# COVER SHEET

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|---|---|---|---|---|---|---|---|---|---|

S.E.C. Registration Number

BANK OF THE PHILIPPINE ISLANDS

(Company's Full Name)

AYALA TRIANGLE GARDENS TOWER 2
PASEO DE ROXAS CORNER MAKATI
AVENUE, BEL-AIR, MAKATI CITY

Atty. Maria Lourdes P. Gatmaytan
Contact Person

(632) 8663-6525
Company Telephone Number

| 1 | 2 | | 3 | 1 |
|---|---|---|---|---|
| *Month* | | | *Day* | |

Fiscal Year

| 1 | 7 | - | Q | |
|---|---|---|---|---|

FORM TYPE

| 0 | 4 | | 2 | 0 | 2 6 |
|---|---|---|---|---|---|
| *Month* | | | *Day* | | |

Annual Meeting

N/A
Secondary License Type, If Applicable

| C | F | D |
|---|---|---|

Dept. Requiring this Doc.

Amended Articles Number/Section

11,570
Total No. of Stockholders

Total Amount of Borrowings

| Domestic | Foreign |
|---|---|
| | |

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To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

**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 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**
**FISCAL YEAR ENDING DECEMBER 31**

**SEC FORM 17–Q QUARTERLY REPORT**
**AMENDMENT DESIGNATION** (if applicable)

**PERIOD-ENDED JUNE 30, 2026**
(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)

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER**

1. For the quarterly period ended **JUNE 30, 2026**

2. Commission identification number **PW-121**

3. BIR Tax Identification No. - **TIN: 000-438-366-000**

4. **BANK OF THE PHILIPPINE ISLANDS**
   Exact name of registrant as specified in its charter

5. **Manila, Philippines**
   Province, country or other jurisdiction of incorporation

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** (current business address) **ZIP Code 1226**
   Address of principal office Postal Code

8. **(632) 8663-6525 (Corpsec Off) / (632) 8663-6733 (IR)**
   Registrant's telephone number, including area code

9. **-**
   Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code

| Title of each class | Number of shares of common stock outstanding and amount of debt outstanding |
|---|---|
| **Common** | **5,296,362,773** |

11. Are any or all of the securities listed on the Philippine Stock Exchange? Yes [x] No [ ]
    If yes, state the name of such stock exchange and the classes of securities listed therein:

| | |
|---|---|
| **Philippine Stock Exchange** | **Common** |

12. Indicate by check mark whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports) Yes [x] No [ ]

(b) Has been subject to such filing requirements for the last 90 days Yes [x] No [ ]

**BANK OF THE PHILIPPINE ISLANDS**
**CONSOLIDATED STATEMENT OF CONDITION**
**JUNE 30, 2026 AND DECEMBER 31, 2025**
**(in Thousands of Pesos)**

| | UNAUDITED JUNE 30, 2026 | AUDITED DECEMBER 31, 2025 |
|---|---|---|
| **RESOURCES** | | |
| Cash and Other Cash Items | 44,357,623 | 53,017,678 |
| Due from Bangko Sentral ng Pilipinas | 144,699,745 | 106,343,956 |
| Due from Other Banks | 40,599,743 | 38,210,659 |
| Interbank Loans Receivable and Securities | | |
| Purchased under Agreements to Resell | 31,208,601 | 35,480,096 |
| Financial Assets at Fair Value through Profit or Loss | 85,042,839 | 85,274,714 |
| Financial Assets at Fair Value through OCI | 295,492,727 | 285,366,832 |
| Financial Assets at Amortized Cost | 340,587,122 | 353,144,940 |
| Loans and Advances, net | 2,604,568,369 | 2,567,131,327 |
| Assets Held for Sale, net | 13,557,914 | 12,416,866 |
| Bank Premises, Furniture, Fixtures and Equipment, net | 26,036,107 | 25,088,277 |
| Investments in Subsidiaries and Associates, net | 12,817,543 | 13,046,927 |
| Assets Attributable to Insurance Operations | 23,942,786 | 22,648,634 |
| Deferred Income Tax Assets, net | 20,317,622 | 19,166,429 |
| Goodwill | 9,517,585 | 9,517,585 |
| Other Resources, net | 34,662,018 | 25,632,906 |
| **TOTAL RESOURCES** | **3,727,408,344** | **3,651,487,826** |
| **LIABILITIES AND CAPITAL FUNDS** | | |
| Deposit Liabilities | | |
| Demand | 441,838,750 | 431,962,158 |
| Savings | 1,284,065,805 | 1,291,009,347 |
| Time | 1,125,081,619 | 1,115,553,532 |
| Sub-total | **2,850,986,174** | **2,838,525,037** |
| Derivative Financial Liabilities | 4,652,522 | 3,697,523 |
| Other Borrowed Funds | 282,820,292 | 223,432,542 |
| Due to Bangko Sentral ng Pilipinas and Other Banks | 3,492,947 | 3,151,002 |
| Manager's Checks and Demand Drafts Outstanding | 8,834,255 | 10,460,323 |
| Accrued Taxes, Interest and Other Expenses | 21,188,593 | 20,680,177 |
| Liabilities Attributable to Insurance Operations | 19,323,102 | 17,837,444 |
| Deferred Credits and Other Liabilities | 51,323,900 | 54,833,494 |
| **TOTAL LIABILITIES** | **3,242,621,785** | **3,172,617,542** |
| **CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI** | | |
| Share Capital | 52,816,456 | 52,747,424 |
| Share Premium | 144,169,067 | 143,809,936 |
| Reserves | 15,292,375 | 16,510,617 |
| Surplus | 294,454,078 | 274,071,134 |
| Accumulated Other Comprehensive Income/ (Loss) | (24,178,271) | (10,586,320) |
| | **482,553,705** | **476,552,791** |
| NON-CONTROLLING INTERESTS | 2,232,854 | 2,317,493 |
| **TOTAL CAPITAL FUNDS** | **484,786,559** | **478,870,284** |
| **TOTAL LIABILITIES AND CAPITAL FUNDS** | **3,727,408,344** | **3,651,487,826** |

**BANK OF THE PHILIPPINE ISLANDS**
**CONSOLIDATED STATEMENTS OF INCOME**
**For the Quarter Ended June 30, 2026 and 2025**
**(In Thousands of Pesos)**

| | 2026 | 2025 |
|---|---|---|
| **INTEREST INCOME** | | |
| On loans and advances | 49,812,412 | 44,916,865 |
| On FA at amortized cost | 3,861,878 | 3,483,164 |
| On FA at FV through OCI | 4,132,427 | 3,600,341 |
| On deposits with BSP and other banks | 514,293 | 416,881 |
| On FA at FV through profit or loss | 177,828 | 316,465 |
| | **58,498,838** | **52,733,716** |
| **INTEREST EXPENSE** | | |
| On Deposits | 13,894,462 | 13,033,383 |
| On Bills Payable and other borrowings | 3,718,184 | 2,962,564 |
| | 17,612,646 | 15,995,947 |
| **NET INTEREST INCOME** | **40,886,192** | **36,737,769** |
| **IMPAIRMENT LOSSES** | **7,837,001** | **4,250,000** |
| **NET INTEREST INCOME AFTER IMPAIRMENT LOSSES** | **33,049,191** | **32,487,769** |
| **OTHER INCOME** | | |
| Fees and commissions | 4,533,437 | 3,561,290 |
| Income from foreign exchange trading | 666,382 | 615,417 |
| Trading gain (loss) on securities | 207,570 | 1,181,972 |
| Income attributable to insurance operations | 1,143,810 | 1,036,050 |
| Other operating income | 5,657,997 | 4,718,475 |
| | **12,209,196** | **11,113,204** |
| **OTHER EXPENSES** | | |
| Compensation and fringe benefits | 8,802,894 | 7,930,363 |
| Occupancy and equipment-related expenses | 7,365,425 | 6,668,618 |
| Other operating expenses | 8,965,149 | 7,850,979 |
| | **25,133,468** | **22,449,960** |
| **INCOME BEFORE INCOME TAX** | **20,124,919** | **21,151,013** |
| **PROVISION FOR INCOME TAX** | | |
| Current | 5,743,053 | 5,031,671 |
| Deferred | (1,608,814) | (320,735) |
| | **4,134,239** | **4,710,936** |
| **NET INCOME FOR THE QUARTER** | **15,990,680** | **16,440,077** |
| Attributable to: | | |
| Equity holders of BPI | **15,908,793** | **16,316,433** |
| Non-controlling interest | **81,887** | **123,644** |
| | **15,990,680** | **16,440,077** |

