand drafts outstanding	200	-	<b>200</b>	209	1	210
Accounts payable	401	3	<b>404</b>	208	3	211
Other financial liabilities	1,186	168	<b>1,354</b>	712	-	712
<b>Total financial liabilities</b>	<b>371,539</b>	<b>40,341</b>	<b>411,880</b>	<b>324,676</b>	<b>18,019</b>	<b>342,695</b>
<b>Net on-balance sheet position</b>	<b>(18,198)</b>	<b>5,683</b>	<b>(12,515)</b>	<b>5,753</b>	<b>(2,675)</b>	<b>3,078</b>

\*Others category includes financial instruments denominated in JPY, EUR and GBP.

Presented below is a sensitivity analysis demonstrating the impact on pre-tax income of reasonably possible change in the exchange rate between US Dollar and Philippine Peso. The fluctuation rate is based on the historical movement of US Dollar against the Philippine Peso year on year.

Year	Change in currency	Effect on pre-tax income	
		Consolidated	Parent
		(In millions of Pesos)	
2024	+/- 1.99%	-/+ 163	-/+ 362
2023	+/-1.42%	+/- 469	+/- 399

## 26.2.2 Interest rate risk

Interest rate risk is the risk that cash flows or fair value of a financial instrument will fluctuate due to movements in market interest rates.

### *Interest Rate Risk in the Banking Book (IRRBB)*

IRRBB is the current and prospective risk to the BPI Group's capital and earnings arising from the adverse movements in interest rates that affect its banking book positions (core banking activities). The BPI Group is exposed to interest rate risk arising from financial assets and liabilities that have different maturities and repricing schedules and are re-priced taking into account the prevailing market interest rates. Excessive levels of interest rate risks in the banking book can pose a significant threat to the BPI Group's earnings and capital base.

The BPI Group employs two methods to measure the potential impact of interest rate risk in the banking book: (i) one that focuses on the impact on economic value of the future cash flows in the banking book due to changes in interest rates - Balance Sheet VaR (BSVaR), and (ii) one that focuses on the potential deterioration in net interest earnings - Earnings-at-Risk (EaR). The RMC sets limits on the two interest rate risk metrics which are monitored daily by the Market and Liquidity Risk Management Division of the RMO. The EaR and BSVaR are built on the interest rate/repricing gap profile of the bank.

The interest rate gap is the difference between the amount of interest rate sensitive assets and liabilities and off-balance sheet items. It distributes the balance sheet accounts according to their contractual maturity if fixed, or repricing date if floating. For accounts that do not have defined maturity or repricing schedules (i.e., non-maturity deposits), and accounts with embedded optionality (i.e., time deposit pretermination, fixed-rate loan prepayment), historical patterns/behaviors are utilized and assessed to determine their expected repricing schedules. These behavioral assumptions are derived from historical customer behavior and are regularly back tested to ensure accuracy and propriety of these assumptions. Interest rate derivatives are used to hedge banking book interest rate exposures, and these are also included in the repricing gap analysis.

### *Earnings-at-Risk (EaR)*

The EaR is built on the repricing profile of the BPI Group and considers principal payments only. The BPI Group projects interest inflows from its financial assets and interest outflows from its financial liabilities in the next 12 to 36 months as earnings are affected when interest rates move against the BPI Group's position. In determining the appropriate rate shocks in calculating EaR, the daily year-on-year change in rates is determined using the parametric approach at 99% confidence level. The Parent Bank uses more than ten years' worth of data in deriving the rate shocks. As at December 31, 2024, the net interest income impact of movement in interest rates resulted in an increase of P2,695 million (2023 - P275 million) for the whole BPI Group and an increase of P2,812 million (2023 - P329 million) for the Parent Bank over a short-term (12-month) horizon. Likewise, the net interest income impact of movement in interest rates over the medium-term (36-month) horizon resulted in an increase of P15,062 million (2023 - P7,019 million) for the whole BPI Group and an increase of P15,212 million (2023 - P7,005 million) for the Parent Bank.

### *Balance Sheet Value at Risk (BSVaR)*

The BSVaR model is also built on repricing gap or the difference between the amount of rate-sensitive financial assets and liabilities which considers both principal and interest payments. It measures the deterioration in the economic/present value of the BPI Group's expected net cash flows due to adverse interest rate movements. In determining the appropriate rate shocks in calculating BSVaR, the adverse daily year-on-year change in rates is determined using the historical approach for the past one year at 99% confidence level. As at December 31, 2024, the average monthly BSVaR for the banking book stood at P12,966 million (2023 - P16,842 million) for the whole BPI Group and P12,290 million (2023 - P15,883 million) for the Parent Bank.

The IRRBB levels are closely monitored against RMC-approved limits and results are reported and discussed regularly at the Management level through the Asset and Liability Committee (ALCO) and at the Board level through the RMC. The BPI Group manages interest rate exposures related to its assets and liabilities through a transfer-pricing system administered by Treasury. Investment securities and interest rate derivatives are also used to hedge interest rate risk and manage repricing gaps in the balance sheet.

The BPI Group also conducts price stress tests in the banking book and EaR stress tests utilizing a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on the BPI Group's economic value and earnings. The design of the price and EaR stress tests include the following:

- Internal rate shocks scenarios including extreme yet plausible historical stressed events, curve shifting (parallel up/down) and twisting (steepening and flattening yield curves), and forward-looking scenarios; and
- Other rate shocks as prescribed by Basel.

The interest rate shocks applied are calibrated for all major currencies in which the BPI Group has significant positions. The BPI Group also conducts Uniform Stress Testing in accordance with the prescribed scenarios of the BSP.

The results of the stress test are reported to the RMC and Senior Management and are integrated into the overall risk management framework of the BPI Group.

The BPI Group has established comprehensive risk management framework (e.g., policies, procedures, risk limits structures) supported by a robust risk management system. Furthermore, the risk management process, including its various components, is subject to periodic independent review (i.e. internal audit and model validation) and consistently calibrated to ensure accuracy, relevance, propriety and timeliness of data and assumptions employed. The assumptions and parameters used in building these metrics are properly documented. Any changes in the methodology and assumptions used are duly approved by the Chief Risk Officer and noted by the RMC.

The table below summarizes the BPI Group's exposure to interest rate risk, categorized by the earlier of contractual repricing or maturity dates.

Consolidated (December 31, 2024)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,762	<b>49,762</b>
Due from BSP	-	-	-	164,571	<b>164,571</b>
Due from other banks	-	-	-	72,060	<b>72,060</b>
Interbank loans receivable and SPAR	-	-	-	16,715	<b>16,715</b>
Financial assets at FVTPL	161	720	879	45,196	<b>46,956</b>
Financial assets at FVOCI	-	-	-	264,358	<b>264,358</b>
Investment securities at amortized cost	-	-	-	343,108	<b>343,108</b>
Loans and advances, net	1,332,408	291,669	313,924	300,764	<b>2,238,765</b>
Other financial assets	-	-	-	3,970	<b>3,970</b>
<b>Total financial assets</b>	<b>1,332,569</b>	<b>292,389</b>	<b>314,803</b>	<b>1,260,504</b>	<b>3,200,265</b>
Financial Liabilities					
Deposit liabilities	1,465,575	458,825	690,402	-	<b>2,614,802</b>
Due to BSP and other banks	-	-	-	3,135	<b>3,135</b>
Derivative financial liabilities	165	338	570	3,903	<b>4,976</b>
Bills payable and other borrowed funds	-	-	-	163,182	<b>163,182</b>
Manager's checks and demand drafts outstanding	-	-	-	9,941	<b>9,941</b>
Other financial liabilities	-	-	-	9,865	<b>9,865</b>
<b>Total financial liabilities</b>	<b>1,465,740</b>	<b>459,163</b>	<b>690,972</b>	<b>190,026</b>	<b>2,805,901</b>
<b>Total interest gap</b>	<b>(133,171)</b>	<b>(166,774)</b>	<b>(376,169)</b>	<b>1,070,478</b>	<b>394,364</b>

Consolidated (December 31, 2023)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,843	34,843
Due from BSP	-	-	-	199,619	199,619
Due from other banks	-	-	-	36,292	36,292
Interbank loans receivable and SPAR	-	-	-	20,643	20,643
Financial assets at FVTPL	150	1,144	1,023	21,226	23,543
Financial assets at FVOCI	-	-	-	215,780	215,780
Investment securities at amortized cost	-	-	-	382,711	382,711
Loans and advances, net	1,096,399	327,690	257,835	200,083	1,882,007
Other financial assets	-	-	-	2,523	2,523
<b>Total financial assets</b>	<b>1,096,549</b>	<b>328,834</b>	<b>258,858</b>	<b>1,113,720</b>	<b>2,797,961</b>
Financial Liabilities					
Deposit liabilities	1,392,507	349,672	552,927	-	2,295,106
Due to BSP and other banks	-	-	-	1,881	1,881
Derivative financial liabilities	12	822	672	1,315	2,821
Bills payable and other borrowed funds	1,661	-	-	135,443	137,104
Manager's checks and demand drafts outstanding	-	-	-	8,463	8,463
Other financial liabilities	-	-	-	11,316	11,316
<b>Total financial liabilities</b>	<b>1,394,180</b>	<b>350,494</b>	<b>553,599</b>	<b>158,418</b>	<b>2,456,691</b>
<b>Total interest gap</b>	<b>(297,631)</b>	<b>(21,660)</b>	<b>(294,741)</b>	<b>955,302</b>	<b>341,270</b>

Parent Bank (December 31, 2024)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,136	<b>49,136</b>
Due from BSP	-	-	-	161,247	<b>161,247</b>
Due from other banks	-	-	-	68,439	<b>68,439</b>
Interbank loans receivable and SPAR	-	-	-	9,093	<b>9,093</b>
Financial assets at FVTPL	162	720	879	37,996	<b>39,757</b>
Financial assets at FVOCI	-	-	-	260,834	<b>260,834</b>
Investment securities at amortized cost	-	-	-	336,233	<b>336,233</b>
Loans and advances, net	1,327,577	291,348	313,207	254,796	<b>2,186,928</b>
Other financial assets	-	-	-	6,186	<b>6,186</b>
<b>Total financial assets</b>	<b>1,327,739</b>	<b>292,068</b>	<b>314,086</b>	<b>1,183,960</b>	<b>3,117,853</b>
Financial Liabilities					
Deposit liabilities	1,425,358	455,238	683,539	-	<b>2,564,135</b>
Due to BSP and other banks	-	-	-	3,135	<b>3,135</b>
Derivative financial liabilities	165	338	570	3,840	<b>4,913</b>
Bills payable and other borrowed funds	-	-	-	163,083	<b>163,083</b>
Manager's checks and demand drafts outstanding	-	-	-	9,935	<b>9,935</b>
Other financial liabilities	-	-	-	8,903	<b>8,903</b>
<b>Total financial liabilities</b>	<b>1,425,523</b>	<b>455,576</b>	<b>684,109</b>	<b>188,896</b>	<b>2,754,104</b>
<b>Total interest gap</b>	<b>(97,784)</b>	<b>(163,508)</b>	<b>(370,023)</b>	<b>995,064</b>	<b>363,749</b>

Parent Bank (December 31, 2023)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,444	34,444
Due from BSP	-	-	-	192,246	192,246
Due from other banks	-	-	-	33,081	33,081
Interbank loans receivable and SPAR	-	-	-	17,342	17,342
Financial assets at FVTPL	150	1,144	1,023	15,139	17,456
Financial assets at FVOCI	-	-	-	212,442	212,442
Investment securities at amortized cost	-	-	-	377,120	377,120
Loans and advances, net	1,091,862	327,352	257,263	173,363	1,849,840
Other financial assets	-	-	-	3,906	3,906
<b>Total financial assets</b>	<b>1,092,012</b>	<b>328,496</b>	<b>258,286</b>	<b>1,059,083</b>	<b>2,737,877</b>
Financial Liabilities					
Deposit liabilities	1,368,484	346,892	548,757	-	2,264,133
Due to BSP and other banks	-	-	-	1,881	1,881
Derivative financial liabilities	12	822	673	1,267	2,774
Bills payable and other borrowed funds	-	-	-	133,726	133,726
Manager's checks and demand drafts outstanding	-	-	-	8,431	8,431
Other financial liabilities	-	-	-	10,721	10,721
<b>Total financial liabilities</b>	<b>1,368,496</b>	<b>347,714</b>	<b>549,430</b>	<b>156,026</b>	<b>2,421,666</b>
<b>Total interest gap</b>	<b>(276,484)</b>	<b>(19,218)</b>	<b>(291,144)</b>	<b>903,057</b>	<b>316,211</b>

## 26.3 Liquidity risk

Liquidity risk is the risk that the BPI Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The BPI Group's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the BPI Group. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months is about to breach the RMC-prescribed MCLG limit.

