COVER SHEET

PW-121
S.E.C. Registration Number

BANK OF THE PHILIPPINE ISLANDS

(Company's Full Name)

AYALA TRIANGLE GARDENS TOWER 2
PASEO DE ROXAS COR. MAKATI AVE.,
BEL-AIR, MAKATI CITY

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

ATTY. MARIA LOURDES P. GATMAYTAN
Contact Person

8663-6525
Company Telephone Number

12 31
Month *Day*
Fiscal Year

SEC FORM 20-IS
FORM TYPE

04 21 25
Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

BPI

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **BANK OF THE PHILIPPINE ISLANDS (BPI)** will be conducted virtually via https://conveneagm.com/ph/BPI2025ASM on **Monday, April 21, 2025 at 9:00 A.M.**, with the following

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
24 MAR 2025
MARKETS AND SECURITIES REGULATION DEPARTMENT
BY: TIME: 3:57 pm

A G E N D A[1]

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of Stockholders[2]
   i. Approval of Minutes of the Annual Stockholders' Meeting on April 23, 2024
   ii. Ratification of the Acts of the Board of Directors and Officers
   iii. Election of Directors (including the Independent Directors)
   iv. Election of External Auditor and Fixing of its Remuneration
   v. Approval of the Audited Financial Statements and Noting of the Annual Report
4. Consideration of Such Other Business as May Properly Come Before the Meeting
5. Presentation of Management and Open Forum
6. Adjournment

The Chairman, acting on the authority delegated by the Board of Directors during its meeting on December 11, 2024, has approved that the Annual Stockholders' Meeting be held in a fully virtual format. Stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing a proxy.

Only stockholders of record as of **March 3, 2025** are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Bank by email on or before **April 11, 2025**. Voting may be by electronic means or *in absentia* or by proxy subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes electronically and *in absentia* will be set forth in the Information Statement.[3]

Stockholders intending to participate by appointing a proxy should submit their duly accomplished proxy forms and voting instructions on or before **April 11, 2025** to the Office of the Corporate Secretary at 28/F Ayala Triangle Gardens Tower 2, Paseo de Roxas Cor. Makati Ave., Bel-Air, Makati City or by email. Validation of proxies is set for April 14, 2025 at 2:00 P.M.

Stockholders of record as of March 03, 2025 owning at least 5% of the total outstanding capital stock of the Bank may submit proposals on items for inclusion in the agenda on or before March 12, 2025.[4]

All email communications should be sent to bpi-asm@bpi.com.ph on or before the designated deadlines.

For this purpose and in accordance with Article XII of the Bank's Amended By-Laws, the Stock and Transfer Book of BPI will be closed from March 22, 2025 to April 20, 2025.

Makati City, March 10, 2025.

FOR THE BOARD OF DIRECTORS

MARIA LOURDES P. GATMAYTAN
Corporate Secretary

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[1] *See next page for the explanation for each agenda item*

[2] *Proposed resolutions are provided below and will be included in the proxy form with voting instructions, and in the electronic ballot*

[3] *Stockholders should notify the Company by email of their preference to receive hard copies of the Information Statement and other ASM materials on or before March 03, 2025*

[4] *The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Bank's internal guidelines*

EXPLANATION OF AGENDA ITEMS WITH PROPOSED RESOLUTIONS

1. Call to Order

Mr. Jaime Augusto Zobel de Ayala, Chairman of the BPI Board of Directors, will formally open the meeting at approximately 9:00 o' clock in the morning.

2. Certification of Notice of Meeting, Determination of Quorum and Rules of Conduct and Procedures

The Corporate Secretary will certify that written notice of the meeting was duly sent to stockholders of record as of March 03, 2025, and that notice was also published in a newspaper of general circulation.

The Corporate Secretary will further certify that a quorum exists for the valid transaction of business. Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Bank has set up a designated online web address, https://conveneagm.com/ph/BPI2025ASM, which may be accessed by the stockholders to register and vote *in absentia* on the matters for resolution at the meeting[5]. A stockholder participating by remote communication or voting *in absentia* shall be deemed present for purposes of quorum. The holders of record of a majority of the stock of the Bank then issued and outstanding and entitled to vote, represented by proxy or participating through remote communication or voting *in absentia*, shall constitute a quorum for the transaction of business.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