**BANK OF THE PHILIPPINE ISLANDS**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**For the Quarter Ended June 30, 2026 and 2025**

| | 2026 | 2025 |
|---|---|---|
| **NET INCOME BEFORE MINORITY INTEREST** | **15,990,680** | **16,440,077** |
| **Other Comprehensive Income:** | | |
| **Items that may be reclassified subsequently to profit or loss** | | |
| Net change in fair value reserve on FVOCI securities, net of tax effect | 146,568 | (648,431) |
| Fair value reserve on investments of insurance subsidiaries, net of tax effect | (13,843) | 8,298 |
| Share in other comprehensive income of associates | 81,659 | 30,794 |
| Currency translation differences | 88,739 | (111,837) |
| **Items that will not be reclassified to profit or loss** | | |
| Actuarial gains (losses) on defined benefit plan, net of tax effect | (15,223) | 14,069 |
| Share in other comprehensive gain (loss) of associates | 209,745 | (122,964) |
| **Total Other Comprehensive Income (Loss), net of tax effect** | **497,645** | **(830,071)** |
| **Total Comprehensive Income for the Year** | **16,488,325** | **15,610,006** |
| **Attributable to:** | | |
| Equity holders of BPI | 16,413,425 | 15,480,774 |
| Non-Controlling Interest | 74,900 | 129,232 |
| | **16,488,325** | **15,610,006** |

**BANK OF THE PHILIPPINE ISLANDS**
**CONSOLIDATED STATEMENTS OF INCOME**
**For the Six Months Ended June 30, 2026 and 2025**
**(In Thousands of Pesos)**

| | Unaudited 2026 | Unaudited 2025 |
|---|---|---|
| **INTEREST INCOME** | | |
| On loans and advances | 98,079,499 | 88,158,454 |
| On FA at amortized cost | 7,769,477 | 6,972,110 |
| On FA at FV through OCI | 8,106,950 | 6,778,231 |
| On deposits with BSP and other banks | 1,169,984 | 1,027,587 |
| On FA at FV through profit or loss | 426,335 | 611,224 |
| | **115,552,245** | **103,547,606** |
| **INTEREST EXPENSE** | | |
| On Deposits | 28,500,067 | 27,091,149 |
| On Bills Payable and other borrowings | 7,020,183 | 5,302,475 |
| | 35,520,250 | 32,393,624 |
| **NET INTEREST INCOME** | **80,031,995** | **71,153,982** |
| **IMPAIRMENT LOSSES** | **13,337,001** | **7,250,000** |
| **NET INTEREST INCOME AFTER IMPAIRMENT LOSSES** | **66,694,994** | **63,903,982** |
| **OTHER INCOME** | | |
| Fees and commissions | 8,904,495 | 7,492,884 |
| Income from foreign exchange trading | 1,479,243 | 1,221,676 |
| Trading gain (loss) on securities | 631,535 | 1,603,806 |
| Income attributable to insurance operations | 2,024,394 | 1,825,385 |
| Other operating income | 10,943,202 | 9,256,080 |
| | **23,982,869** | **21,399,831** |
| **OTHER EXPENSES** | | |
| Compensation and fringe benefits | 16,952,234 | 15,459,065 |
| Occupancy and equipment-related expenses | 14,330,891 | 12,743,086 |
| Other operating expenses | 17,350,779 | 14,546,151 |
| | **48,633,904** | **42,748,302** |
| **INCOME BEFORE INCOME TAX** | **42,043,959** | **42,555,511** |
| **PROVISION FOR INCOME TAX** | | |
| Current | 10,214,182 | 9,087,511 |
| Deferred | (1,177,437) | 307,087 |
| | **9,036,745** | **9,394,598** |
| **NET INCOME FOR THE PERIOD** | **33,007,214** | **33,160,913** |
| Attributable to: | | |
| Equity holders of BPI | **32,832,734** | **32,958,083** |
| Non-controlling interest | **174,480** | **202,830** |
| | **33,007,214** | **33,160,913** |
| Earnings per share: | | |
| Based on 5,296,362,773 shares as of June 30, 2026 and 5,283,794,223 shares in 2025 | **P 6.20** | **P 6.24** |

**BANK OF THE PHILIPPINE ISLANDS**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**For the Six Months Ended June 30, 2026 and 2025**
**(In Thousands of Pesos)**

| | Unaudited 2026 | Unaudited 2025 |
|---|---|---|
| **NET INCOME BEFORE MINORITY INTEREST** | **33,007,214** | **33,160,913** |
| **Other Comprehensive Income** | | |
| **Items that may be reclassified subsequently to profit or loss** | | |
| Net change in fair value reserve on FVOCI securities, net of tax effect | (13,438,986) | 1,070,216 |
| Fair value reserve on investments of insurance subsidiaries, net of tax effect | (134,848) | 52,304 |
| Share in other comprehensive income of associates | (494,928) | (25,486) |
| Currency translation differences | 389,722 | (203,449) |
| **Items that will not be reclassified to profit or loss** | | |
| Actuarial gains (losses) on defined benefit plan, net of tax effect | (37,256) | (27,763) |
| Share in other comprehensive gain (loss) of associates | 54,559 | (78,902) |
| **Total Other Comprehensive Income (Loss), net of tax effect** | **(13,661,737)** | **786,920** |
| **Total Comprehensive Income for the Year** | **19,345,477** | **33,947,833** |
| **Attributable to:** | | |
| Equity holders of BPI | 19,240,783 | 33,738,944 |
| Non-Controlling Interest | 104,694 | 208,889 |
| | **19,345,477** | **33,947,833** |

**BANK OF THE PHILIPPINE ISLANDS-UNIBANK**
STATEMENT OF CHANGES IN CAPITAL FUNDS
FOR THE PERIOD ENDED JUNE 30, 2026 & JUNE 30, 2025
(In Thousand Pesos)