### 26.3.1 Liquidity risk management process

The BPI Group's liquidity management process, as carried out within the BPI Group and monitored by the RMC includes:

- day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or as borrowed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity gaps and ratios against internal and regulatory requirements;
- managing the concentration and profile of debt maturities; and
- performing periodic liquidity stress testing on the BPI Group's liquidity position by assuming a faster rate of withdrawals in its deposit base.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities (Note 26.3.2) and the expected collection date of the financial assets. Sources of liquidity are regularly reviewed by the BPI Group to maintain a wide diversification by currency, geography, counterparty, product and term.

The BPI Group also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit.

#### *Liquidity Coverage Ratio (LCR)*

Pursuant to BSP Circular No. 905 issued in 2016, the Parent Bank is required to hold and maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30 calendar-day period of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. It is designed to promote short-term resilience of the BPI Group's liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. HQLA represents the Parent Bank's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. This serves as defense against potential stress events.

The main drivers of the Parent Bank's LCR comprise the changes in the total stock of HQLA as well as changes in net cash outflows related to deposits, unsecured borrowings, committed and/or uncommitted facilities, derivatives cash flows and cash inflows from maturing corporate, business and retail loans, among others. Significant portion of funding comes from retail and wholesale deposits, and unsecured wholesale funding. The Parent Bank has derivatives exposures in foreign exchange derivatives and interest rate swaps. Cash outflows from the derivatives contracts are effectively offset by the derivatives cash inflows. These two are accorded 100% outflow and inflow factors, respectively. The exposures coming from derivatives and potential counterparty collateral calls are not significant to impact the LCR, with Parent Bank's Peso and USD LCR both well above the minimum regulatory limit of 100%. There is also no significant currency mismatch noted in the LCR.

The Parent Bank manages its liquidity position through line of business and asset-liability management activities. A centralized approach to funding and liquidity management enhances the Parent Bank's ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

#### *Net Stable Funding Ratio (NSFR)*

On January 1, 2019, the Parent Bank adopted BSP Circular No. 1007 issued in 2018 regarding the NSFR requirement. The NSFR is aimed at strengthening the Parent Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items as well as to limit the maturity transformation risk of the BPI Group. The NSFR is expressed as the ratio of Available Stable Funding (ASF) and the Required Stable Funding (RSF) and complements the LCR as it takes a longer view of the BPI Group's liquidity risk profile. The BPI Group's capital, retail deposits and long-term debt are considered as stable funding sources whereas the BPI Group's assets including, but not limited to, performing and non-performing loans and receivables, HQLA and non-HQLA securities as well as off-balance items form part of the required stable funding. The Parent Bank's solo and consolidated NSFRs are well-above the regulatory minimum of 100%.

The Parent Bank maintains a well-diversified funding base and has a substantial amount of core deposits, thereby avoiding undue concentrations by counterparty, maturity, and currency. The Parent Bank manages its liquidity position through asset-liability management activities supported by a well-developed funds management practice as well as a sound risk management system. As part of risk oversight, the Parent Bank monitors its liquidity risk on a daily basis, in terms of single currency and significant currencies, to ensure it is operating within the risk appetite set by the BOD and to assess ongoing compliance with the minimum requirement of the liquidity ratios. Furthermore, the Parent Bank has a set of policies and escalation procedures in place that govern its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the BPI Group and the Parent Bank:

	Consolidated		Parent	
	2024	2023	2024	2023
Liquidity coverage ratio	<b>159.07%</b>	206.67%	<b>156.25%</b>	207.35%
Net stable funding ratio	<b>145.70%</b>	153.55%	<b>138.97%</b>	152.54%
Leverage ratio	<b>10.75%</b>	10.95%	<b>10.15%</b>	10.38%
Total exposure measure	<b>3,403,607</b>	2,957,335	<b>3,315,223</b>	2,892,222

The decrease in the Parent Bank's LCR was driven by higher net cash outflows from deposits. Cash, reserves and due from BSP make up 27% (2023 - 31%) of the total stock of HQLA for the year ended December 31, 2024. Likewise, the Parent Bank's NSFR decreased driven by higher RSF from performing loans.

### 26.3.2 Maturity profile - Non-derivative financial instruments

The tables below present the maturity profile of non-derivative financial instruments based on undiscounted cash flows including future interest which the BPI Group uses to manage the inherent liquidity risk. The maturity analysis 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 financial asset will be realized, or the financial liability will be settled.

#### Consolidated (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,762	-	-	<b>49,762</b>
Due from BSP	164,571	-	-	<b>164,571</b>
Due from other banks	72,060	-	-	<b>72,060</b>
Interbank loans receivable and SPAR	15,171	1,340	559	<b>17,070</b>
Financial assets at FVTPL	28,506	3,491	9,616	<b>41,613</b>
Financial assets at FVOCI	31,931	41,772	227,905	<b>301,608</b>
Investment securities at amortized cost	49,155	192,356	155,373	<b>396,884</b>
Loans and advances	1,136,998	722,198	524,459	<b>2,383,655</b>
Other financial assets	3,970	-	-	<b>3,970</b>
<b>Total financial assets</b>	<b>1,552,124</b>	<b>961,157</b>	<b>917,912</b>	<b>3,431,193</b>
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	<b>2,614,802</b>
Due to BSP and other banks	3,135	-	-	<b>3,135</b>
Bills payable and other borrowed funds	70,025	70,190	22,967	<b>163,182</b>
Manager's checks and demand drafts outstanding	9,941	-	-	<b>9,941</b>
Lease liabilities	2,459	3,931	4,234	<b>10,624</b>
Other financial liabilities	9,865	-	-	<b>9,865</b>
<b>Total financial liabilities</b>	<b>1,561,000</b>	<b>532,946</b>	<b>717,603</b>	<b>2,811,549</b>
<b>Total maturity gap</b>	<b>(8,876)</b>	<b>428,211</b>	<b>200,309</b>	<b>619,644</b>

#### Consolidated (December 31, 2023)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2023				
Financial Assets				
Cash and other cash items	34,843	-	-	34,843
Due from BSP	199,631	-	-	199,631
Due from other banks	36,292	-	-	36,292
Interbank loans receivable and SPAR	19,336	1,571	-	20,907
Financial assets at FVTPL	6,969	2,334	10,797	20,100
Financial assets at FVOCI	51,952	70,326	153,682	275,960
Investment securities at amortized cost	82,480	116,931	241,188	440,599
Loans and advances	909,354	343,250	740,942	1,993,546
Other financial assets	2,523	-	-	2,523
<b>Total financial assets</b>	<b>1,343,380</b>	<b>534,412</b>	<b>1,146,609</b>	<b>3,024,401</b>
Financial Liabilities				
Deposit liabilities	1,385,666	348,469	543,061	2,277,196
Due to BSP and other banks	1,882	-	-	1,882
Bills payable and other borrowed funds	69,861	67,243	-	137,104
Manager's checks and demand drafts outstanding	8,463	-	-	8,463
Lease liabilities	2,144	4,686	3,230	10,060
Other financial liabilities	11,316	-	-	11,316
<b>Total financial liabilities</b>	<b>1,479,332</b>	<b>420,398</b>	<b>546,291</b>	<b>2,446,021</b>
<b>Total maturity gap</b>	<b>(135,952)</b>	<b>114,014</b>	<b>600,318</b>	<b>578,380</b>

Parent Bank (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,136	-	-	<b>49,136</b>
Due from BSP	161,247	-	-	<b>161,247</b>
Due from other banks	68,439	-	-	<b>68,439</b>
Interbank loans receivable and SPAR	7,550	1,340	559	<b>9,449</b>
Financial assets at FVTPL	25,540	2,093	8,385	<b>36,018</b>
Financial assets at FVOCI	29,821	40,945	227,730	<b>298,496</b>
Investment securities at amortized cost	47,296	191,387	150,416	<b>389,099</b>
Loans and advances	1,124,452	690,694	483,375	<b>2,298,521</b>
Other financial assets	6,186	-	-	<b>6,186</b>
<b>Total financial assets</b>	<b>1,519,667</b>	<b>926,459</b>	<b>870,465</b>	<b>3,316,591</b>
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	<b>2,614,794</b>
Due to BSP and other banks	3,135	-	-	<b>3,135</b>
Bills payable and other borrowed funds	69,926	70,190	22,967	<b>163,083</b>
Manager's checks and demand drafts outstanding	9,935	-	-	<b>9,935</b>
Lease liabilities	2,149	3,348	3,775	<b>9,272</b>
Other financial liabilities	8,903	-	-	<b>8,903</b>
<b>Total financial liabilities</b>	<b>1,557,027</b>	<b>537,309</b>	<b>714,786</b>	<b>2,809,122</b>
<b>Total maturity gap</b>	<b>(37,360)</b>	<b>389,150</b>	<b>155,679</b>	<b>507,469</b>

Parent Bank (December 31, 2023)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2023				
Financial Assets				
Cash and other cash items	34,444	-	-	34,444
Due from BSP	192,246	-	-	192,246
Due from other banks	33,081	-	-	33,081
Interbank loans receivable and SPAR	16,036	1,571	-	17,607
Financial assets at FVTPL	4,544	2,116	10,498	17,158
Financial assets at FVOCI	50,373	69,399	152,626	272,398
Investment securities at amortized cost	81,802	114,845	237,741	434,388
Loans and advances	895,784	321,011	736,857	1,953,652
Other financial assets	3,906	-	-	3,906
<b>Total financial assets</b>	<b>1,312,216</b>	<b>508,942</b>	<b>1,137,722</b>	<b>2,958,880</b>
Financial Liabilities				
Deposit liabilities	1,362,155	345,688	538,892	2,246,735
Due to BSP and other banks	1,882	-	-	1,882
Bills payable and other borrowed funds	67,038	66,688	-	133,726
Manager's checks and demand drafts outstanding	8,431	-	-	8,431
Lease liabilities	1,977	4,385	3,200	9,562
Other financial liabilities	10,721	-	-	10,721
<b>Total financial liabilities</b>	<b>1,452,204</b>	<b>416,761</b>	<b>542,092</b>	<b>2,411,057</b>
<b>Total maturity gap</b>	<b>(139,988)</b>	<b>92,181</b>	<b>595,630</b>	<b>547,823</b>

### 26.3.3 Maturity profile - Derivative instruments

- *Derivatives settled on a net basis*

The BPI Group's derivatives that are settled on a net basis consist of interest rate swaps, non-deliverable forwards and non-deliverable swaps. The table below presents the contractual undiscounted cash flows of interest rate swaps based on the remaining period from December 31 to the contractual maturity dates that are subject to offsetting, enforceable master netting arrangements and similar agreements.

#### Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	<b>1,760</b>
- Outflow	(165)	(334)	(570)	<b>(1,069)</b>
- Net inflow	<b>(3)</b>	<b>386</b>	<b>308</b>	<b>691</b>
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	<b>(4)</b>
- Net outflow	-	<b>(4)</b>	-	<b>(4)</b>
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	<b>63</b>
- Outflow	(486)	-	-	<b>(486)</b>
- Net outflow	<b>(423)</b>	-	-	<b>(423)</b>

#### Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	<b>1,760</b>
- Outflow	(165)	(334)	(570)	<b>(1,069)</b>
- Net inflow	<b>(3)</b>	<b>386</b>	<b>308</b>	<b>691</b>
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	<b>(4)</b>
- Net outflow	-	<b>(4)</b>	-	<b>(4)</b>
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	<b>63</b>
- Outflow	(485)	-	-	<b>(485)</b>
- Net outflow	<b>(422)</b>	-	-	<b>(422)</b>

## Consolidated and Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2023	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	150	1,144	1,023	2,317
- Outflow	(12)	(822)	(672)	(1,506)
- Net inflow	138	322	351	811
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	34	-	-	34
- Outflow	(172)	-	-	(172)
- Net outflow	(138)	-	-	(138)

- *Derivatives settled on a gross basis*

The BPI Group's derivatives that are settled on a gross basis include foreign exchange derivatives mainly currency forwards and currency swaps and warrants. The table below presents the contractual undiscounted cash flows of foreign exchange derivatives based on the remaining period from reporting date to the contractual maturity dates.

## Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,883	112	36	4,031
- Outflow	(3,398)	(4)	(15)	(3,417)
- Net inflow	485	108	21	614
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2
2023	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	1,273	124	49	1,446
- Outflow	(1,097)	(36)	(9)	(1,142)
- Net inflow	176	88	40	304
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

## Parent Bank

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,860	112	36	<b>4,008</b>
- Outflow	(3,336)	(4)	(15)	<b>(3,355)</b>
- Net inflow	<b>524</b>	<b>108</b>	<b>21</b>	<b>653</b>
Warrants				
- Inflow	-	-	2	<b>2</b>
- Outflow	-	-	-	-
- Net inflow	-	-	<b>2</b>	<b>2</b>
2023	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	1,272	124	49	1,445
- Outflow	(1,050)	(36)	(9)	(1,095)
- Net inflow	222	88	40	350
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

## 26.4 Fair value measurement

The following tables present the carrying value of assets and liabilities and the level of fair value hierarchy within which the fair value measurements are categorized:

### 26.4.1 Assets and liabilities measured at fair value on a recurring or non-recurring basis

Consolidated (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,856	-	5,856	-	<b>5,856</b>
Trading assets					
- Debt securities	41,101	41,101	-	-	<b>41,101</b>
- Equity securities	351	351	-	-	<b>351</b>
Financial assets at FVOCI					
- Debt securities	264,358	264,358	-	-	<b>264,358</b>
- Equity securities	3,844	2,293	399	1,152	<b>3,844</b>
	<b>315,510</b>	<b>308,103</b>	<b>6,255</b>	<b>1,152</b>	<b>315,510</b>
Financial liabilities					
Derivative financial liabilities	4,976	-	4,976	-	<b>4,976</b>
<i>Non-recurring measurements</i>					
Assets held for sale, net	8,411	-	25,956	-	<b>25,956</b>

Consolidated (December 31, 2023)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	3,802	-	3,802	-	3,802
Trading assets					
- Debt securities	19,741	19,741	-	-	19,741
- Equity securities	111	111	-	-	111
Financial assets at FVOCI					
- Debt securities	215,780	215,780	-	-	215,780
- Equity securities	2,874	1,266	699	909	2,874
	<b>242,308</b>	<b>236,898</b>	<b>4,501</b>	<b>909</b>	<b>242,308</b>
Financial liabilities					
Derivative financial liabilities	2,821	-	2,821	-	2,821
<i>Non-recurring measurements</i>					
Assets held for sale, net	4,743	-	14,424	-	14,424

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	<b>5,833</b>
Trading assets					
- Debt securities	33,924	33,924	-	-	<b>33,924</b>
- Equity securities	-	-	-	-	-
Financial assets at FVOCI					
- Debt securities	260,834	260,834	-	-	<b>260,834</b>
- Equity securities	2,378	2,378	-	-	<b>2,378</b>
	<b>302,969</b>	<b>297,136</b>	<b>5,833</b>	<b>-</b>	<b>302,969</b>
Financial liabilities					
Derivative financial liabilities	4,913	-	4,913	-	<b>4,913</b>
<i>Non-recurring measurements</i>					
Assets held for sale, net	8,154	-	25,470	-	<b>25,470</b>

Parent Bank (December 31, 2023)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	3,796	-	3,796	-	3,796
Trading assets					
- Debt securities	13,660	13,660	-	-	13,660
- Equity securities	-	-	-	-	-
Financial assets at FVOCI					
- Debt securities	212,442	212,442	-	-	212,442
- Equity securities	1,741	1,043	698	-	1,741
	231,639	227,145	4,494	-	231,639
Financial liabilities					
Derivative financial liabilities	2,774	-	2,774	-	2,774
<i>Non-recurring measurements</i>					
Assets held for sale, net	4,646	-	14,092	-	14,092

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 December 31:

Description	Valuation technique	Unobservable inputs	Amount	
			2024	2023
Unlisted equity securities	Net asset value; investment multiple	Net asset value; investment multiple	1,152	909

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At December 31, 2024, if the net asset value and investment had increased/decreased by 1% with all other variables held constant, net income and equity as at and for the year ended December 31, 2024 would have been P6.82 million (2023 - P6.82 million) higher/lower.

There were no transfers between the fair value hierarchy levels during the years ended December 31, 2024 and 2023.

## 26.4.2 Fair value disclosures of assets and liabilities not measured at fair value

Consolidated (December 31, 2024)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	49,762	-	49,762	<b>49,762</b>
Due from BSP	164,571	-	164,571	<b>164,571</b>
Due from other banks	72,060	-	72,060	<b>72,060</b>
Interbank loans receivable and SPAR, net	16,715	-	16,715	<b>16,715</b>
Investment securities at amortized cost, net	343,108	328,793	-	<b>328,793</b>
Loans and advances, net	2,238,765	-	2,710,915	<b>2,710,915</b>
Other financial assets	3,970	-	3,970	<b>3,970</b>
Financial liabilities				
Deposit liabilities	2,614,802	-	2,593,439	<b>2,593,439</b>
Due to BSP and other banks	3,135	-	3,135	<b>3,135</b>
Bills payable and other borrowed funds	163,182	163,083	99	<b>163,182</b>
Manager's checks and demand drafts outstanding	9,941	-	9,941	<b>9,941</b>
Other financial liabilities	9,865	-	9,865	<b>9,865</b>
Non-financial assets				
Investment properties	62	-	472	<b>472</b>

Consolidated (December 31, 2023)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	34,843	-	34,843	34,843
Due from BSP	199,619	-	199,619	199,619
Due from other banks	36,292	-	36,292	36,292
Interbank loans receivable and SPAR, net	20,643	-	20,643	20,643
Investment securities at amortized cost, net	382,711	364,286	-	364,286
Loans and advances, net	1,882,007	-	2,154,136	2,154,136
Other financial assets	2,523	-	2,523	2,523
Financial liabilities				
Deposit liabilities	2,295,106	-	2,277,196	2,277,196
Due to BSP and other banks	1,881	-	1,881	1,881
Bills payable and other borrowed funds	137,104	133,726	3,378	137,104
Manager's checks and demand drafts outstanding	8,463	-	8,463	8,463
Other financial liabilities	11,316	-	11,316	11,316
Non-financial assets				
Investment properties	69	-	463	463

Parent Bank (December 31, 2024)

	Carrying amount	Fair value		Total
		Level 1	Level 2	
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	49,136	-	49,136	<b>49,136</b>
Due from BSP	161,247	-	161,247	<b>161,247</b>
Due from other banks	68,439	-	68,439	<b>68,439</b>
Interbank loans receivable and SPAR, net	9,093	-	9,093	<b>9,093</b>
Investment securities at amortized cost, net	336,233	320,711	-	<b>320,711</b>
Loans and advances, net	2,186,696	-	2,655,343	<b>2,655,343</b>
Other financial assets	6,186	-	6,186	<b>6,186</b>
Financial liabilities				
Deposit liabilities	2,564,135	-	2,543,600	<b>2,543,600</b>
Due to BSP and other banks	3,135	-	3,135	<b>3,135</b>
Bills payable and other borrowed funds	163,083	163,083	-	<b>163,083</b>
Manager's checks and demand drafts outstanding	9,935	-	9,935	<b>9,935</b>
Other financial liabilities	8,903	-	8,903	<b>8,903</b>
Non-financial assets				
Investment properties	62	-	472	<b>472</b>

Parent Bank (December 31, 2023)

	Carrying amount	Fair value		Total
		Level 1	Level 2	
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	34,444	-	34,444	34,444
Due from BSP	192,246	-	192,246	192,246
Due from other banks	33,081	-	33,081	33,081
Interbank loans receivable and SPAR, net	17,342	-	17,342	17,342
Investment securities at amortized cost, net	377,120	359,164	-	359,164
Loans and advances, net	1,849,840	-	1,923,161	1,923,161
Other financial assets	3,906	-	3,906	3,906
Financial liabilities				
Deposit liabilities	2,264,133	-	2,246,735	2,246,735
Due to BSP and other banks	1,881	-	1,881	1,881
Bills payable and other borrowed funds	133,726	133,726	-	133,726
Manager's checks and demand drafts outstanding	8,431	-	8,431	8,431
Other financial liabilities	10,721	-	10,721	10,721
Non-financial assets				
Investment properties	58	-	463	463

## 26.5 Insurance risk management

The non-life insurance entities decide on the retention, or the absolute amount that they are ready to assume insurance risk from one event. The retention amount is a function of capital, experience, actuarial study and risk appetite or aversion.

In excess of the retention, these entities arrange reinsurances either thru treaties or facultative placements. They also accredit reinsurers based on certain criteria and set limits as to what can be reinsured. The reinsurance treaties and the accreditation of reinsurers require BOD's approval.

The insurance risk is not material to the BPI Group as a whole. Refer to Note 2 for assets and liabilities attributable to insurance operations.

## 27 Capital management

Capital management is understood to be a facet of risk management. The primary objective of the BPI Group is the generation of recurring acceptable returns to shareholders' capital. To this end, the BPI Group's policies, business strategies and activities are directed towards the generation of cash flows that are in excess of its fiduciary and contractual obligations to its depositors, and to its various funders and stakeholders.

Cognizant of its exposure to risks, the BPI Group maintains sufficient capital to absorb unexpected losses, stay in business for the long haul, and satisfy regulatory requirements. The BPI Group further understands that its performance, as well as the performance of its various units, should be measured in terms of returns generated vis-à-vis allocated capital and the amount of risk borne in the conduct of business.

Effective January 1, 2014, the BSP, through its Circular No. 781, requires each bank and its financial affiliated subsidiaries to adopt new capital requirements in accordance with the provisions of Basel III. The new guidelines are meant to strengthen the composition of the bank's capital by increasing the level of core capital and regulatory capital. The Circular sets out minimum Common Equity (CET1) ratio and Tier 1 Capital ratios of 6.0% and 7.5%, respectively. A capital conservation buffer of 2.5%, comprised of CET1 capital, was likewise imposed. The minimum required capital adequacy ratio remains at 10% which includes the capital conservation buffer.

Information on the regulatory capital is summarized below:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
CET1	<b>418,664</b>	355,303	<b>417,974</b>	355,255
Less: Regulatory adjustments to CET1 capital	<b>52,619</b>	31,359	<b>81,427</b>	55,040
Tier 1 capital	<b>366,045</b>	323,944	<b>336,547</b>	300,215
Tier 2 capital	<b>20,480</b>	18,792	<b>19,553</b>	18,414
Total qualifying capital	<b>386,525</b>	342,736	<b>356,100</b>	318,629
Risk weighted assets	<b>2,641,674</b>	2,118,317	<b>2,560,487</b>	2,058,301
CAR (%)	<b>14.63%</b>	16.18	<b>13.91%</b>	15.48
CET1 (%)	<b>13.86%</b>	15.29	<b>13.14%</b>	14.59

The BPI Group has fully complied with the CAR requirement of the BSP.

Likewise, regulatory capital structures of certain subsidiaries on a standalone basis are managed to meet the requirements of the relevant regulatory bodies (i.e. Insurance Commission (IC), SEC, PSE etc.). These subsidiaries have fully complied with the applicable regulatory capital requirements.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Bank is likewise fully compliant with this requirement.

## 28 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.

## **29 BPI and RBC merger**

On January 17, 2023, the shareholders of BPI approved the merger of BPI and RBC, with BPI as the surviving bank. The Philippine Competition Commission approved the merger on March 9, 2023 as contained in the decision released on September 13, 2023. On December 14, 2023, the BSP, through Monetary Board Resolution No. 1633 approved the merger. The SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

The merger became effective on the first day of the calendar quarter following the completion of the regulatory approval on January 1, 2024 and therefore, the figures presented as at December 31, 2023 and for the years ended December 31, 2023 and 2022 do not include the financial information of RBC.

The merger with RBC will unlock various synergies across several products and service platforms and expand the customer and deposit base of both banks through the merged entity, and, at the same time, by capitalizing on BPI's expertise and network, enhance the overall banking experience of RBC customers. BPI will be able to expand its client base, accelerate growth, and ultimately increase shareholder value through partnerships with the Gokongwei Group.

### *Purchase consideration*

On merger date, the Parent Bank issued common shares to RBC shareholders as consideration of the merger. The fair value of the 314,003,992 shares to be issued is based on the share price on December 31, 2023 of P103.80 per share.

### Net assets acquired

Details of RBC assets and liabilities as at acquisition date (January 1, 2024) determined by management are as follows:

	Consolidated*	Parent Bank
	(In Thousands of Pesos)	
Assets acquired		
Cash and other cash items	6,541,273	6,456,997
Due from BSP	13,716,830	12,406,617
Due from other banks	1,812,949	1,707,917
Interbank loans receivable and securities purchased under agreements to resell	5,741,486	5,491,857
Financial assets at FVTPL	24,198	24,198
Financial assets at FVOCI	6,561,094	6,561,094
Investment securities at amortized cost, net	26,797,264	26,797,264
Loans and advances, net	112,127,516	109,374,170
Investments in subsidiary and associates, net	148,050	1,447,667
Bank premises, furniture, fixtures and equipment, net	1,049,099	952,730
Assets held for sale	2,826,332	2,639,814
Deferred tax asset, net	859,984	782,290
Other assets, net	12,392,767	11,757,954
Total assets	190,598,842	186,400,569
Liabilities assumed		
Deposit liabilities		
Demand	27,906,058	27,624,578
Savings	37,813,202	34,370,971
Time	80,423,287	80,168,814
Bills payables	14,951,900	14,951,900
Manager's checks	1,120,725	1,120,725
Accrued expenses	1,487,510	1,423,251
Other liabilities	3,820,132	3,664,302
Total liabilities	167,522,814	163,324,541
Net assets	23,076,028	23,076,028

\*Presented only for the purposes of tracing impact of merger at consolidated level. Note that the merger was transacted at Parent Bank level.