(a) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent via e-mail to bpi-asm@bpi.com.ph prior to or during the meeting. Other channels may be opened to address questions and comments.
(b) Each of the proposed resolutions will be shown on the screen during the meeting as the same is taken up at the meeting.
(c) Stockholders must signify their intention to participate in the meeting by remote communication, either by registering in the platform https://conveneagm.com/ph/BPI2025ASM or by sending an email to bpi-asm@bpi.com.ph on or before April 11, 2025, in order to be included in the determination of existence of quorum, together with stockholders who voted *in absentia* and by proxy.
(d) Voting shall only be allowed for validated stockholders registered in the Bank's Voting System or through a valid proxy. Detailed requirements and instructions pertaining to the Bank's Voting System and the use thereof are provided in the Bank's website and Information Statement. Stockholders registered in the Bank's Voting System may cast their votes through the said System at any time prior to or in real time during the meeting. Vote tabulation shall be completed and finalized after the meeting.
(e) All the items in the agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting unless the law requires otherwise. Each outstanding share of stock entitles the registered holder to one vote. The election of directors will be determined by plurality of votes and every stockholder shall be entitled to cumulate his votes. The Committee of Inspectors of Proxies and Ballots will tabulate all votes received and the Bank's auditor will validate the results. The Corporate Secretary will report the results of initial voting during the meeting.
(f) The meeting proceedings will be recorded in audio and video format.

3. Matters for Approval of Stockholders

i. Approval of the Minutes of the Annual Meeting of the Stockholders on April 23, 2024

The minutes of the meeting held on April 23, 2024 are available at the Bank's website, www.bpi.com.ph and shall be presented for stockholders' approval. Below is the proposed resolution:

"RESOLVED, to approve the minutes of the Annual Stockholders' Meeting held on April 23, 2024."

ii. Ratification of the acts of the Board of Directors and Officers

The acts and resolutions of the Board of Directors and its committees taken or adopted since the annual stockholders' meeting on April 23, 2024 until April 21, 2025, shall be presented for stockholders' ratification, including contracts and transactions entered into by the Bank, credit/loan transactions including to related parties, projects and investments, treasury matters, manpower related decisions/approvals, programs of the Bank's employee stock incentive plans, corporate governance-related actions, and other matters covered by disclosures to the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The acts of Management were those taken to implement the resolutions of the Board or its committees or made in the general conduct of business. Below is the proposed resolution:

"RESOLVED, to ratify all the acts and resolutions of the Board of Directors, Executive Committee, and other Board Committees, and all the acts of Management since the Annual Stockholders' Meeting on April 23, 2024 until April 21, 2025."

[5] *The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.*

iii. Election of Directors (including the Independent Directors)

Any stockholder, including minority stockholders, may submit nominations to the Board of Directors not later than March 4, 2025. The Nomination Committee will determine whether the nominees for the Board, including the nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board. The profiles of the nominees to the Board will be provided in the Information Statement and on the company website. Below is the proposed resolution:

"RESOLVED, to elect the following as directors of the Bank to serve as such beginning today until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Cezar P. Consing
*Janet Guat Har Ang**
René dG. Bañez
Karl Kendrick T. Chua
Wilfred T. Co
*Restituto C. Cruz**
*Emmanuel S. de Dios**
Jose Teodoro K. Limcaoco
*Rizalina G. Mantaring**
*Mario Antonio V. Paner**
*Cesar V. Purisima**
Jaime Z. Urquijo
Mariana Beatriz E. Zobel de Ayala

**Nominated as Independent Director.*

Note: Subject to confirmation by the BSP Monetary Board and other applicable regulatory confirmation/approvals.

iv. Election of External Auditor and Fixing of its Remuneration

As endorsed by the Audit Committee, the election of the external auditor for the ensuing year as well as its proposed remuneration shall be presented for stockholders' approval. Below is the proposed resolution:

"RESOLVED, to appoint Isla Lipana & Co. as the external auditor of BPI and its major subsidiaries and affiliates for the year 2025 for an audit fee of PHP 30.843Mn."

The profile of the external auditor will be provided in the information statement.

v. Approval of the Audited Financial Statements and Noting of Annual Report

The audited financial statements (AFS) as of December 31, 2024 will be embodied in the Information Statement to be sent to the stockholders at least 21 days prior to the meeting. The AFS shall be presented for approval of the stockholders during the meeting, together with the noting of the Company's annual report, titled *Integrated Report*. The annual report will contain the "Message from the Chairman" and the "Report of the President". Below is the proposed resolution:

"RESOLVED, to approve the audited financial statements of Bank of the Philippine Islands and Subsidiaries as of December 31, 2024."

A copy of the Bank's AFS will be posted on the Bank's website, www.bpi.com.ph.

4. Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will take up agenda items received from stockholders in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines.[6]

5. Presentation of Management and Open Forum

The Chairman, Mr. Jaime Augusto Zobel de Ayala, and the President and Chief Executive Officer, Mr. Jose Teodoro K. Limcaoco, will report on the performance of the Bank in 2024 and the outlook for 2025. The Bank's performance will be embodied in the Company's Annual Report, titled *Integrated Report*. A soft copy of the Integrated Report will be posted on the Company's website, www.bpi.com.ph.

The Chairman will open the floor for comments and questions by the stockholders.

6. Adjournment

Upon determination that there are no other matters to be considered, the Chairman shall declare the meeting adjourned.

[6] *SEC Memorandum Circular No. 14, Series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings"*

BANK OF THE PHILIPPINE ISLANDS
2025 Annual Stockholders Meeting
April 21, 2025

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy, when properly executed, will be voted in the manner herein directed by the stockholder(s) in connection with the Annual Stockholders' Meeting of **Bank of the Philippine Islands** to be held on April 21, 2025 at 9:00 o'clock in the morning.

2. INSTRUCTIONS

The undersigned stockholder of **Bank of the Philippine Islands** (the "Company") hereby appoints the Chairman of the meeting of the stockholders, as *attorney-in-fact* and *proxy*, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on April 21, 2025 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the appropriate box below as to how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the approval of the resolution on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statement and as recommended by the Chairman.

1. Approval of the minutes of the Annual Meeting of the Stockholders on April 23, 2024.
   Resolution No. ASM-2025-01 - RESOLVED, to approve the minutes of the Annual Stockholders' Meeting held on April 23, 2024.

   ❑ For ❑ Against ❑ Abstain

2. Ratification of the acts of the Board of Directors and Officers.
   Resolution No. ASM-2025-02 - RESOLVED, to ratify all the acts and resolutions of the Board of Directors, Executive Committee, and other Board Committees, and all the acts of Management since the Annual Stockholders' Meeting on April 23, 2024 until April 21, 2025.

   ❑ For ❑ Against ❑ Abstain

3. Election of Directors (including the Independent Directors)

   ❑ Vote for all nominees listed below:
   Jaime Augusto Zobel de Ayala
   Cezar P. Consing
   Janet Guat Har Ang (Independent)
   René dG. Bañez
   Karl Kendrick T. Chua
   Wilfred T. Co
   Restituto C. Cruz (Independent)
   Emmanuel S. de Dios (Independent)
   Jose Teodoro K. Limcaoco
   Rizalina G. Mantaring (Independent)
   Mario Antonio V. Paner (Independent)
   Cesar V. Purisima (Independent)
   Jaime Z. Urquijo
   Fernando Zobel de Ayala
   Mariana Beatriz E. Zobel de Ayala

   ❑ Other instructions
   ____
   ____
   ____
   ____
   ____
   ____
   ____
   ____

   ❑ Withhold authority to vote for all nominees listed above.

   Resolution No. ASM-2025-03 - RESOLVED, to elect the following as directors of the Bank to serve as such beginning today until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala	Jose Teodoro K. Limcaoco
Cezar P. Consing	Rizalina G. Mantaring*
Janet Guat Har Ang*	Mario Antonio V. Paner*
René dG. Bañez	Cesar V. Purisima*
Karl Kendrick T. Chua	Jaime Z. Urquijo
Wilfred T. Co	Fernando Zobel de Ayala

Restituto C. Cruz*
Emmanuel S. de Dios*
Mariana Beatriz E. Zobel de Ayala

**Nominated as Independent Director.*

Note: Subject to confirmation by the BSP Monetary Board and other applicable regulatory confirmation/approvals.

4. Election of External Auditor and Fixing of its Remuneration
Resolution No. ASM-2025-04 - RESOLVED, to appoint Isla Lipana & Co. as the external auditor of BPI and its major subsidiaries and affiliates for the year 2025 for an audit fee of PHP 30.843Mn.

❑ For ❑ Against ❑ Abstain

5. Approval of the Audited Financial Statements and Noting of Annual Report
Resolution No. ASM-2025-05 - RESOLVED, to approve the audited financial statements of Bank of the Philippine Islands and Subsidiaries as of December 31, 2024.

❑ For ❑ Against ❑ Abstain

6. Consideration of Such Other Business as May Properly Come Before the Meeting
At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.

❑ For ❑ Against ❑ Abstain

A scanned copy of this Proxy and Voting Instruction should be sent to the Corporate Secretary at bpi-asm@bpi.com.ph on or before **April 11, 2025**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory/ies to appoint the Proxy and sign this form.