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to equity holders of BPI | | | | | | | |
| | Share Capital | Share Premium | Reserves | Surplus | Accumulated Other Comprehensive Income (Loss) | Total | Non-controlling Interest | Total |
| **Balance, December 31, 2025** | **52,747,424** | **143,809,936** | **16,510,617** | **274,071,134** | **(10,586,320)** | **476,552,791** | **2,317,493** | **478,870,284** |
| **Comprehensive Income** | | | | | | | | |
| Net Income for the year | - | - | - | 32,832,734 | - | 32,832,734 | 174,480 | 33,007,214 |
| Other Comprehensive Income for the year | - | - | - | - | (13,591,951) | (13,591,951) | (69,786) | (13,661,737) |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **32,832,734** | **(13,591,951)** | **19,240,783** | **104,694** | **19,345,477** |
| **Transactions with owners** | | | | | | | | |
| Executive Stock Plan amortization | 69,032 | 359,131 | (7,345) | - | - | 420,818 | - | 420,818 |
| Dividends Declared | - | - | - | (13,664,616) | - | (13,664,616) | (189,333) | (13,853,949) |
| **Total transactions with owners** | **69,032** | **359,131** | **(7,345)** | **(13,664,616)** | **-** | **(13,243,798)** | **(189,333)** | **(13,433,131)** |
| **Other movements** | | | | | | | | - |
| Appropriated for General Loans Loss Provision | - | - | (1,213,487) | 1,213,487 | - | - | - | - |
| Others | - | - | 2,590 | 1,339 | - | 3,929 | (0) | 3,929 |
| **Total other movements** | **-** | **-** | **(1,210,897)** | **1,214,826** | **-** | **3,929** | **(0)** | **3,929** |
| **Balance, June 30, 2026** | **52,816,456** | **144,169,067** | **15,292,375** | **294,454,078** | **(24,178,271)** | **482,553,705** | **2,232,854** | **484,786,559** |

| | Consolidated | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to equity holders of BPI | | | | | | | |
| | Share Capital | Share Premium | Reserves | Surplus | Accumulated Other Comprehensive Income (Loss) | Total | Non-controlling Interest | Total |
| **Balance, December 31, 2024** | **52,609,951** | **143,277,989** | **10,888,865** | **236,332,444** | **(12,639,978)** | **430,469,271** | **2,221,184** | **432,690,455** |
| **Comprehensive Income** | | | | | | | | |
| Net Income for the year | - | - | - | 32,958,083 | - | 32,958,083 | 202,830 | 33,160,913 |
| Other Comprehensive Income for the year | - | - | - | - | 780,861 | 780,861 | 6,059 | 786,920 |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **32,958,083** | **780,861** | **33,738,944** | **208,889** | **33,947,833** |
| **Transactions with owners** | | | | | | | | |
| Executive Stock Plan amortization | 124,828 | 287,663 | (5,318) | - | - | 407,173 | - | 407,173 |
| Dividends Declared | - | - | | (10,990,292) | - | (10,990,292) | (158,402) | (11,148,694) |
| **Total transactions with owners** | **124,828** | **287,663** | **(5,318)** | **(10,990,292)** | **-** | **(10,583,119)** | **(158,402)** | **(10,741,521)** |
| **Other movements** | | | | | | | | |
| Appropriated for General Loans Loss Provision | - | - | 3,918,278 | (3,918,278) | - | - | - | - |
| Others | - | - | (2,678) | (166,293) | - | (168,971) | 0 | (168,971) |
| **Total other movements** | **-** | **-** | **3,915,600** | **(4,084,571)** | **-** | **(168,971)** | **0** | **(168,971)** |
| **Balance, June 30, 2025** | **52,734,779** | **143,565,652** | **14,799,147** | **254,215,664** | **(11,859,117)** | **453,456,125** | **2,271,671** | **455,727,796** |

**Bank of the Philippine Islands**
**Consolidated Cash Flows Statement**
**For the Quarter Ended June 30, 2026 And 2025**
In Millions of PHP

| | June 2026 | June 2025 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Income before income tax | 20,125 | 21,152 |
| Adjustments for: | | |
| Impairment losses | 7,837 | 4,250 |
| Depreciation and amortization | 1,418 | 1,421 |
| Share in net income of associates | (798) | (801) |
| Dividend and other Income | (38) | (30) |
| Share based compensation | (11) | 4 |
| Profit from asset sold | (53) | (5) |
| Realized gain or sale on investment securities | (2) | (743) |
| Interest income | (58,499) | (52,734) |
| Interest received | 55,461 | 49,605 |
| Interest expense | 17,723 | 16,106 |
| Interest paid | (17,781) | (14,304) |
| (Increase) decrease in: | | |
| Interbank loans receivable and securities purchased under a | (17) | 127 |
| Financial Assets at FVTPL | (2,584) | (32,668) |
| Loans and advances,net | (57,719) | (73,328) |
| Assets held for sale | (438) | (1,620) |
| Assets attributatble to Insurance operations | (648) | 992 |
| Other assets | (6,455) | 3,238 |
| Increase (decrease) in: | | |
| Deposit liabilities | 7,381 | 35,285 |
| Due to Bangko Sentral ng Pilipinas and other banks | (710) | 429 |
| Manager's checks demand drafts outstanding | (1,228) | (474) |
| Accrued taxes, interest and other expenses | 2,349 | 1,764 |
| Liabilities attributable to insurance operations | 1,295 | (865) |
| Derivative financial instruments | (2,132) | 875 |
| Deferred credits and other liabilities | 2,323 | (3,176) |
| Net cash from (used in) operations | (33,201) | (45,500) |
| Income taxes paid | (7,492) | (6,656) |
| Net cash from (used in) operating activities | (40,693) | (52,156) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Additions to: | | |
| Investment Securities, net | 17,537 | (95,371) |
| Bank premises, furniture, fixtures and equipment | (1,762) | (1,565) |
| Proceeds from: | | |
| Disposal of investment securities | 1,944 | 64,646 |
| Disposal of bank premises, furniture, fixtures and equipmen | 138 | 36 |
| Disposal of investment properties | - | - |
| (Increase) decrease in: | | |
| Investment in subsidiaries and associates, net | 1,338 | 154 |
| Assets attributable to insurance operations | (522) | (39) |
| Impact of merger | - | - |
| Dividends received | 38 | 30 |
| Net cash used in investing activities | 18,711 | (32,109) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Cash dividends and dividends issuance cost paid | (13,665) | (10,990) |
| Proceeds from issuance | 358 | 333 |
| (Decrease) Increase in bills payable and other borrowed fun | 12,405 | 80,228 |
| Payments for principal portion of lease liabilities | (579) | (583) |
| Net cash used in financing activities | (1,481) | 68,988 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (23,463) | (15,277) |
| **CASH AND CASH EQUIVALENTS** | | |
| April 1 | 282,877 | 255,639 |
| June 30 | 259,414 | 240,362 |

**Bank of the Philippine Islands**
**Consolidated Cash Flows Statement**
**For The Six Months Ended June 30, 2026 and 2025**
In Millions of PHP