Other assets, net includes intangible assets such as core deposits, customer relationship and trust business. The trust business was transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

Deferred tax assets, net includes the deferred tax assets and liabilities assumed from RBC and the resulting deferred taxes on fair value adjustments.

The above assets and liabilities were acquired through a tax-free exchange as evidenced by the Plan of Merger.

### Goodwill

The difference between the fair value of the net assets acquired, including intangible assets, and the purchase consideration shall be recognized as goodwill as follows:

	Amount
	(In Thousands of Pesos)
Purchase price	32,593,614
Fair value of net assets acquired	23,076,028
Goodwill	9,517,586

The goodwill is attributable to the expected synergies from combining the operations of RBC with BPI. The amount of goodwill will not be deductible for tax purposes.

*i. Contingencies and commitments acquired*

As a result of the merger, the Parent Bank acquired certain off-balance sheet items as follows:

	Amount
	(In Thousands of Pesos)
Trust accounts*	37,630,184
Derivatives	10,606,025
Commitments	8,143,887
Spot foreign exchange contracts	3,884,410
Performance standby letters of credit	568,597
Financial standby letters of credit	77,065
Guarantees issued	42,424
Commercial letters of credit	36,612
Others	1,805,396
<b>Carrying amount</b>	<b>62,794,600</b>

\*The trust accounts were transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

*ii. Acquired receivables*

The details of the loans and advances, net, acquired as a result of the business combination and its related fair value are as follows:

	Amount
	(In Thousands of Pesos)
Corporate loans	63,208,006
Retail loans	
Credit cards	1,810,046
Real estate mortgages	36,473,778
Auto loans	6,786,068
Others	4,230,601
	112,508,499
Accrued interest receivable	950,242
Unearned discount/income	(70,408)
	113,388,333
Allowance for impairment	(3,063,536)
<b>Net carrying amount</b>	<b>110,324,797</b>
<b>Fair value</b>	<b>109,374,170</b>

*iii. Revenue and profit contribution*

Management deemed it impracticable to disclose the revenue and profit contribution of RBC for the year ended December 31, 2024 that is included in the statements of income and total comprehensive income. Upon migration of RBC's accounts to BPI's systems, these are no longer identified separately and are co-mingled with other accounts owned by the Bank prior to the merger. Given the volume of these accounts and transactions using such, the contribution to revenue and profit is not determinable without undue cost.

iv. *Cash flows as a result of the merger*

Cash and cash equivalents acquired as a result of the business combination forms part of the net cash inflows from investing activities in the statement of cash flows for the period beginning January 1, 2024. The breakdown of cash and cash equivalents acquired are as follows:

	Amount
	(In Thousands of Pesos)
Cash and other cash items	6,456,997
Due from BSP	12,406,617
Due from other banks	1,707,917
	<u>20,571,531</u>

v. *Acquisition-related costs*

Acquisition-related costs of P563 million (2023 - P359 million) that were not directly attributable to the issue of shares are included in other operating expenses in the statement of income and in operating cash flows in the statement of cash flows for the year ended December 31, 2024.

### 30 Summary of material accounting policies

The material information of the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 30.1 Basis of preparation

The financial statements of the BPI Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

As allowed by the SEC, the pre-need subsidiary of the Parent Bank continues to follow the provisions of the Pre-Need Uniform Chart of Accounts (PNUCA) prescribed by the SEC and adopted by the IC.

The financial statements comprise the statements of condition, statements of income and statements of total comprehensive income shown as two statements, statements of changes in capital funds, statements of cash flows and the notes.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL, financial assets at FVOCI, and plan assets of the BPI Group's defined benefit plans.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the BPI Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the BPI Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are shown below:

*Critical accounting estimates*

- Determination of fair value of derivatives and other financial instruments (Note 7)

- Useful lives of bank premises, furniture, fixtures and equipment (Note 11)
- Useful lives of intangible assets (Note 14)
- Impairment of investments in subsidiaries and associates (Note 12)
- Calculation of defined benefit obligation (Note 23)
- Measurement of expected credit losses for loans and advances (Note 26.1.5)

#### *Critical accounting judgments*

- Classification of investment securities at amortized cost (Note 9)
- Realization of deferred income tax assets (Note 13)
- Impairment of goodwill (Note 14)
- Determining the lease term (Note 20)
- Determining the incremental borrowing rate (Note 20)

### **30.2 Changes in accounting policy and disclosures**

#### *(a) New standard and amendments to existing standards adopted by the BPI Group*

There are no new standards or amendments to existing standards effective January 1, 2024 that have a material impact to the BPI Group.

#### *(b) New standards and amendments to existing standard not yet adopted by the BPI Group*

The following new accounting standard are not mandatory for December 31, 2024 reporting period and has not been early adopted by the BPI Group:

- *PFRS 17, 'Insurance Contracts'*

PFRS 17 was issued in May 2017 as replacement for PFRS 4, "Insurance Contracts". On March 17, 2020, the IASB has decided to further defer the effective date of the standard to annual reporting periods beginning on or after January 1, 2023. Taking into consideration the implications of the pandemic, the IC recognizes that the insurance industry has to realign its priority programs and focus on modifying its business operations under a new normal. The IC sees the need to support the insurance industry and hence, it delays full implementation of the standard to January 1, 2025, two (2) years after IASB's implementation in 2023.

PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9, "Financial instruments." An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

BPI/MS, the Bank's non-life insurance subsidiary, has substantially completed its implementation plan and will apply the full retrospective approach. BPI/MS assessed that it is eligible to apply PAA. The measurement differences between PFRS 4 and PFRS 17 lead to an upside impact on net worth as at transition date which is mainly a result of the deferral of other directly attributable insurance acquisition cost, as allowed by the Standard, and the impact of discounting to the liability for incurred claims. The adoption of this standard is not expected to have a material impact to the financial statements of the BPI Group as a whole.

- *PFRS 18, 'Presentation and Disclosure in Financial Statements'*

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:

- The structure of the statement of profit or loss with defined subtotals;
- Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

- *PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'*

This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards

- *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 PFRS 18, PFRS 19 and amendments to PFRS 9 and PFRS 7 are not expected to have a material financial effect to the financial statements of the BPI Group.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2025 that are considered relevant or expected to have a material effect on the financial statements of the BPI Group.

### 30.3 Financial instruments

#### 30.3.1 Measurement methods

##### *Amortized cost and effective interest rate*

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired (see definition on Note 30.3.2.2) at initial recognition - the BPI Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. When the BPI Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

##### *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the BPI Group commits to purchase or sell the asset.

At initial recognition, the BPI Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in Note 30.3.2.1 below, which results in the loss provision being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the BPI Group recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

## 30.3.2 Financial assets

### 30.3.2.1 Classification and subsequent measurement

The BPI Group classifies its financial assets in the following measurement categories: at FVTPL, FVOCI, and at amortized cost. The classification requirements for debt and equity instruments are described below:

#### *Debt instruments*

Classification and subsequent measurement of debt instruments depend on the BPI Group's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the BPI Group classifies its debt instruments into one of the following three measurement categories:

- *Amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The BPI Group's amortized cost financial assets include cash and other cash items, due from BSP, due from other banks, interbank loans receivables and SPAR, loans and advances, and other financial assets.

- *FVOCI*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- *FVTPL*

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of income within "Securities trading gain" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.

#### *Business model*

The business model reflects how the BPI Group manages the assets in order to generate cash flows. That is, whether the BPI Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified and measured at FVTPL. Factors considered by the BPI Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

### *Solely Payment of Principal and Interest*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the BPI Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the BPI Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The BPI Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

### *Equity instruments*

The BPI Group subsequently measures all equity investments at FVTPL, except where the BPI Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The BPI Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, even on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as 'Other operating income' when the BPI Group's right to receive payments is established. Gains and losses on equity investments at FVTPL are included in the "Securities trading gain" in the statements of income.

### **30.3.2.2 Impairment of amortized cost and FVOCI financial assets**

The BPI Group assesses impairment as follows:

- individually for loans that exceed specified thresholds. Where there is objective evidence of impairment, individually assessed provisions will be recognized; and
- collectively for loans below the specified thresholds noted above or if there is no objective evidence of impairment. These loans are included in a group of loans with similar risk characteristics and collectively assessed for impairment. If there is objective evidence that the group of loans is collectively impaired, collectively assessed provisions will be recognized.

### *Expected credit losses*

The BPI Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments. The BPI Group recognizes a loss allowance for such losses including post-model adjustments, as applicable, at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the BPI Group.

- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. The BPI Group determines SICR based on prescribed benchmarks approved by the Board of the Directors.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with PFRS 9 is that it should consider forward-looking information both in the ECL models and post-model adjustments, as applicable.
- POCI financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3). The BPI Group has no POCI as at December 31, 2024 and December 31, 2023.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

#### *Determination of SICR*

The BPI Group compares the probabilities of default occurring over its expected life as at the reporting date with the PD occurring over its expected life on the date of initial recognition to determine SICR. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:

- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category;
- adverse changes in business, financial and/or economic conditions of the borrower;
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition;
- the account has become past due beyond 30 days where an account is classified under special monitoring category (refer to Note 26.1.2 for the description of special monitoring); and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the BPI Group.

#### *Measuring ECL - Inputs, assumptions and estimation techniques*

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD, defined as follows:

- (a) The PD represents the likelihood that the borrower will default (as per “Definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining life (lifetime PD) of the asset.
- (b) EAD is based on the amounts the BPI Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining life (lifetime EAD). For example, for a revolving commitment, the BPI Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- For committed credit lines, the EAD is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default.

(c) LGD represents the BPI Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The LGDs are determined based on the factors which impact the recoveries made post-default.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies and historical recoveries.

The ECL is determined by multiplying the PD, LGD and EAD together for each individual exposure or collective segment. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change - are monitored and reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period from the time of the adoption of PFRS 9 on January 1, 2018 to the reporting date.

#### *Forward-looking information incorporated in the ECL models*

The BPI Group incorporates historical and current information, and forecasts forward-looking events and key economic variables that are assessed to impact credit risk and expected credit losses for each portfolio. MEVs that affect a specific portfolio's non-performing loan rate(s) are determined through statistical modelling and the application of expert judgment. The BPI Group's economics team establishes possible global and domestic economic scenarios. With the use of economic theories and conventions, expert judgment and external forecasts, the economics team develops assumptions to be used in forecasting variables in the next five (5) years, subsequently reverting to long run-averages. The probability-weighted ECL is calculated by running each scenario through the relevant ECL models and multiplying it by the appropriate scenario weighting.

The estimation and application of forward-looking information requires significant judgment. As with any economic forecasts, the projections and likelihood of occurrences are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The scenarios and their attributes are reassessed at each reporting date. Information regarding the forward-looking economic variables and the relevant sensitivity analysis is disclosed in Note 26.

#### *Financial assets with low credit risk*

Loss allowance for financial assets at amortized cost and FVOCI that have low credit risk is limited to 12-month expected credit losses. Management considers "low credit risk" for listed government bonds to be an investment grade credit rating with at least one major rating agency. Other debt instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

### *Definition of default and credit-impaired assets*

The BPI Group considers a financial instrument in default or credit-impaired, when it meets one or more of the following criteria:

#### *Quantitative criteria*

The borrower is more than 90 days past due on its contractual payments (with the exception of credit cards and micro-finance loans where a borrower is required to be 90 days past due and over 7 days past due, respectively, to be considered in default).

#### *Qualitative criteria*

The counterparty is experiencing significant financial difficulty which may lead to non-payment of loan as may be indicated by any or combination of the following events:

- The counterparty is in long-term forbearance;
- The counterparty is insolvent;
- The counterparty is in breach of major financial covenant(s) which lead(s) to event of default;
- An active market for the security has disappeared;
- Granting of concession that would not be otherwise considered due to economic or contractual reasons relating to the counterparty's financial difficulty;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the BPI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD, and LGD throughout the BPI Group's expected credit loss calculations.

The BPI Group's definition of default is substantially consistent with non-performing loan definition of the BSP. For cross-border, treasury and debt securities, these are classified as defaulted based on combination of BSP and external credit rating agency definitions.

### **30.3.3 Modification of loans**

The BPI Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the BPI Group assesses whether or not the new terms are substantially different to the original terms. The BPI Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the BPI Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the BPI Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in the statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the BPI Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the statement of income. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

#### **30.3.4 Derecognition of financial assets other than modification**

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the BPI Group transfers substantially all the risks and rewards of ownership, or (ii) the BPI Group neither transfers nor retains substantially all the risks and rewards of ownership and the BPI Group has not retained control.

The BPI Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the BPI Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

#### **30.3.5 Write-off of financial assets**

The BPI Group writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The financial assets are then considered uncollectible or worthless. Indicators that there is no reasonable expectation of recovery include any of the following (i) borrower's and co-maker's/guarantor's whereabouts are unknown, or they are insolvent, or their payment capacity is permanently impaired and (ii) where the BPI Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full, or the collaterals no longer have recoverable values.

The BPI Group may write-off financial assets that are still subject to enforcement activity as the write-off process does not prejudice continuance of enforcement efforts and/or legal actions.

The write-off of loans is approved by the BOD in compliance with the BSP requirements. Loans written-off are fully covered with allowance.

##### *Recoveries on written-off assets*

Collections on accounts or recoveries, if any, from impaired financial assets previously written off are recognized in profit or loss under Miscellaneous income in the period where the recovery transaction occurs.

#### **30.3.6 Financial liabilities**

##### **30.3.6.1 Classification of financial liabilities**

The BPI Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL and financial liabilities at amortized cost.

##### *(a) Financial liabilities at FVTPL*

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the BPI Group as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the statements of income and are reported as "Securities trading gain". The BPI Group has no financial liabilities that are designated at fair value through profit loss.

*(b) Other liabilities measured at amortized cost*

Financial liabilities that are not classified as at FVTPL fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost include deposits from customers and banks, bills payable, amounts due to BSP and other banks, manager's checks and demand drafts outstanding, subordinated notes and other financial liabilities under deferred credits and other liabilities.

### **30.3.6.2 Subsequent measurement and derecognition**

Financial liabilities at FVTPL are subsequently carried at fair value. Other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished (i.e. when the obligation is discharged or is cancelled or has expired). Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

### **30.3.7 Loan commitments**

Loan commitments are not issued at below-market interest rates and are not settled net in cash or by delivering or issuing another financial instrument.

### **30.3.8 Derivative financial instruments**

A derivative instrument is initially recognized at fair value on the date a derivative contract is entered into, and is subsequently remeasured to its fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument or is held for trading.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting (and therefore, held for trading) are recognized immediately in profit or loss and are included in "Securities trading gain".

#### *Hedge accounting*

The BPI Group designates derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the BPI Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The BPI Group documents its risk management objective and strategy for undertaking its hedge transactions.

### *Cash flow hedges that qualify for hedge accounting*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the "Cash flow hedge reserve" within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within "Other operating income".

When the group excludes the forward element of a forward contract and foreign currency basis spread of financial instruments in the hedge designation, the fair value change of the forward element and currency basis spread that relates to the hedged item ('aligned forward element/currency basis spread') is recognized within OCI in the costs of hedging reserve within equity. If the group designates the full change in fair value of the derivative (including forward points and currency basis spreads) the gains or losses relating to the effective portion of the change in fair value of the entire derivative are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss within other operating income in the same periods during which the hedged future cash flows affect profit or loss. However, if the amount is a loss and the BPI Group expects that all or a portion of that loss will not be recovered in one or more future periods, the amount that is not expected to be recovered shall immediately be reclassified to profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time shall be reclassified to profit or loss in the same periods during which the future cash flows affect profit or loss. When the future cash flows are no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

#### **30.3.8.1 Embedded derivatives**

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the BPI Group assesses the entire contract for classification and measurement in accordance with the policy outlined in Note 30.3.2 above. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at FVTPL.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statements of income unless the BPI Group chooses to designate the hybrid contracts at FVTPL.

#### **30.3.9 Fair value measurement**

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at December 31, 2024 and 2023 (Note 26.4.1).

#### **30.3.10 Interest income and expense**

Interest income and expense for all interest-bearing financial instruments are recognized using the effective interest method.

When calculating the effective interest rate, the BPI Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

### **30.3.11 Cash and cash equivalents**

Interbank loans receivable and securities purchased under agreements to resell (SPAR) are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

### **30.3.12 Repurchase and reverse repurchase agreements**

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks and customers and included in the statement of condition under "Interbank loans receivable and securities purchased under agreements to resell". Securities lent to counterparties are also retained in the financial statements.

## **30.4 Consolidation**

The subsidiaries' financial statements are prepared for the same reporting year as the consolidated financial statements. Refer to Note 1 for the list of the Parent Bank's subsidiaries.

### *(a) Subsidiaries*

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the BPI Group, except for the pre-need subsidiary which follows the provisions of the PNUCA as allowed by the SEC.

### *(b) Associates*

Associates are all entities over which the BPI Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting.

The BPI Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the BPI Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit (loss) of an associate' in profit or loss.

Unrealized gains on transactions between the BPI Group and its associates are eliminated to the extent of the BPI Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the BPI Group.

*(c) Business combination between entities under common control*

Business combinations under common control are accounted for using the pooling of interest method following the guidance under the PIC Q&A No. 2018-06. Under this method, the Parent Bank does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over their cost at the time of the common control combination.

*(d) Business combination under PFRS 3*

The BPI Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the BPI Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any, and fair value of any pre-existing equity interest in the acquiree, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the BPI Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the BPI Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the BPI Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

*Measurement period*

PFRS 3 allows a one year measurement period for the acquirer to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable.

### *Accounting for loss allowances relating to financial assets acquired through merger*

The BPI Group applies the provision in PFRS 3 wherein a separate valuation allowance, such as a provision for impairment of receivables, is not recognized when assets are measured at their acquisition date fair values. The asset's fair value includes the probabilities and uncertainties regarding future cash flows. The BPI Group does not recognize a separate valuation allowance for the contractual cash flows that are deemed to be uncollectable at that date or a loss allowance for expected credit losses. The related provision for credit and impairment losses arising from the acquired financial assets are netted against the assets' fair value.

### **30.5 Investments in subsidiaries and associates**

Investments in subsidiaries and associates in the Parent Bank's separate financial statements are accounted for using the cost method in accordance with PAS 27. Under this method, income from investment is recognized in profit or loss only to the extent that the investor receives distributions from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

The Parent Bank recognizes a dividend from a subsidiary or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

The Parent Bank determines at each reporting date whether there is any indicator of impairment that the investment in the subsidiary or associate is impaired. If this is the case, the Parent Bank calculates the amount of impairment as the difference between the recoverable amount and carrying value and the difference is recognized in profit or loss.

Investments in subsidiaries and associates are derecognized upon disposal or when no future economic benefits are expected to be derived from the subsidiaries and associates at which time the cost and the related accumulated impairment loss are removed in the statements of condition. Any gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the investment and recognized in profit or loss.

### **30.6 Segment reporting**

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated upon consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with PFRS 8, the BPI Group has the following main banking business segments: consumer banking, corporate banking and investment banking. Its insurance business is assessed separately from these banking business segments (Note 3).

### **30.7 Bank premises, furniture, fixtures and equipment**

Land and buildings comprise mainly of branches and offices. All bank premises, furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the BPI Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

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, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items on the site on which it is located. 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. 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.

Land is carried at historical cost and is not depreciated. Depreciation for buildings and furniture and equipment is calculated using the straight-line method to allocate cost or residual values over the estimated useful lives of the assets, as follows:

Building	25-50 years
Furniture and equipment	3-5 years
Equipment for lease	2-8 years

Leasehold improvements are depreciated over the shorter of the lease term (ranges from 5 to 10 years) and the useful life of the related improvement (ranges from 5 to 10 years). Major renovations are depreciated over the remaining useful life of the related asset.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. There are no bank premises, furniture, fixtures and equipment that are fully impaired as at December 31, 2024 and 2023.

### **30.8 Investment properties**

Properties that are held either to earn rental income or for capital appreciation or both, and that are not significantly occupied by the BPI Group are classified as investment properties. Transfers to, and from, investment property are made when, and only when, there is a change in use, evidenced by:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view of sale, for a transfer from investment property to real properties held-for-sale and development;
- (c) End of owner occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from real properties held-for-sale and development to investment property.

Transfers to and from investment property do not result in gain or loss.

Investment properties comprise land and building. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation on investment property is determined using the same policy as applied to Bank premises, furniture, fixtures, and equipment. Impairment test is conducted when there is an indication that the carrying amount of the asset may not be recovered. An impairment loss is recognized for the amount by which the property's carrying amount exceeds its recoverable amount, which is the higher of the property's fair value less costs to sell and value in use.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains and losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

### **30.9 Foreclosed assets**

Assets foreclosed shown as Assets held for sale in the statements of condition are accounted for at the lower of cost and fair value less cost to sell similar to the principles of PFRS 5. The cost of assets foreclosed includes the carrying amount of the related loan. Impairment loss is recognized for any subsequent write-down of the asset to fair value less cost to sell.

Foreclosed assets not classified as Assets held for sale are accounted for in any of the following classification using the measurement basis appropriate to the asset as follows:

- (a) Investment property is accounted for using the cost model under PAS 40;
- (b) Bank-occupied property is accounted for using the cost model under PAS 16; and
- (c) Financial assets are accounted for under PFRS 9.

When foreclosed assets are recovered through a sale transaction, the gain or loss recognized from the difference between the carrying amount of the foreclosed asset disposed and the net disposal proceeds is recognized in profit or loss.

### **30.10 Intangible assets**

#### *Intangible assets*

##### *(a) Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the BPI Group's share in the net identifiable assets of another entity at the date of acquisition. Goodwill on acquisition is included under Other assets, net in the statement of condition. Separately recognized goodwill is carried at cost less accumulated impairment losses.

Goodwill is an indefinite-lived intangible asset and hence not subject to amortization. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit is represented by each primary reporting segment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

##### *(b) Contractual customer relationships and core deposits*

Contractual customer relationships and core deposits acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relationships and core deposits have finite useful lives of 9 years and 18 years, respectively and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the intangible assets. Contractual customer relationships and core deposits are included under Other assets, net in the statement of condition.

##### *(c) Computer software*

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over the expected useful lives (three to five years). Computer software is included under Other assets, net in the statements of condition.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the BPI Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other assets to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

*(d) Management contracts*

Management contracts are recognized at fair value at the acquisition date. They have a finite useful life of five years and are subsequently carried at cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method over the estimated useful life of the contract. Management contracts are included under Other assets, net in the statement of condition.

*(e) Branch licenses*

Branch licenses arise from the acquisition of branches in a business combination. They have an indefinite useful life and are subject to annual impairment assessment. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable.

### **30.11 Impairment of non-financial assets**

Assets that have indefinite useful lives - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment and more frequently if there are indicators of impairment. Assets that have definite useful lives are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

### **30.12 Borrowings and borrowing costs**

The BPI Group's borrowings consist mainly of bills payable and other borrowed funds. Borrowings are recognized initially at fair value, which is the issue proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred. The BPI Group has no qualifying asset as at December 31, 2024 and 2023. Borrowings derecognized when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statements of Income as other income.

### **30.13 Fees and commission income**

The BPI Group has applied PFRS 15 where revenue is recognized when (or as) The BPI Group satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The recognition of revenue can be either over time or at a point in time depending on when the performance obligation is satisfied.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the BPI Group satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time at the point of transfer control of the good or service to the customer.

Variable consideration is measured using either the expected value method or the most likely amount method depending on which method the BPI Group expects to better predict the amount of consideration to which it will be entitled. This is the estimated amount of variable consideration, or the portion, if any, of that amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Where there is a single performance obligation, the transaction price is allocated in its entirety to that performance obligation. Where there are multiple performance obligations, the transaction price is allocated to the performance obligation to which it relates based on stand-alone selling prices.

The BPI Group recognizes revenue based on the price specified in the contract, net of the estimated rebates/discounts and include variable consideration, if there is any. Accumulated experience is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The BPI Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the BPI Group does not adjust any of the transaction prices for the time value of money.

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party (i.e. the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses) are recognized on completion of underlying transactions. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis. Asset management fees related to investment funds are recognized ratably over the period in which the service is provided.

### **30.14 Credit card income**

Credit card arrangements involve numerous contracts between various parties. The BPI Group has determined that the more significant contracts within the scope of PFRS 15 are (1) the contract between the BPI Group and the credit card holder ('Cardholder Agreement') under which the BPI Group earn miscellaneous fees (e.g., annual membership fees, late payment fees, foreign exchange fees, etc.) and (2) an implied contract between the BPI Group and merchants who accept the credit cards in connection with the purchase of their goods and/or services ('Merchant Agreement') under which the BPI Group earn interchange fees.