| | June 2026 | June 2025 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Income before income tax | 42,044 | 42,556 |
| Adjustments for: | | |
| Impairment losses | 13,337 | 7,250 |
| Depreciation and amortization | 2,850 | 2,667 |
| Share in net income of associates | (1,553) | (1,410) |
| Dividend and other Income | (42) | (36) |
| Share based compensation | (8) | (5) |
| Profit from asset sold | (57) | (222) |
| Realized gain or sale on investment securities | (370) | (790) |
| Interest income | (115,552) | (103,548) |
| Interest received | 115,234 | 104,031 |
| Interest expense | 35,744 | 32,593 |
| Interest paid | (36,083) | (31,754) |
| (Increase) decrease in: | | |
| Interbank loans receivable and securities purchased under agreements to resell | 19,755 | 1,427 |
| Financial Assets at FVTPL | 280 | (49,211) |
| Loans and advances,net | (51,884) | (91,738) |
| Assets held for sale | (1,347) | (2,238) |
| Assets attributatble to Insurance operations | (1,027) | 1,384 |
| Other assets | (8,775) | 6,204 |
| Increase (decrease) in: | | |
| Deposit liabilities | 12,461 | (3,162) |
| Due to Bangko Sentral ng Pilipinas and other banks | (610) | (833) |
| Manager's checks demand drafts outstanding | (1,626) | (626) |
| Accrued taxes, interest and other expenses | (161) | 85 |
| Liabilities attributable to insurance operations | 1,469 | (1,108) |
| Derivative financial instruments | 955 | (1,212) |
| Deferred credits and other liabilities | (1,629) | (1,263) |
| Net cash from (used in) operations | 23,405 | (90,959) |
| Income taxes paid | (9,180) | (8,118) |
| Net cash from (used in) operating activities | 14,225 | (99,077) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Additions to: | | |
| Investment Securities, net | (106,574) | (102,823) |
| Bank premises, furniture, fixtures and equipment | (3,089) | (2,580) |
| Disposals of: | | |
| Investment Securities, net | 96,841 | 92,554 |
| Bank premises, furniture, fixtures and equipment | 197 | 330 |
| (Increase) decrease in: | | |
| Assets attributable to insurance operations | (410) | (159) |
| Dividends received | 42 | 36 |
| Net cash used in investing activities | (11,655) | (12,488) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from issuance | 428 | 413 |
| (Decrease) Increase in bills payable and other borrowed fun | 59,388 | 63,519 |
| Payments for principal portion of lease liabilities | (1,154) | (1,100) |
| Net cash used in financing activities | 44,997 | 51,842 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | 47,567 | (59,723) |
| **CASH AND CASH EQUIVALENTS** | | |
| January 1 | 211,847 | 300,085 |
| June 30 | 259,414 | 240,362 |

**BANK OF THE PHILIPPINE ISLANDS**
**Financial Indicators**
**As at June 30, 2026 and 2025**

| Ratio | Formula | Current Year | Prior Year |
|---|---|---|---|
| | | in percentage | |
| Liquidity ratio | Total current assets divided by total current liabilities | 47.61 | 47.89 |
| Debt-to-equity ratio | Total liabilities (Bills payable and Bonds payable) divided by total equity | 58.61 | 49.99 |
| Asset-to-equity ratio | Total assets divided by total equity | 772.43 | 749.67 |
| Interest rate coverage ratio | Earning before interest expense, income taxes, depreciation, and amortization (EBITDA) divided by Total Interest Expense | 226.39 | 239.60 |
| Return on equity | Net income divided by average equity | 13.78 | 14.93 |
| Return on assets | Net income divided by average assets | 1.80 | 2.01 |
| Net interest margin (NIM) | Net interest income (return on investment less interest expense) divided by average net interest bearing assets | 4.63 | 4.58 |
| Average assets to average equity | Average assets divided by average equity | 765.63 | 742.91 |
| Net interest to average assets (NRFF) | Net interest income divided by average assets | 4.39 | 4.34 |
| Cost to income ratio | Total operating expense divided by total income (revenues) | 46.76 | 46.19 |
| Cost to asset ratio | Total operating expense divided by average asset | 2.67 | 2.61 |
| Capital to assets ratio | Total equity divided by total assets | 12.95 | 13.34 |

**SEC REQUIRED DISCLOSURES**
**BANK OF THE PHILIPPINE ISLANDS**
**JUNE 30, 2026**

- Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles.
    - The Bank's interim financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which includes applicable PFRS, Philippine Accounting Standards (PAS), and interpretations approved by the Financial Reporting Standards Council (FRSC).

- A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.
    - The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2025 which was in accordance with the PFRS adopted by the SEC.

- Explanatory comments about the seasonality or cyclicality of interim operations.
    - Nothing to report

- The nature and amount of items affecting assets, liability, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
    - Nothing to report

- The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period.
    - Nothing to report

- Issuances, repurchases and repayments of debt and equity securities.
    - On April 15, 2026, at the regular Board meeting of the Bank, the Board of Directors approved the 2026 Employee Stock Purchase Program pursuant to the Employee Stock Purchase Plan (the "Plan") under Article Seventh of the Bank's Articles of Incorporation.

- On April 22, 2026, the Bank announced an increase in its total issued and outstanding common shares from 5,283,794,223 to 5,284,119,273 shares, representing the issuance of 325,050 additional common shares pursuant to the Bank's stock incentive program.

- On May 25, 2026, the Bank announced an increase in its total issued and outstanding common shares from 5,284,119,273 shares to 5,296,362,773 shares, reflecting the issuance of 12,243,500 additional BPI common shares under the 2026 BPI Executive Stock Purchase Plan.

- Dividends paid (aggregate per share) separately for ordinary shares and other shares.

  - At the regular meeting of the Board of Directors held on May 20, 2026, the Board approved the declaration of a cash dividend of Two Pesos and Fifty-Eight Centavos (Php 2.58) per common share to stockholders of record as of June 4, 2026. The payment date is set on June 18, 2026.

- Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements).

  - Attached

- Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

  - Nothing to report

- The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

  - Nothing to report

- Changes in contingent liabilities or contingent assets since the last annual balance sheet date.

  - Changes in contingent liabilities and contingent assets are in the normal course of business and are not anticipated to cause any material losses from those commitments/contingent liabilities.

- Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.

  - Nothing to report

- Assess the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks. If any change thereof would materially affect the financial condition and results of operation of the company, provide a discussion in the report on the qualitative and quantitative impact of such risks and include a description of any enhancement in the company's risk management policies to address the same.

    - The Bank manages risk exposures according to three major classifications: credit, market and liquidity, and operational risks. The Bank is exposed to these financial risks primarily through corporate and consumer lending activities, trading and investment in securities, currencies, financial derivatives, and structured investment products, and engaging in operating activities, infrastructure, and technology to support the Bank's day-to-day businesses. The risks associated with these activities are closely monitored through the various key risk indicators (KRIs), risk appetite, limits, and metrics defined and set by the Board through its Risk Management Committee (RMCom). The Chief Risk Officer of the BPI Group leads the Bank's Risk Management Office to support the RMCom in identifying, measuring, controlling, monitoring, and reporting the Bank's financial and non-financial risk exposures. The Bank has established risk management policies and standards ensuring that controls are generally in place and working effectively. These allow the Bank and its key subsidiaries to manage credit, market and liquidity, operational risks, as well as emerging risks such as environmental and social risks, within the RMCom-approved risk appetite (BPI subsidiary Board-level RMComs in the case of key BPI subsidiaries). Dedicated and skilled risk managers, including business risk and subsidiary risk officers, fully support the Bank's three lines-of-defense (3LoD) risk organization.

    - The Bank proactively manages risks inherent to its business activities given the uncertainties in both the global and local financial and business environments. Sensitivity analyses, forward-looking simulations and stress-testing exercises, regular risk monitoring and escalation procedures, risk MIS reporting and in-depth discussions involving business units, Senior Management, and the Board of Directors, are measures to strengthen the effectiveness of the Bank's enterprise risk management (ERM) framework. The Bank continues to implement a formal integrated risk and capital stress testing framework, with forward-looking assessment of risks to facilitate development of contingency plans and risk strategies, under given stressed scenarios crafted by the Bank's experts. Under the baseline projections, incorporating forward-looking macroeconomic assumptions and scenarios on economic landscape, particularly possible peso depreciation amid geopolitical events, borrowers' exposure to climate (hydrometeorological) and other natural risks (seismic and volcanic risks) based on location, corporate borrowers belonging to industries vulnerable to transition risk through a carbon tax scenario, operational loss scenarios, possible losses on rate-sensitive assets and liabilities, and scenario on unexpected deposit withdrawals, the Bank's capital position on both consolidated and solo bases remain strong and well within the regulatory minimum CAR and CET1 ratios. The levels of risk limits and exposures are regularly reviewed to reflect the Board's overall risk appetite and strategy.

- The Bank continues to manage overall credit risks and maintain asset quality for the period with non-performing loan (NPL) ratio of 2.42% and sufficient NPL coverage ratio, which are consistent with the Bank's credit risk appetite and rebalanced credit portfolio strategy. The NPL ratio trend was primarily driven by credit risks of business banking, consumer loans (credit cards and auto loans), and borrower-specific business risks that affected the corporate loan portfolio. Nonetheless, the Bank's NPL ratio is generally acceptable and is lower relative to the industry's NPL ratio, as published by BSP, and relative to the Bank's total loan portfolio, which is well diversified across key industries, with adequate loan loss provisioning, and in general compliance to BSP guidelines and regulatory ceilings on credit risks (including single borrower's limit and related party transactions). The Bank's credit risk management system is governed by stringent credit underwriting policies and risk rating parameters (e.g., internal credit risk rating systems and credit scorecards), as well as lending procedures and standards which are regularly reviewed and updated, given regulatory requirements and market developments. Review of credit portfolios, products and programs, internal and regulatory credit stress tests, and risk reporting to Senior Management and the RMCom are regularly conducted to ensure that the Bank is aligned with sound credit risk management best practices. Since January 2018, the Bank adopted the accounting standards on classification and measurement under PFRS 9 guidelines. The Bank began recognizing credit losses upon initial recognition of its assets through the Expected Credit Loss (ECL) models. The Bank also complies with BSP's requirement of maintaining 1% general loan loss provisions for Stage 1 loans as prescribed by BSP 1011. In view of the continuing volatilities in the macroeconomic environment, the Bank regularly updates its macroeconomic forecasts and uses these forecasts to update the forward-looking, point-in-time probability of default and loss rate models used in ECL calculation. Industry risk assessments, proactive collection and loan restructuring measures, and disciplined loan loss provisioning are being strictly observed to mitigate credit risks and vulnerabilities due to persistent and heightened global and local market developments and industry risks on the Bank's borrowing accounts.

- The Bank closely monitors the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market, and the resulting gains and losses are recognized through profit and loss. Market risk exposures are measured using the historical simulation Value-at-Risk (VaR) model complemented by several risk metrics such as Stop Loss and DV01. As of the second quarter of 2026, the Philippine Government Securities (GS)/PHP BVAL rates and US treasury rates were higher for the quarter by an average of around 18 bps and 16 bps across the curve. The local financial market in the second quarter of this year was characterized by slower economic growth, elevated inflation and Peso volatility brought about by the continued Middle East geopolitical tensions and energy-price shocks. Despite the challenges, the Bank continues to prudently manage its trading positions and ensure that its activities are within its set risk appetite, with its trading VaR levels well within the RMCom-approved limits as of end of the second quarter of 2026.

- The Bank also conducts regular price stress tests that measure the potential impact of adverse movements in interest rates and other risk factors on the Bank's trading and banking books, and the corresponding impact to the Bank's CAR and CET1 ratios. The stress-testing activities are useful to help better assess how extreme, yet plausible conditions and external events may potentially affect the Bank's resilience and financial condition. The results of the second quarter of 2026 price stress test on both the trading and banking books showed that the Bank's post-shock CAR and CET1 levels are well above the minimum internal and regulatory requirement given adverse movements in risk factors.

- Interest rate risk exposures arising from core banking activities are measured through (a) Earnings-at-Risk (EaR), or the potential deterioration in net interest income over the short- to medium- term horizon (i.e., those occurring in the next one to three years) due to adverse movements in interest rates, and (b) Balance Sheet Value-at-Risk (BSVaR), or the impact on the economic value of future cash flows in the banking book due to changes in interest rates. As of the second quarter of 2026, BPI Group's BSVaR and EaR levels are well within the RMCom-approved limits.

- The Bank's liquidity profile is measured and monitored through its internal metric, the Minimum Cumulative Liquidity Gap (MCLG) supplemented by liquidity risk monitoring tools, as well as through regulatory metrics, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). MCLG measures the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months. LCR promotes the short-term resilience of the Bank's liquidity risk profile and requires the Bank to hold an adequate level of high-quality liquid assets (HQLA) to cover net cash outflows in the next 30 days. NSFR, on the other hand, requires the Bank to maintain a stable funding profile to cover its assets over a horizon of one year. Both LCR and NSFR are designed to strengthen the resilience of the Bank against liquidity shocks. As of the second quarter of 2026, BPI Group's LCR and NSFR figures exceed the prescribed minimum requirement set by the BSP.

- The Bank regularly reviews its risk models and assumptions to assess performance, accuracy and/or effectiveness, from which recalibration or update is conducted, as necessary. Model validation is performed by a team independent of development, guided by an established framework and standards. Independent validation reports are presented to the Bank's RMCom and action items are subject to monitoring and review. Enterprise risk systems are continuously enhanced and/or upgraded considering increasing regulatory expectations and the Bank's risk data aggregation initiatives towards the completeness, accuracy, timeliness and quality of risk data, dashboards, and reporting. The Bank also utilizes data analytics to support risk and regulatory requirements and reporting.

- The Bank has maintained the operational-related risk losses to less than 1% of gross income as of May 2026. These losses remain well within the conservative and prudent risk appetite established by Senior Management and the Board/RMCom, and primarily arise from the inherent risks associated in executing the Bank's day-to-day business operations. The RMCom is regularly apprised of operational risks through comprehensive reporting and discussions during monthly meetings. In addition, the RMCom is continuously informed about the evolving cybercrime landscape, emerging threats, industry developments, and the corresponding mitigation strategies implemented by the Bank.

- The acceleration of digitalization, use of cloud-based services, remote work, rapid adoption of AI, and the ever-evolving cyber threat landscape expose the Bank to increased risk of cyber-attacks (e.g., ransomware, supply chain attacks). Investment in technology-based defenses thus remains to be a core cyber security strategy. The 24/7 Cyber Security Operations Center enables the Bank to detect and respond to threats when these happen. Technical tools continue to be deployed and upgraded to protect against email, network, and cloud attacks. The Bank also relies on robust threat intelligence feeds that provide visibility into ongoing threats and emerging cyber-attacks and inform its defense posture accordingly. A Third-party and Vendor Risk Management Program addresses supply chain risk through a stringent vetting process of service providers and IT suppliers.

- To build and maintain a cyber-aware organization, the Bank has invested in an Information Security Awareness Program to ensure that employees are adequately trained and equipped in protecting information. To validate the effectiveness of the Awareness Program, a quarterly simulation of social engineering attacks on employees is conducted with the results reported to Senior Management and the Board.

- Similarly, awareness campaigns are conducted for clients to combat rising fraud due to the increased adoption of online services by the public. These have been intensified with sustained engagements in social media, BPI websites, press releases, e-mail bulletins, and media outings.

- Considering the Bank's operational risk-related losses, including both actual losses incurred and hypothetical losses identified through scenario analysis exercises, the Bank remains adequately capitalized to absorb both expected and unexpected operational risk losses. This demonstrates the Bank's financial resilience and its capacity to withstand potential operational risk events while maintaining business continuity and stability.

- The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.

  - The assumptions/judgments made in the Bank's interim financial statements are consistent with the most recent annual financial statements as of December 31, 2025.

- A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods.

  - The BPI Group classifies its financial assets in the following measurement categories: at Fair Value through Profit and Loss (FVTPL), Fair Value through Other Comprehensive Income (FVOCI), and at Amortized Cost. The recognition of each category's fair values and gain(s)/loss(es) for the relevant periods are detailed below.

    - **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.

    - **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 classified from equity to profit or loss.