The Cardholder Agreement obligates the BPI Group, as the card issuer, to perform activities such as process redemption of loyalty points by providing goods, services, or other benefits to the cardholder; provide ancillary services such as concierge services, travel insurance, airport lounge access and the like; process late payments; provide foreign exchange services and others. The amount of fees stated in the contract represents the transaction price for that performance obligation.

The implied contract between the BPI Group and the merchant results in the BPI Group receiving an interchange fee from the merchant. The interchange fee represents the transaction price associated with the implied contract between the BPI Group and the merchant because it represents the amount of consideration to which the BPI Group expects to be entitled in exchange for transferring the promised service (i.e., purchase approval and payment remittance) to the merchant. The performance obligation associated with the implied contract between the BPI Group and the merchant is satisfied upon performance and simultaneous consumption by the customer of the underlying service. Therefore, a portion of the interchange fee is allocated to the performance obligations based on stand-alone transaction price and revenue is recognized when these performance obligations are satisfied.

### **30.15 Foreign currency translation**

#### *(a) Functional and presentation currency*

Items in the financial statements of each entity in the BPI Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Parent Bank's functional and presentation currency.

*(b) Foreign subsidiaries*

The results and financial position of BPI's foreign subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component (Currency translation differences) of Accumulated other comprehensive income (loss) in the capital funds. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

*(c) Income from foreign exchange trading*

Foreign exchange gains and losses arising from trading of foreign currencies are recorded under "Income from foreign exchange trading" in the statement of income. Gains or losses are calculated as the difference between the carrying amount of the asset sold and the net disposal proceeds at the date of sale.

### **30.16 Provisions for legal or contractual obligations**

Provisions are recognized when all of the following conditions are met: (i) the BPI Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item is included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

### **30.17 Income taxes**

*(a) Current income tax*

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction.

The BPI Group has substantial income from its investment in government securities subject to final withholding tax. Such income is presented at its gross amount and the final tax paid or withheld is included in Income tax expense - Current.

*(b) Deferred income tax*

The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

The BPI Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

### **30.18 Employee benefits**

#### *(a) Short-term benefits*

The BPI Group recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### *(b) Defined benefit retirement plan*

The BPI Group has a defined benefit plan that shares risks among entities within the group. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of condition in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Defined benefit costs comprise of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined 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 the plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period 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 interest income or expense in the statement of income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For individual financial reporting purposes, the unified plan assets are allocated among the BPI Group entities based on the level of the defined benefit obligation attributable to each entity to arrive at the net liability or asset that should be recognized in the individual financial statements.

#### *(c) Defined contribution retirement plan*

The BPI Group also maintains a defined contribution plan that covers certain full-time employees. Under its defined contribution plan, the BPI Group pays fixed contributions based on the employees' monthly salaries. The BPI Group, however, is covered under RA No. 7641, otherwise known as The Philippine Retirement Pay Law, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. Accordingly, the BPI Group accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The BPI Group and Parent Bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) then, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest and other expenses related to the defined benefit plan are recognized in the statement of income.

The defined contribution liability is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Actuarial gains and losses arising from the remeasurements of the net defined contribution liability are recognized immediately in the other comprehensive income.

*(d) Share-based compensation*

The BPI Group engages in equity-settled share-based payment transactions in respect of services received from certain employees.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of employee services received in respect of the shares or share options granted is recognized in profit or loss (with a corresponding increase in reserve in capital funds) over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models which take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

When the stock options are exercised or shares are subscribed, the proceeds received are credited to share capital (par value) and share premium for the excess of exercise price over par value.

*(e) Bonus plans*

The BPI Group recognizes a liability and an expense for bonuses and recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **30.19 Capital funds**

*Merger reserves*

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the value of the shares acquired in respect of the acquisition of BFB accounted for under the pooling-of-interest method and the difference between the results of operations of BFB during the year ended December 31, 2021 and the dividends declared on December 29, 2021.

### **30.20 Fiduciary activities**

The BPI Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the BPI Group (Note 24).

## 30.21 Leases

### 30.21.1 BPI Group is the lessee

#### *Measurement of right-of-use assets and lease liabilities*

Lease payments to be made under reasonably certain extension options are included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the BPI Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the BPI Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the BPI Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

#### *Extension and termination options*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the BPI Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### *Lease modification*

Lease modifications are accounted either as a separate lease or not a separate lease. The BPI Group accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for a separate lease, at the effective date of lease modification, the BPI Group:

- allocates the consideration in the modified contract on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the BPI Group accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease; and
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The BPI Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

#### *Short-term leases and leases of low-value assets*

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statements of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

#### **30.21.2 BPI Group is the lessor**

BPI Group (as a lessor) continues to classify its leases as operating leases.

#### **30.22 Insurance and pre-need operations**

##### *(a) Non-life insurance*

The more significant accounting policies observed by the non-life insurance subsidiaries follow: (a) gross premiums written from short-term insurance contracts are recognized at the inception date of the risks underwritten and are earned over the period of cover in accordance with the incidence of risk using the 24th method; (b) acquisition costs are deferred and charged to expense in proportion to the premium revenue recognized; reinsurance commissions are deferred and deducted from the applicable deferred acquisition costs, subject to the same amortization method as the related acquisition costs; (c) a liability adequacy test is performed which compares the subsidiaries' reported insurance contract liabilities against current best estimates of all contractual future cash flows and claims handling, and policy administration expenses as well as investment income backing up such liabilities, with any deficiency immediately charged to profit or loss; and (d) financial assets and liabilities are measured following the classification and valuation provisions of PFRS 9.

##### *(b) Pre-need*

The material provisions of the PNUCA as applied by the pre-need subsidiary follow: (a) costs of contracts issued and other direct costs and expenses are recognized as expense when incurred; (b) pre-need reserves which represent the accrued net liabilities of the subsidiary to its plan holders are actuarially computed based on standards and guidelines set forth by the Insurance Commission; the increase or decrease in the account is charged or credited to other costs of contracts issued in profit or loss; and (c) insurance premium reserves which represent the amount that must be set aside by the subsidiary to pay for premiums for insurance coverage of fully paid plan holders, are actuarially computed based on standards and guidelines set forth by the Insurance Commission.

### 31 Supplementary information required under BSP Circular No. 1074

Presented below are the additional information required by BSP Circular No. 1074 issued on January 8, 2020. This information is presented for BSP reporting purposes and is not required in the basic financial statements.

#### (i) Basic Quantitative Indicators of Financial Performance

The key financial performance indicators follow (in %):

	Consolidated		Parent	
	2024	2023	2024	2023
Return on average equity				
- Daily average <sup>1</sup>	<b>15.07</b>	15.35	<b>14.45</b>	15.71
- Simple average <sup>2</sup>	<b>15.67</b>	15.22	<b>15.24</b>	15.76
Return on average assets				
- Daily average <sup>3</sup>	<b>1.98</b>	1.93	<b>1.86</b>	1.91
- Simple average <sup>4</sup>	<b>2.00</b>	1.88	<b>1.87</b>	1.87
Net interest margin				
- Daily average <sup>5</sup>	<b>4.31</b>	4.09	<b>4.08</b>	3.93
- Simple average <sup>6</sup>	<b>4.31</b>	3.98	<b>4.07</b>	3.82

<sup>1</sup>Net income divided by average total equity for the period indicated. Average equity is based on the daily average balance of equity for the years ended December 31, 2024 and 2023.

<sup>2</sup>Net income divided by average total equity for the period indicated. Average total equity is based on the year-on-year balance of equity for the years ended December 31, 2024 and 2023.

<sup>3</sup>Net income divided by average total assets as at period indicated. Average total assets are based on the daily average balance of total assets as at December 31, 2024 and 2023.

<sup>4</sup>Net income divided by average total assets as at period indicated. Average total assets are based on the year-on-year balance of total assets as at December 31, 2024 and 2023.

<sup>5</sup>Net interest income divided by average interest-earning assets. Average interest earning assets is based on the daily average balance of interest earning assets as at December 31, 2024 and 2023.

<sup>6</sup>Net interest income divided by average interest-earning assets. Average interest earning assets is based on the year-on-year balance of interest earning assets as at December 31, 2024 and 2023.

#### (ii) Description of Capital Instrument Issued

BPI considers its common shares as capital instrument for purposes of calculating its capital adequacy ratio as at December 31, 2024 and 2023.

#### Significant credit exposures

Details of the loans and advances portfolio as to concentration per industry/economic sector over total loan portfolio (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Real estate, renting and other related activities	<b>22.74</b>	23.12	<b>23.24</b>	23.48
Manufacturing	<b>14.17</b>	15.47	<b>14.44</b>	15.70
Consumer	<b>13.32</b>	11.44	<b>12.09</b>	10.62
Transportation, storage and communications	<b>11.07</b>	11.33	<b>10.85</b>	11.48
Wholesale and retail trade	<b>10.80</b>	11.20	<b>11.01</b>	11.01
Financial institutions	<b>10.53</b>	9.70	<b>10.80</b>	9.85
Electricity, gas, steam and air-conditioning supply	<b>8.16</b>	9.18	<b>8.36</b>	9.34
Agriculture and forestry	<b>1.57</b>	1.73	<b>1.59</b>	1.75
Others	<b>7.64</b>	6.83	<b>7.62</b>	6.77
	<b>100.00</b>	100.00	<b>100.00</b>	100.00

Details of the loans and advances portfolio as to concentration per industry/economic sector over Tier 1 Capital (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Real estate, renting and other related activities	<b>142.47</b>	138.44	<b>154.47</b>	148.97
Manufacturing	<b>88.77</b>	92.63	<b>95.99</b>	99.62
Consumer	<b>83.40</b>	68.48	<b>80.40</b>	67.37
Transportation, storage and communications	<b>67.65</b>	67.87	<b>73.17</b>	72.85
Wholesale and retail trade	<b>69.34</b>	67.07	<b>72.15</b>	69.83
Financial institutions	<b>65.99</b>	58.09	<b>71.77</b>	62.49
Electricity, gas, steam and air-conditioning supply	<b>51.12</b>	54.93	<b>55.57</b>	59.25
Agriculture and forestry	<b>9.84</b>	10.36	<b>10.54</b>	11.11
Others	<b>47.81</b>	40.84	<b>50.72</b>	43.00

### **Breakdown of total loans**

Details of the loans and advances portfolio as at December 31 as to collateral (amounts net of unearned discounts and exclusive of accrued interest receivable) are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	<b>348,232</b>	304,090	<b>346,616</b>	302,870
Project assets	<b>162,641</b>	138,915	<b>162,641</b>	138,915
Chattel mortgage	<b>94,493</b>	75,028	<b>94,488</b>	75,028
Others	<b>48,507</b>	25,912	<b>48,482</b>	25,757
	<b>653,873</b>	543,945	<b>652,227</b>	542,570
Unsecured loans	<b>1,620,879</b>	1,382,593	<b>1,568,482</b>	1,350,313
	<b>2,274,752</b>	1,926,538	<b>2,220,709</b>	1,892,883

Others represent loans secured mainly by hold-out deposits, mortgage trust indentures, government and corporate securities and bonds, quedan/warehouse receipts, standby letters of credit, trust receipts, deposit substitutes and inventories.

Breakdown of performing and non-performing loans net of allowance for credit losses, as reported to the BSP, are as follows:

### Consolidated

	2024			2023		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	<b>1,663,158</b>	<b>22,391</b>	<b>1,685,549</b>	1,483,876	16,662	1,500,538
Credit cards	<b>161,855</b>	<b>7,265</b>	<b>169,120</b>	124,606	5,107	129,713
Other retail loans	<b>401,387</b>	<b>18,708</b>	<b>420,095</b>	282,627	13,666	296,293
	<b>2,226,400</b>	<b>48,364</b>	<b>2,274,764</b>	1,891,109	35,435	1,926,544
Allowance for probable losses	<b>(11,229)</b>	<b>(29,940)</b>	<b>(41,169)</b>	(11,154)	(22,726)	(33,880)
Net carrying amount	<b>2,215,171</b>	<b>18,424</b>	<b>2,233,595</b>	1,879,955	12,709	1,892,664

\*Amounts exclude accrued interest receivables and GLLP per financial reporting package

## Parent

	2024			2023		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	1,658,994	22,235	1,681,229	1,483,636	16,635	1,500,271
Credit cards	161,855	7,265	169,120	124,606	5,107	129,713
Other retail loans	354,903	15,462	370,365	251,171	11,735	262,906
	2,175,752	44,962	2,220,714	1,859,413	33,477	1,892,890
Allowance for probable losses	(11,409)	(27,583)	(38,992)	(11,336)	(21,280)	(32,616)
Net carrying amount	2,164,343	17,379	2,181,722	1,848,077	12,197	1,860,274

\*Amounts exclude accrued interest receivables and GLLP per financial reporting package

BSP Circular 941, *Amendments to Regulations on Past Due and Non-Performing Loans*, states that loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and if there is an evidence that full repayment of principal and interest is unlikely without foreclosure of collateral. 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.