    - **Amortized Cost:** Carrying amount and Fair value are summarized in the following table.

| In P Million | **Carrying Amount** | **Fair Value** |
|---|---|---|
| June 30, 2026 (unaudited) | 340,587 | 335,058 |
| December 31, 2025 (audited) | 353,145 | 350,530 |

The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured.

BANK OF THE PHILIPPINE ISLANDS
SEGMENT REPORT
For the Quarter Ended June 30, 2026

| In P Mn | CONSUMER BANKING | CORPORATE BANKING | INVESTMENT BANKING / FINANCIAL MARKETS | CORP / ELIM | TOTAL |
|---|---|---|---|---|---|
| Net interest income | 27,542 | 11,046 | 4,158 | (1,859) | 40,886 |
| Impairment charge | 6,947 | 988 | (97) | (0) | 7,837 |
| Net interest income after impairment | 20,595 | 10,058 | 4,254 | (1,859) | 33,049 |
| Fees and commission | 3,680 | 740 | 551 | (111) | 4,859 |
| Other income | 4,042 | 607 | 1,905 | 1,596 | 8,149 |
| GRT | (493) | (78) | (136) | (92) | (799) |
| Other Income, net | 7,229 | 1,268 | 2,319 | 1,393 | 12,209 |
| Compensation and fringe | 6,433 | 1,084 | 654 | 632 | 8,803 |
| Occupancy and equipment-related expenses | 2,613 | 117 | 368 | 4,268 | 7,365 |
| Other operating expenses | 9,679 | 1,412 | 578 | (2,704) | 8,965 |
| Total operating expenses | 18,725 | 2,612 | 1,600 | 2,196 | 25,133 |
| Provision for Income Tax | | | | | 4,134 |
| Income Before Impairment Losses, Income Tax and Minority | 16,046 | 9,702 | 4,877 | (2,663) | 27,962 |
| Operating Profit | 9,099 | 8,714 | 4,974 | (2,662) | 20,125 |
| Share in net income of associates | | | | | 798 |
| Total Assets | 936,146 | 1,762,462 | 926,068 | 102,732 | 3,727,408 |
| Total Liabilities | 1,935,912 | 967,834 | 297,947 | 40,929 | 3,242,622 |

BANK OF THE PHILIPPINE ISLANDS
SEGMENT REPORT
For the Six Months Ended June 30, 2026

| In P Mn | CONSUMER BANKING | CORPORATE BANKING | INVESTMENT BANKING / FINANCIAL MARKETS | CORP / ELIM | TOTAL |
|---|---|---|---|---|---|
| Net interest income | 54,135 | 21,789 | 7,552 | (3,444) | 80,032 |
| Impairment charge | 12,904 | 448 | (16) | 1 | 13,337 |
| Net interest income after impairment | 41,231 | 21,342 | 7,568 | (3,445) | 66,695 |
| Fees and commission | 7,298 | 1,381 | 1,076 | (210) | 9,544 |
| Other income | 6,587 | 1,119 | 5,530 | 2,698 | 15,934 |
| GRT | (970) | (155) | (296) | (74) | (1,495) |
| Other Income, net | 12,914 | 2,345 | 6,310 | 2,414 | 23,983 |
| Compensation and fringe | 12,343 | 2,130 | 1,277 | 1,203 | 16,952 |
| Occupancy and equipment-related expenses | 5,338 | 224 | 713 | 8,056 | 14,331 |
| Other operating expenses | 17,678 | 2,617 | 1,155 | (4,100) | 17,351 |
| Total operating expenses | 35,359 | 4,971 | 3,144 | 5,159 | 48,634 |
| Provision for Income Tax | | | | | 9,037 |
| Operating Profit | 18,786 | 18,715 | 10,733 | (6,191) | 42,044 |
| Share in net income of associates | | | | | 1,553 |
| Total Assets | 936,146 | 1,762,462 | 926,068 | 102,732 | 3,727,408 |
| Total Liabilities | 1,935,912 | 967,834 | 297,947 | 40,929 | 3,242,622 |

**Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations**

**Financial Condition as of June 30, 2026, versus as of December 31, 2025**

**Total resources** reached P3.73 trillion, increasing P75.92 billion, or 2.1%, mostly driven by a P38.36 billion, or 36.1%, increase in **Due from Bangko Sentral ng Pilipinas to** P144.70 billion, attributable to higher demand deposit reserves maintained with the Bangko Sentral ng Pilipinas (BSP).

Other material increases are as follows:

- **Loans and advances, net**, grew by P37.44 billion, or 1.5%, to P2.60 trillion, driven primarily by growth in the non-institutional segment.
- **Financial Assets at Fair Value through OCI (FVOCI)** increased by P10.13 billion, or 3.5%, to P295.49 billion, mainly due to additional securities purchases, partly offset by lower fair value valuations.
- **Other Resources, net**, rose by P9.03 billion, or 35.2%, to P34.66 billion, largely due to higher miscellaneous assets and deferred charges.
- **Due from Other Banks** increased by P2.39 billion, or 6.3%, to P40.60 billion, reflecting higher balances maintained with local banks, partly offset by lower placements with foreign banks.
- **Assets Attributable to Insurance Operations** grew by P1.29 billion, or 5.7%, to P23.94 billion, mainly due to higher insurance receivables of the Bank's non-life insurance subsidiary.
- **Deferred Income Tax Assets, net**, increased by P1.15 billion, or 6.0%, to P20.32 billion, primarily due to higher allowance for impairment losses.
- **Assets Held for Sale, net**, rose by P1.14 billion, or 9.2%, to P13.56 billion, following an increase in foreclosed properties.

These increases were partially offset by declines in the following accounts:

- **Financial Assets at Amortized Cost** decreased by P12.56 billion, or 3.6%, to P340.59 billion, mainly due to higher maturities of investments.
- **Cash and Other Cash Items** declined by P8.66 billion, or 16.3%, to P44.36 billion, reflecting lower cash balance on hand.
- **Interbank Loans Receivable and Securities Purchased under Agreements to Resell** decreased by P4.27 billion, or 12.0%, to P31.21 billion, primarily due to a reduction in loans extended to foreign institutions.

**Total liabilities** amounted to P3.24 trillion, up P70.00 billion, or 2.2%, primarily attributable to the P59.39 billion or 26.6% increase in **Other Borrowed Funds** to P282.82 billion, driven by availment under the BSP's Discount Facility and bond issuances.

Other notable increases include:

- **Total Deposits** increased by P12.46 billion, or 0.4%, to P2.85 trillion, supported by growth in demand and time deposits, partly offset by a decline in savings deposits.

- **Liabilities Attributable to Insurance Operations** rose by P1.49 billion, or 8.3%, to P19.32 billion, due to higher liabilities of the Bank's non-life insurance subsidiary.
- **Derivative Financial Liabilities** increased by P955 million, or 25.8%, to P4.65 billion, reflecting unfavorable movements in the underlying market.
- **Due to Bangko Sentral ng Pilipinas (BSP) and other banks** grew by P342 million, or 10.9%, to P3.49 billion, primarily due to higher tax collections received on behalf of the Bureau of Internal Revenue.

These increases were partly offset by declines in:

- **Deferred Credits and Other Liabilities**, which decreased by P3.51 billion, or 6.4%, to P51.32 billion, mainly due to lower accounts payable.
- **Manager's Checks and Demand Drafts Outstanding**, which declined by P1.63 billion, or 15.5%, to P8.83 billion, reflecting lower volumes of manager's checks issued and lower foreign remittances pending payment or disposition.

**Total capital** stood at P484.79 billion, an increase of P5.92 billion, or 1.2%.

- **Surplus** increased by P20.38 billion, or 7.4%, to P294.45 billion, driven by cumulative net income for the first six months and the transfer of reserves appropriated for general loan loss provisions, partly offset by cash dividend payments.

The increase in capital was tempered by the following declines:

- **Accumulated Other Comprehensive Loss** widened to P24.18 billion, from P10.59 billion year-end last year, primarily due to cumulative unrealized losses from changes in fair value of FVOCI securities.
- **Reserves** decreased by P1.22 billion, or 7.4%, to P15.29 billion, mainly due to the transfer of reserves appropriated for general loan loss provisions to surplus, as well as the Executive Stock Plan amortization.

## RESULTS OF OPERATIONS

### For the Quarters ended June 30, 2026, and June 30, 2025

**Net income** for the second quarter of 2026 amounted to P15.91 billion, down P408 million, or 2.5%, from the same period last year, primarily due to higher **impairment losses** and **operating expenses**.

**Net interest income** increased to P40.89 billion, up P4.15 billion, or 11.3%, driven by the 10.7% growth in average earning assets and a slightly higher net interest margin (NIM).

**Interest income, net of GRT**, reached P58.50 billion, up P5.77 billion, or 10.9%, supported by the following increases:

- **Loans and advances** generated P49.81 billion, up P4.90 billion or 10.9%, largely due to higher average volume, partially offset by lower yields.

- **Financial assets at FVOCI** contributed P4.13 billion, up P532 million, or 14.8%, on higher yields and increased average asset balances.
- **Financial assets at Amortized Cost** generated P3.86 billion, up P379 million or 10.9%, likewise driven by higher yields and larger average asset balances.
- **Deposits with BSP and other banks** earned P514 million, up P97 million or 23.4%, primarily due to higher average placements.

These increases were partially offset by a decline in:

- **Financial assets at FVTPL**, which contributed P178 million, down P139 million, or 43.8%, mainly due to lower yields, partly mitigated by higher average asset volumes.

**Interest expense** increased to P17.61 billion, up P1.62 billion, or 10.1%, attributable to:

- **Deposits**, which incurred interest expense of P13.89 billion, up P861 million, or 6.6%, driven by higher average deposit volumes, partly offset by lower funding costs.
- **Bills payable and other borrowings**, which increased by P756 million or 25.5%, to P3.72 billion, primarily due to higher average borrowings, partially offset by lower funding costs.

**Other income, net of GRT**, amounted to P12.21 billion, up P1.10 billion, or 9.9%, reflecting the following movements:

- **Fees and commissions** rose to P4.53 billion, up P972 million, or 27.3%, driven by higher service charges, underwriting fees and domestic bank commissions;
- **Other operating income** increased to P5.66 billion, up P940 million, or 19.9%, largely due to higher credit card income, trust fees and miscellaneous income;
- **Income attributable to insurance operations** reached P1.14 billion, up P108 million, or 10.4%, on higher equity income of the Bank’s insurance subsidiaries and affiliates.
- **Foreign exchange trading income** increased to P666 million, up P51 million, or 8.3%, supported by favorable trading opportunities arising from market volatility and a weaker Philippine Peso.
- **Trading gain on securities** declined to P208 million, down P974 million or 82.4%, mainly attributable to mark-to-market losses, lower realized gains, and realized losses from securities transactions.

**Other expenses** rose to P25.13 billion, up P2.68 billion, or 12.0%, mainly due to increases in:

- **Other operating expenses**, which reached P8.97 billion, up P1.11 billion, or 14.2%, driven by higher operations, rewards and selling, insurance, regulatory and litigation-related expenses.
- **Compensation and fringe benefits**, which increased to P8.80 billion, up P873 million, or 11.0%, due to annual salary adjustments and higher performance bonus accruals.
- **Occupancy and equipment-related expenses**, which rose to P7.37 billion, up P697 million, or 10.4%, primarily reflecting higher technology-related spending.

**Impairment losses** increased significantly to P7.84 billion, up P3.59 billion, or 84.4%, from P4.25 billion during the same period last year, mainly to provide for Expected Credit Losses (ECL) changes.

**Provision for income tax** decreased to P4.13 billion, down P577 million, or 12.2%.

- **Deferred income tax**, down P1.29 billion, from a benefit of P321 million to a benefit of P1.61 billion, primarily due to higher loss provisioning this quarter.
- Meanwhile, **current income tax** increased by P711 million, or 14.1%, to P5.74 billion, primarily due to higher taxable income.

**Income attributable to non-controlling interest** amounted to P82 million, down P42 million, or 33.8%, reflecting lower earnings contribution from the Bank's non-life insurance subsidiary.

**Total comprehensive income** rose to P16.41 billion, up P933 million, or 6.0%, driven by the recognition of **total other comprehensive income (OCI)** in the current period, compared with an OCI loss in the same quarter last year. **Total other comprehensive income, net of tax**, amounted to P498 million, representing an improvement of P1.33 billion from the P830 million loss recorded in the same period last year. Key movements were as follows:

**For items that may be reclassified subsequently to profit and loss:**

- **Net change in fair value reserve on FVOCI securities, net of tax effect** registered a gain of P147 million, improving by P795 million, or 122.6%, from the P648 million loss recorded last year, mainly due to higher market valuation of the Bank's investment securities.
- **Currency translation differences** recorded a gain of P89 million, improving by P201 million from last year's P112 million loss, largely due to the global strengthening of the US Dollar.
- **Share in other comprehensive income of associates** increased to P82 million, up P51 million, reflecting improved valuation of investment securities held by the Bank's life insurance associate.
- **Fair value reserve on investments of insurance subsidiaries, net of tax,** recorded a P14 million loss, a deterioration of P22 million from the prior year's P8 million gain, due to lower market valuations of investments held by the Bank's insurance subsidiaries.

**For items that will not be reclassified to profit and loss:**

- **Share in other comprehensive income of associates** amounted to P210 million, improving by P333 million from the P123 million loss recorded in the same period in the prior year, mainly to favorable valuation movements in the investments of the Bank's life insurance associate.
- **Actuarial loss on defined benefit plan, net of tax**, amounted to P15 million, increasing by P29 million, primarily due to the recognition of remeasurement loss on the fair value of retirement plan assets of the Bank's thrift subsidiary.

**Income attributable to non-controlling interest** within other comprehensive income, declined to P75 million, down P54 million, mainly due to lower fair value reserves on investments held by the Bank's insurance subsidiary.

**<u>For the Six Months ended June 30, 2026, and June 30, 2025</u>**

**Net income** for the first half of 2026 amounted to P32.83 billion, down P125 million or 0.4%, from the same period last year, primarily due to higher **impairment losses** and **operating expenses.**

**Net interest income** increased to P80.03 billion, up P8.88 billion or 12.5%, driven by an 11.3% growth in average earning assets and a 5-basis-point expansion in net interest margin (NIM).

**Interest income, net of GRT**, reached P115.55 billion, up P12.00 billion or 11.6%, supported by the following:

- **Loans and advances** totaled P98.08 billion, up P9.92 billion or 11.3%, driven by higher average asset volume.
- **Financial assets at FVOCI** contributed P8.11 billion, an increase of P1.33 billion or 19.6%, due to higher average asset volume and improved yields.
- **Financial assets at amortized cost** generated P7.77 billion, up P797 million or 11.4%, on higher yields and increased average asset volume.
- **Deposits with BSP and other banks** amounted to P1.17 billion, up P142 million or 13.9%, driven by improved yields and higher average balances.
- **Financial assets at FVTPL** contributed P426 million, down P185 million or 30.2%, as lower yields offset the impact of higher average asset volume.