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.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

### (iii) Information on Related Party Loans

Details of related party loans are as follows (transactions with subsidiaries have been eliminated in the consolidated financial statements):

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Loans and advances from:				
Subsidiaries	-	-	75	87
Associates	479	113	479	113
Ayala Group	79,902	61,567	79,902	61,567
Key management personnel	20	-	20	-
Other related parties	-	-	-	-

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	80,401	61,680	80,476	61,767
% to total outstanding related party loans				
Subsidiaries	-	-	0.09	0.14
Associates	0.60	0.18	0.60	0.18
Ayala Group	99.38	99.82	99.29	99.68
Key management personnel	0.02	-	0.02	-
Other related parties	-	-	-	-

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	<b>80,401</b>	61,680	<b>80,476</b>	61,767
% to total outstanding related party loans				
Unsecured related party loans	<b>47.85</b>	8.82	<b>47.88</b>	8.81
Past due related party loans	-	-	-	-
Non-performing related party loans	-	-	-	-

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Outstanding DOSRI loans	<b>31,588</b>	18,701	<b>31,588</b>	18,701

	Consolidated		Parent	
	2024	2023	2024	2023
	(In percentages)			
% to total outstanding loans and advances	<b>1.39</b>	0.97	<b>1.42</b>	0.99
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	<b>1.61</b>	2.30	<b>1.61</b>	2.30
Past due DOSRI loans	<b>0.02</b>	0.04	<b>0.02</b>	0.04
Non-performing DOSRI loans	<b>0.03</b>	0.02	<b>0.03</b>	0.02

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at December 31, 2024 and 2023.

*(iv) Secured Liabilities and Assets Pledged as Security*

The BPI Group's Bills payable (Note 16) include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group. As at December 31, 2024 and 2023, part of the bills payable of the Parent Bank is secured by government securities classified as investment securities at amortized cost (Note 9).

**Contingencies and commitments arising from off-balance sheet items**

The following is a summary of BPI's contingencies and commitments at their equivalent peso amounts as reported to the BSP:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Trust accounts	<b>1,530,708</b>	1,223,096	-	-
Derivatives	<b>496,116</b>	319,337	<b>489,149</b>	314,881
Commitments	<b>245,341</b>	186,611	<b>245,341</b>	186,611
Financial standby letters of credit - foreign	<b>36,103</b>	30,472	<b>36,103</b>	30,472
Bills for collection	<b>35,060</b>	22,923	<b>35,060</b>	22,923
Spot foreign exchange contracts	<b>24,679</b>	7,310	<b>24,679</b>	7,310
Performance standby letters of credit - foreign	<b>11,228</b>	10,898	<b>11,228</b>	10,898
Commercial letters of credit	<b>10,242</b>	11,322	<b>10,242</b>	11,322
Guarantees issued	<b>3,555</b>	2,521	<b>3,555</b>	2,521
Trade related guarantees	<b>2,758</b>	1,208	<b>2,758</b>	1,208
Other contingent accounts	<b>40,285</b>	39,712	<b>39,545</b>	39,618
	<b>2,436,075</b>	1,855,410	<b>897,660</b>	627,764

Other contingent accounts pertain to late deposits or payments received, deficiency claims receivable, items held for safekeeping, and items held as collateral.

Significant credit risk exposures arising from off-balance sheet items are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Undrawn loan commitments	<b>663,659</b>	504,918	<b>663,659</b>	504,918
Unused letters of credit	<b>64,007</b>	55,808	<b>64,007</b>	55,808
Gross carrying amount	<b>727,666</b>	560,726	<b>727,666</b>	560,726
Loss allowance	<b>(1,267)</b>	(1,232)	<b>(1,267)</b>	(1,232)
Carrying amount	<b>726,399</b>	559,494	<b>726,399</b>	559,494

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the BPI Group is required to provide a loan with pre-specified terms to the customer. These off-balance sheet items are within the scope of PFRS 9 where the BPI Group estimates that the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to the off-balance sheet items is recognized in "Miscellaneous liabilities" (Note 17).

The BPI Group has no other off-balance sheet items other than the items listed above.

### 32 Supplementary information required by the Bureau of Internal Revenue

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS Accounting Standards.

Below is the additional information required by RR No. 15-2010 that is relevant to the Parent Bank. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

#### (i) Documentary stamp tax

Documentary stamp taxes paid through the Electronic Documentary Stamp Tax System for the year ended December 31, 2024 consist of:

	Amount (In Millions of Pesos)
Deposit and loan documents	<b>11,867</b>
Trade finance documents	<b>794</b>
Mortgage documents	<b>620</b>
Shares of stocks	<b>33</b>
Others	<b>5</b>
	<b>13,319</b>

*(ii) Withholding taxes*

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2024 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Final income taxes withheld on interest on deposits and yield on deposit substitutes	8,309	783	9,092
Income taxes withheld on compensation	3,514	396	3,910
Creditable income taxes withheld (expanded)	1,171	190	1,361
Final income taxes withheld on income payment	767	492	1,259
Fringe benefit tax	96	31	127
Withholding value-added tax	53	15	68
Withholding tax on withdrawal from decedent's account	14	1	15
	<b>13,924</b>	<b>1,908</b>	<b>15,832</b>

*(iii) All other local and national taxes*

All other local and national taxes paid/accrued for the year ended December 31, 2024 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Gross receipts tax	8,563	765	9,328
Municipal taxes	493	-	493
Real property tax	195	-	195
Others	20	-	20
	<b>9,271</b>	<b>765</b>	<b>10,036</b>

Municipal and other taxes imposed by the government which are incurred under the normal courses of business are part of "Taxes and licenses" within Other operating expenses (Note 21).

*(iv) Tax cases and assessments*

As at reporting date, the Parent Bank has various claims of tax refund pending with tax authorities. There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.



## **Statements Required by Rule 68 Securities Regulation Code (SRC)**

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

We have audited in accordance with Philippine Standards on Auditing the consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 19, 2025. 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 BPI Group'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 BPI Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no exceptions were noted.

### **Isla Lipana & Co.**

A handwritten signature in black ink, appearing to read "R. Danao", is written over a horizontal line.

Roderick M. Danao  
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280; issued on January 3, 2025, Makati City

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, effective until November 14, 2025

Makati City  
February 19, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)

**Bank of the Philippine Islands**  
**Financial Indicators**  
**As at December 31, 2024 and 2023**

Ratio	Formula (in Millions of Pesos, except ratios)	Current year	Prior year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities		
	Total current assets 1,552,124	59.36	58.53
	Divided by: Total deposits 2,614,802		
	Liquidity ratio 0.5936		
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity		
	Total liabilities (Bills payable and Bonds payable) 163,182	37.91	38.38
	Divided by: Total equity 430,469		
	Debt-to-equity ratio 0.3791		
Asset-to-equity ratio	Total assets divided by total equity		
	Total assets 3,318,813	770.98	808.61
	Divided by: Total equity 430,469		
	Asset-to-equity ratio 7.7098		
Interest rate coverage ratio	Earnings before interest expense, income taxes, depreciation, and amortization		
	EBITDA 147,368	236.29	274.24
	Divided by: Total interest expense 62,368		
	Interest rate coverage ratio 2.3629		
Return on equity	Net income divided by daily average equity		
	Net income 62,049	15.07	15.35
	Divided by: Daily average equity 411,819		
	Return on equity 0.1507		
Return on assets	Net income divided by daily average assets		
	Net income 62,049	1.98	1.93
	Divided by: Daily average assets 3,133,116		
	Return on assets 0.0198		

Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by daily average net interest bearing assets		
	Net interest income 127,586	4.31	4.09
	Divided by: Daily average Net Interest Bearing Assets 2,960,101		
	NIM 0.0431		
Other ratios:			
Average assets to average equity	Daily average assets divided by daily average equity		
	Daily average assets 3,133,116	760.80	796.78
	Divided by: Daily average equity 411,819		
	Average assets to average equity 7.6080		
Net interest to average assets (NRFF)	Net interest income divided by daily average assets		
	Net interest income 127,586	4.07	3.89
	Divided by: Daily average assets 3,133,116		
	NRFF 0.0407		
Cost to income ratio	Total operating expense divided by total income (Net interest income and Other income)		
	Total operating expense 83,796	49.25	49.96
	Divided by: Total income (Net Interest income and Other income) 170,139		
	Cost to income ratio 0.4925		
Cost to asset ratio	Total operating expense divided by daily average assets		
	Total operating expense 83,796	2.67	2.58
	Divided by: Daily average assets 3,133,116		
	Cost to asset ratio 0.0267		
Capital to assets ratio	Total equity divided by total assets		
	Total equity 430,469	12.97	12.37
	Divided by: Total assets 3,318,813		
	Capital to assets ratio 0.1297		



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

We have audited the consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated February 19, 2025. The supplementary information shown in the Reconciliation of the Parent Bank's Retained Earnings Available for Dividend Declaration, Map of the Conglomerate or Group of Companies within which the Bank of the Philippine Islands belongs effective as at December 31, 2024, as additional components required by Part I, Section 5 of Rule 68 of the Securities Regulation Code, and Schedules A, B, C, D, E, F and G, as required by Part II, Section 6 of Rule 68 of the Securities Regulation Code, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the Securities Regulation Code.

**Isla Lipana & Co.**

A handwritten signature in black ink, appearing to read "Rodrick M. Danao", written over a light blue horizontal line.

Rodrick M. Danao  
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280; issued on January 3, 2025, Makati City

T.I.N. 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

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**Bank of the Philippine Islands**  
Ayala Triangle Gardens Tower 2  
Paseo De Roxas corner Makati Ave., Bel-Air  
Makati City

**Reconciliation of Retained Earnings Available for Dividend Declaration**  
For the year ended December 31, 2024  
(in Millions of Pesos)

<b>Unappropriated retained earnings, beginning of the year</b>		<b>149,034</b>
Add: Category A: Items that are directly credited to		
Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (Realized Gain on Sale of FVOCI equity securities)	467	467
		<b>149,501</b>
Less: Category B: Items that are directly debited to		
Unappropriated retained earnings		
Dividend declaration during the reporting period	20,878	
Retained earnings appropriated during the reporting period	10,274	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	31,152
<b>Unappropriated retained earnings, as adjusted</b>		<b>118,349</b>
Add/Less: Net Income (loss) for the current year		<b>56,384</b>
Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	1,658	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	70	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	1,728
		<b>54,656</b>

(continued)

**Bank of the Philippine Islands****Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2024

Page 2

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	-
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	-
Realized fair value gain of Investment property	-	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
		<b>54,656</b>
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	-
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	557	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	123	-
Reversal of previously recorded fair value gain of investment property	-	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	680
Adjusted net income/loss		<b>55,336</b>
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	-
Total amount of reporting relief granted during the year	-	-
Others (describe nature)	-	-
		-