**Interest expense** rose to P35.52 billion, an increase of P3.13 billion, or 9.7%, mainly due to:

- **Bills Payable and other borrowings** at P7.02 billion, up by P1.72 billion or 32.4%, driven by higher average volume.
- **Deposits** at P28.50 billion, up P1.41 billion or 5.2%, likewise due to higher average volume.

**Other income, net of GRT** increased to P23.98 billion, up P2.58 billion or 12.1%, attributable to the following:

- **Other operating income** of P10.94 billion, up P1.69 billion or 18.2%, driven by higher credit card income, trust fees and miscellaneous income.
- **Fees and commissions** of P8.90 billion, up P1.41 billion or 18.8%, reflecting higher service charges, underwriting fees and domestic bank commissions.
- **Foreign exchange trading income** of P1.48 billion, up P258 million or 21.1%, driven by wider average spreads from sales.
- **Income attributable to insurance operations** of P2.02 billion, up P199 million, or 10.9%, supported by stronger earnings contributions from the Bank's insurance affiliate and subsidiaries.
- **Trading gain on securities** of P632 million, down P972 million or 60.6%, primarily due to mark-to-market losses resulting from the continued rise in yields.

**Other expenses** rose to P48.63 billion, up P5.89 billion or 13.8%, mainly due to increases in:

- **Other operating expenses** of P17.35 billion, up P2.80 billion or 19.3%, primarily driven by higher marketing expenses, transaction servicing costs, and increased regulatory and miscellaneous expenses.
- **Occupancy and equipment-related expenses** of P14.33 billion, up P1.59 billion or 12.5%, mainly due to higher spending on technology, depreciation, security, and janitorial services.
- **Compensation and fringe benefits** of P16.95 billion, up P1.49 billion or 9.7%, reflecting increased headcount, annual salary adjustments, and higher performance bonus accruals.

**Impairment losses** increased significantly to P13.34 billion, up P6.09 billion, or 84.0%, from P7.25 billion in 2025, due to higher expected credit losses (ECL) requirements.

**Provision for income tax** amounted to P9.04 billion, down P358 million, or 3.8%.

- **Deferred income tax** declined by P1.49 billion as it shifted from an expense of P307 million to a benefit of P1.18 billion, primarily due to higher loss provisioning, net of write-offs.
- **Current income tax**, meanwhile, was up P1.13 billion as it increased to P10.21 billion, driven by higher taxable revenues.

**Income attributable to non-controlling interest** declined to P174 million, down P28 million or 14.0%, reflecting earnings contribution from the Bank's non-life insurance subsidiary.

**Total comprehensive income** amounted to P19.24 billion, down P14.50 billion or 43.0%. This was driven by lower **net income before minority interest** of P33.01 billion, down P154 million, or 0.5%, as well as a substantial decline in **other comprehensive income**.

**Total other comprehensive loss, net of tax**, amounted to P13.66 billion, a deterioration of P14.45 billion from the P787 million gain recorded in the same period last year.

Material movements as follows:

**For items that may be reclassified subsequently to profit and loss:**

- **Net change in fair value reserve on FVOCI securities, net of tax**, recorded a P13.44 billion loss, a deterioration of P14.51 billion from last year's P1.07 billion gain, due to lower market valuations of the Bank's investment securities.
- **Share in other comprehensive loss of associates** amounted to P495 million, worsening by P469 million, from last year's P25 million loss, mainly due to lower valuation of the life insurance associate's investment securities.
- **Fair value reserve on investments of insurance subsidiaries, net of tax**, recorded a P135 million loss, compared with P52 million income last year, reflecting lower market valuations of investment funds held by the Bank's insurance subsidiaries.
- **Currency translation differences** amounted to P390 million, improving by P593 million from last year's P203 million loss, due to the strengthening of the US dollar.

**For items that will not be reclassified to profit and loss:**

- **Actuarial loss on defined benefit plan, net of tax effect**, amounted to P37 million, deteriorating by P9 million, primarily due to the recognition of remeasurement loss on the fair value of retirement plan assets of the Bank's thrift subsidiary.
- **Share in other comprehensive income of associates** totaled P55 million, improving by P133 million, from last year's P79 million loss, driven by improved valuations of the life insurance associate's investment portfolio.

**Income attributable to non-controlling interest** within other comprehensive income amounted to P105 million, down P104 million, mainly due to higher fair value reserves recognized on the investment portfolio of the Bank's non-life insurance subsidiary.

**Key Performance Indicators**

The following ratios, applied on a consolidated basis, are used to assess the performance of the Bank and its majority owned subsidiaries:

| | June 30, 2026 | June 30, 2025 |
|---|---|---|
| Return on Equity (%) | 13.78 | 14.93 |
| Return on Assets (%) | 1.80 | 2.01 |
| Net Interest Margin (%) | 4.63 | 4.58 |
| Operating Efficiency Ratio (%) | 46.76 | 46.19 |
| Capital Adequacy Ratio (%) - Basel III | 14.78 * | 15.25 |

** indicative*

**Return on equity (ROE)**, the ratio of net income to average equity, stood at 13.78%, 115 bps lower than last year's 14.93%, due to lower net income coupled with the expansion in average equity.

**Return on assets (ROA)**, the ratio of net income to average assets declined to 1.80% from 2.01% last year, as net income decreased while average assets continued to expand.

**Net interest margin (NIM)**, measured as net interest income divided by average interest-bearing assets, improved slightly to 4.63%, as growth in net interest income outpaced the expansion in average earning assets.

**Operating efficiency (cost to income) ratio**, which measures operating expenses relative to income, increased to 46.76%, as growth in operating expenses outpaced the growth in revenues.

**Capital adequacy ratio (CAR)**, the ratio of total qualifying capital to total risk-weighted assets, at an indicative 14.78%, lower than 15.25% in the prior year. Similarly, the Common Equity Tier 1 (CET1) ratio declined to 13.97% from 14.45% from the same period last year. The decrease in capital ratios was primarily driven by the growth in risk-weighted assets, which outpaced the increase in qualifying capital. Despite the decline, both capital ratios remained comfortably above the BSP minimum regulatory requirements.

## **Subsequent Events**

- On 17 December 2025, the Board of Directors (the "Board") of the Bank authorized Management to pursue the merger of BPI Direct BanKo, Inc., A Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with BanKo as the surviving entity, subject to the approval of their respective boards and stockholders.

  The Bangko Sentral ng Pilipinas, through Monetary Board Resolution No. 604 dated 02 July 2026, approved the merger. Completion remains subject to the fulfillment of conditions precedent, including approval by the Securities and Exchange Commission.

## **Material Events and Uncertainties**

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

1. Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
2. Any event that will trigger direct or contingent financial obligation that is material to the Bank, including any default or acceleration of an obligation.
3. Other 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.
4. Any material commitments for capital expenditures.
5. 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.
6. Any significant elements of income or loss that did not arise from the Bank's continuing operations.
7. Any seasonal aspects that had a material effect on the financial condition or results of operations.

## SIGNATURES

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

**BANK OF THE PHILIPPINE ISLANDS**
Issuer

[redacted]

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

Date: August 6, 2026

[redacted]

**ERIC ROBERTO M. LUCHANGCO**
**Executive Vice President &**
**Chief Finance Officer**

Date: August 6, 2026

BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
JUNE 30, 2026

| No. of Days Outstanding | | Amount (In Thousands) |
|---|---|---|
| 0-90 | P | 3,197,471 |
| 91-180 | | 208,087 |
| 181-360 | | 202,706 |
| Over 360 | | 891,136 |
| **Total** | | **4,499,400** |
| **Less : Allow. For Probable Losses** | | **1,245,796** |
| **Net of Allowance** | P | **3,253,604** |