*(continued)*

**Bank of the Philippine Islands**

**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2024

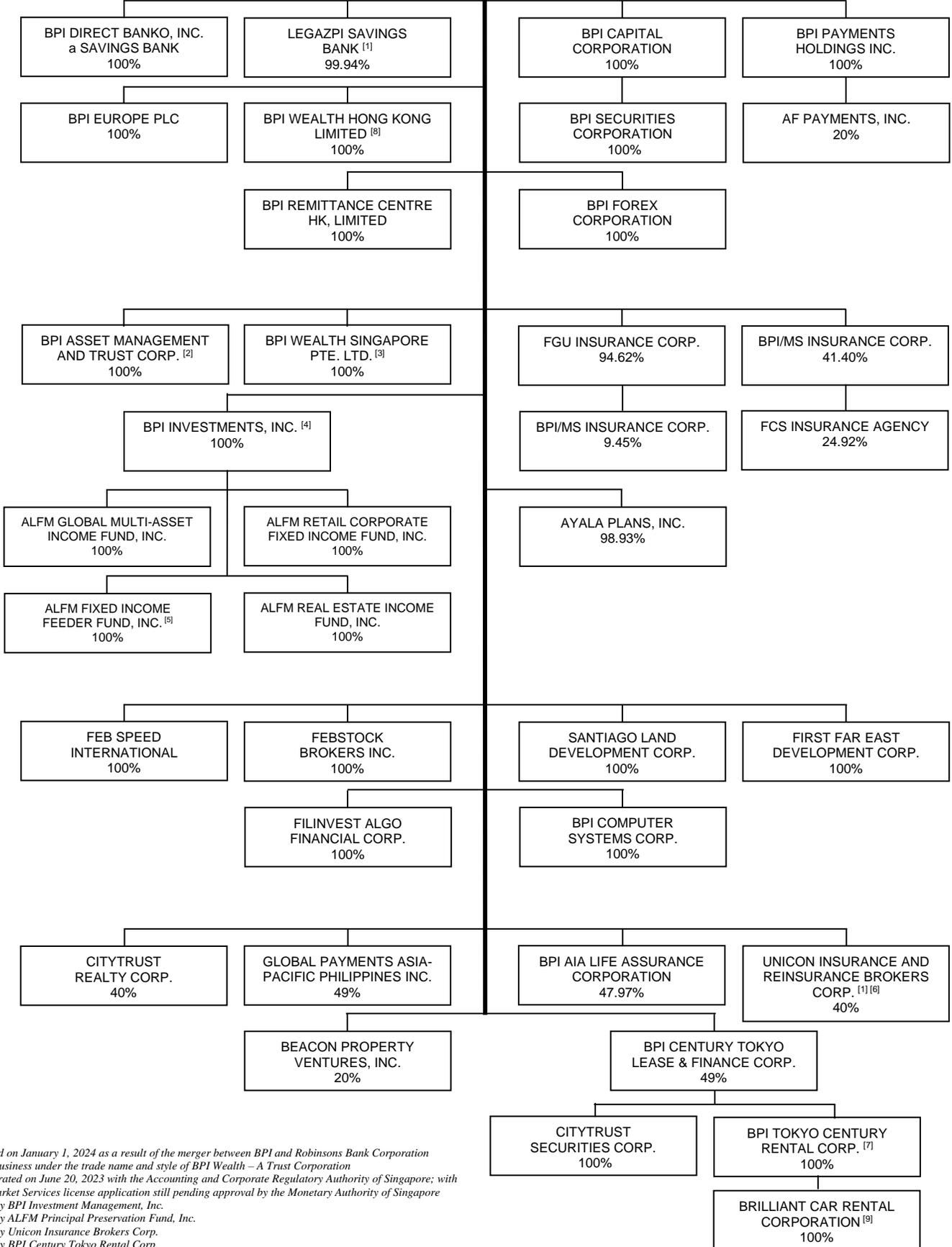
Page 3

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Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g ., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP – gain (loss)	-
Others	-
<b>Total retained earnings, end of the year available for dividend declaration</b>	<b>173,685</b>

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# BANK OF THE PHILIPPINE ISLANDS



**Notes:**

- [1] Acquired on January 1, 2024 as a result of the merger between BPI and Robinsons Bank Corporation
- [2] Doing business under the trade name and style of BPI Wealth – A Trust Corporation
- [3] Incorporated on June 20, 2023 with the Accounting and Corporate Regulatory Authority of Singapore; with Capital Market Services license application still pending approval by the Monetary Authority of Singapore
- [4] Formerly BPI Investment Management, Inc.
- [5] Formerly ALFM Principal Preservation Fund, Inc.
- [6] Formerly Unicon Insurance Brokers Corp.
- [7] Formerly BPI Century Tokyo Rental Corp.
- [8] Formerly BPI International Finance Limited
- [9] Wholly owned subsidiary of BPI Tokyo Century Rental Corp. Acquisition was completed on May 23, 2024.

**BANK OF THE PHILIPPINE ISLANDS**  
**December 31, 2024**  
**(in Millions of Pesos)**

**Schedule A - Financial Assets**

	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Due from Bangko Sentral ng Pilipinas		164,571	
Due from other banks		72,060	
Interbank loans receivable and Securities purchased under agreements to resell		16,715	
Subtotal		253,346	3,109
Financial assets at fair value through profit or loss- Trading securities (*)		41,452	1,238
Financial assets at fair value through profit or loss- Derivative financial assets		5,856	
Subtotal		47,308	
Financial assets at fair value through other comprehensive income (FVOCI) (*)		268,202	11,569
Investment securities at amortized cost (*)		343,108	14,444
Loans and advances, net		2,238,765	159,594
Others		3,970	
<b>TOTAL</b>		<b>3,154,699</b>	<b>189,954</b>

(\*) Please refer succeeding pages for the detailed information on these financial assets.

**BANK OF THE PHILIPPINE ISLANDS**

December 31, 2024

**Schedule B: Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)**

<b>Name and Designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amount collected</b>	<b>Amount written off</b>	<b>Current</b>	<b>Non-current</b>	<b>Balance at end of period</b>
---------------------------------------	---------------------------------------	------------------	-------------------------	---------------------------	----------------	--------------------	---------------------------------

Nothing to report. Transactions with these parties are made under the normal course of business.

**BANK OF THE PHILIPPINE ISLANDS****December 31, 2024**

(In Millions of Pesos)

**Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements**

<b>Name and designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amount collected</b>	<b>Amount written off</b>	<b>Current</b>	<b>Non-current</b>	<b>Balance at end of period</b>
BPI DIRECT BANKO, INC.	1,525	1,152	-	-	2,677	-	2,677
BPI CAPITAL CORP.	8	2	-	-	10	-	10
BPI INVESTMENT MANAGEMENT, INC.	7	1	-	-	8	-	8
BPI SECURITIES CORP.	115	22	-	-	137	-	137
BPI CENTURY TOKYO RENTAL CORP.	-	-	-	-	-	-	-
BPI ASSET MANAGEMENT AND TRUST CORP.	30	18	-	-	28	-	28
BPI/MS INSURANCE CORPORATION	6	5	-	-	11	-	11
	1,691	1,200	-	-	2,891	-	2,891

**BANK OF THE PHILIPPINE ISLANDS**  
**December 31, 2024**  
(In Millions of Pesos)

**Schedule D - Long-term Debt**

Title of issue and type of obligation	Amount authorized by indenture (Original currency)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in PHP)	Amount shown under caption "Long-term debt" in related balance sheet (in PHP)	Terms of long-term debts
<b>Parent Bank</b>				
Bonds payable	PHP 36,661	36,586	-	Int Rate : 6.43% Frequency of Payment: Quarterly Maturity Date : 5/13/2025 Face Value : PHP 36,660,800,000
Bonds payable	PHP 33,700	-	33,485	Int Rate : 6.20% Frequency of Payment: Quarterly Maturity Date : 02/09/2026 Face Value : PHP 33,700,000,000
Bonds payable	USD 400	-	22,967	Int Rate : 5.25% Frequency of Payment: Semi - Annual Maturity Date : 3/26/2029 Face Value : USD 400,000,000
Bonds payable	USD 250	-	14,448	Int Rate : 6.21% Frequency of Payment: Semi - Annual Maturity Date : 08/25/2026 Face Value : USD 250,000,000
Bills payable	USD 300	-	17,274	Int Rate : 5.46% Frequency of Payment: Quarterly Maturity Date : 08/24/2026 Face Value : USD 300,000,000
Bills payable		33,340	4,983	Various
<b>SUB-TOTAL</b>		<b>69,926</b>	<b>93,157</b>	<b>163,083</b>
<b>BPI Europe</b>				
Bills payable		99	-	Various
<b>TOTAL</b>		<b>70,025</b>	<b>93,157</b>	<b>163,182</b>

**BANK OF THE PHILIPPINE ISLANDS**

December 31, 2024

**Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)**

<b>Name and related party</b>	<b>Balance at beginning of period</b>	<b>Balance at end of period</b>
Nothing to report.		

**BANK OF THE PHILIPPINE ISLANDS**  
**December 31, 2024**

**Schedule F - Guarantees of Securities of Other Issuers**

<b>Name of issuing entity of securities guaranteed by the company for which this statement is filed</b>	<b>Title of issue of each class of securities guaranteed</b>	<b>Total amount guaranteed and outstanding</b>	<b>Amount owned by person for which statement is filed</b>	<b>Nature of guarantee</b>
Nothing to report.				

**BANK OF THE PHILIPPINE ISLANDS**  
December 31, 2024

**Schedule G - Capital Stock**

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
Common Shares	5,400,000,000	5,272,095,143	3,260,620	2,338,395,880	74,014,234	2,859,685,029
Preferred A Shares	60,000,000	-	-	-	-	-

\* Shares granted but not yet exercised

**BANK OF THE PHILIPPINE ISLANDS**

**Supplementary Schedule of External Auditor Fee-Related Information  
December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Total audit fees</b>	<b>26,072,200</b>	21,583,600
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	8,126,800	3,644,000
<b>Total non-audit fees</b>	<b>8,126,800</b>	3,644,000
<b>Total audit and non-audit fees</b>	<b>34,199,000</b>	25,227,600
<b>Audit and non-audit fees of other related entities</b>		
	<b>2024</b>	<b>2023</b>
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total audit and non-audit fees of other related entities</b>	<b>-</b>	<b>-</b>

**EXHIBIT B**  
**(List of Subsidiaries)**

## **LIST OF SUBSIDIARIES**

1. BPI Direct BanKo, Inc., A Savings Bank (BanKo)
2. Legazpi Savings Bank, Inc. (LSB)
3. BPI Capital Corporation
4. BPI Payments Holdings Inc. (BPHI)
5. BPI Europe Plc.
6. BPI Wealth Hong Kong Limited
7. BPI Securities Corp.
8. BPI Remittance Centre (HK) Limited
9. BPI Forex Corporation
10. BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth
11. BPI Wealth Singapore Pte. Ltd.
12. FGU Insurance Corporation
13. BPI/MS Insurance Corporation
14. BPI Investments, Inc. (formerly BPI Investment Management, Inc.)
15. Ayala Plans, Inc.
16. Filinvest Algo Financial Corp.
17. Santiago Land Development Corporation
18. BPI Computer Systems Corp.
19. First Far East Development Corporation
20. FEB Stock Brokers, Inc.
21. FEB Speed International

**EXHIBIT C**  
**(Top 20 Stockholders)**

**Stock Transfer Service Inc.**  
**BANK OF THE PHILIPPINE ISLANDS**  
**List of Top 20 Stockholders**  
**As of 12/31/2024**

<b>Rank</b>	<b>Stockholder Name</b>	<b>Outstanding Shares</b>	<b>Percentage</b>
1	AYALA CORPORATION	1,515,177,839	28.7396%
2	PCD NOMINEE CORPORATION (FILIPINO)	1,167,286,526	22.1408%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	990,208,462	18.7821%
4	LIONTIDE HOLDINGS INC.	823,218,041	15.6146%
5	ROMAN CATHOLIC ARCHBISHOP OF MANILA	357,297,439	6.7771%
6	ROBINSONS RETAIL HOLDINGS INC.	162,028,250	3.0733%
7	MICHIGAN HOLDINGS INC.	100,993,230	1.9156%
8	BPI ESPP 2024	12,843,860	0.2436%
9	BPI - ESPP 2021	8,803,360	0.1670%
10	MERCURY GRP. OF COMPANIES INC	8,339,940	0.1582%
11	ESTATE OF VICENTE M. WARNS	8,160,037	0.1548%
12	BPI - ESPP 2022	7,645,834	0.1450%
13	BPI ESPP 2023	7,487,500	0.1420%
14	SOCIAL SECURITY SYSTEM	4,554,911	0.0864%
15	BPI GROUP OF COMPANIES RETIREMENT FUND	4,548,420	0.0863%
16	XAVIER P. LOINAZ AND/OR MA. TERESA J. LOINAZ	4,255,918	0.0807%
17	HERMANN BARRETTO WARNS	3,135,572	0.0595%
18	SAHARA MANAGEMENT AND DEVELOPMENT CORPORATION	2,952,394	0.0560%
19	BLOOMINGDALE ENTERPRISES INC	2,925,927	0.0555%
20	SOCIAL SECURITY SYSTEM ASSIGNED TO EMPLOYEES COMPENSATIO	2,905,959	0.0551%

**Total Top 20 Shareholders:**

**5,194,769,419**

**98.5333%**

**Total Outstanding Shares:**

**5,272,095,143**

**EXHIBIT D**  
**(Statistical Report by Sharelots)**

Stock Transfer Service Inc.  
 BANK OF THE PHILIPPINE ISLANDS  
 Statistical Reports by Share Lots  
 As of 12/31/2024

Share	Lots	No. of Records	No. of Shares
1	100	1,639	59,576
101	500	3,939	1,038,964
501	1,000	1,776	1,267,238
1,001	5,000	2,902	6,148,944
5,001	10,000	519	3,601,385
10,001	50,000	584	12,368,348
50,001	100,000	115	7,944,288
100,001	500,000	127	26,328,768
500,001	1,000,000	16	11,336,619
1,000,001	5,000,000	11	32,510,695
5,000,001	10,000,000	5	40,436,671
10,000,001	50,000,000	1	12,843,860
50,000,001	UP	7	5,116,209,787
Grand Totals :		11,641	5,272,095,143