3. REVOCABILITY OF PROXY

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. The Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Corporation's secured online voting system (the "Voting System") before or during the Annual Stockholders' Meeting of the Corporation on April 21, 2025. Shares represented by an unrevoked Proxy will be voted as authorized by the stockholder.

4. PERSON MAKING THE SOLICITATION

The Company is not soliciting any proxies.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

____
SIGNATURE OF STOCKHOLDER / AUTHORIZED SIGNATORY OVER PRINTED NAME

____
NUMBER OF SHARES

____
DATE

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT
OF
BANK OF THE PHILIPPINE ISLANDS
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
24 MAR 2025
MARKETS AND SECURITIES REGULATION DEPARTMENT
BY: 3:57 pm

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [✔] Definitive Information Statement

2. Name of Registrant as specified in its charter: **BANK OF THE PHILIPPINE ISLANDS**

3. Province, country or other jurisdiction of incorporation or organization: **MANILA, PHILIPPINES**

4. SEC Identification Number: **PW-121**

5. BIR Tax Identification Code: **000-438-366-000**

6. Address of principal office: **22F – 28F Ayala Triangle Gardens Tower 2, Paseo De Roxas Cor. Makati Ave., Bel-Air, Makati City**
   Postal Code: **1226**

7. Registrant's telephone number, including area code: **(632) 8663-6525**

8. Date, time and place of the meeting of security holders:

   Date: **April 21, 2025**
   Time: **9:00 a.m.**
   Place: **to be conducted virtually through https://conveneagm.com/ph/BPI2025ASM**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **March 24, 2025**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding **(as of January 31, 2025)**
Common Shares	**5,272,095,143**

11. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes ✔ No ______.

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

    Philippine Stock Exchange, Inc. - Common Shares

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders.**

(a)

Date	:	**April 21, 2025**
Time	:	**9:00 a.m.**
Place	:	**to be conducted virtually through https://conveneagm.com/ph/BPI2025ASM**

(b) Approximate date on which the information statement is first to be sent or given to security holders: **March 24, 2025**

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

Item 2. **Dissenters' Right of Appraisal**

Under Section 80, Title X of the Revised Corporation Code of the Philippines ("Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

(a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
(c) In case of merger or consolidation; and
(d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

In relation thereto, Section 81 of the Revised Corporation Code provides:

Section 81. How Right is Exercised. - The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders' shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation.

There are no matters or proposed corporate actions included in the agenda of the meeting, which may give rise to a possible exercise by stockholders of their appraisal rights.

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

(a) No current director or officer of the Bank, or nominee for election as director has any substantial interest, direct, indirect, by security holdings, or otherwise, in any matter to be acted upon other than election to office.

(b) No director has informed the Bank of his opposition to any action to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

(a) **Class of Voting Securities**

Class of Voting Securities	Common Shares
Number of Shares Outstanding as of January 31, 2025:	5,272,095,143
Number of Votes Entitled:	One (1) vote per share

(b) **Record Date**

Stockholders of record as of March 03, 2025 are entitled to notice of, and to vote at, the Annual Stockholders' Meeting.

(c) **Manner of Voting**

Article IV of the Amended By-Laws of the Bank states, in part, that:

x x x

A holder of at least one (1) share of stock of the Bank shall have the right to be present and to participate and to vote, in every stockholder's meeting, either in person, through remote communication, in absentia, or by proxy, subject to compliance with the applicable rules and regulations issued by the Securities and Exchange Commission from time to time; Provided that if the stockholder is represented by proxy, the stockholder shall be limited to a single proxy at any one time but he may name alternate proxies. A proxy may be made in favor only of a person who is sui juris, and to be acceptable, for the purpose of the Bank, the signature of the stockholder executing it must be attested by two (2) subscribing witnesses. The proxy shall be filed with the Secretary of the Bank at least ten (10) days before the meeting, and shall be valid until revoked. At all stockholders' meeting, voting shall be by shares and not "per capita".

x x x

Article IV of the Amended By-Laws of the Bank further states that:

x x x

Voting for the election of members of the Board of Directors and upon all questions before the stockholders' meeting, shall be by shares of stock, that is, one share entitles the holder thereof to one vote, two shares to two votes, etc.; but in the election of members of the Board of Directors, any stockholder may cumulate his vote as provided for in the Corporation Law.

In the election of members of the Board of Directors, the fifteen (15) nominees receiving the highest number of votes shall be declared elected, subject to compliance with applicable laws and regulations on the composition of the Board of Directors, including the election of independent directors.

x x x

Stockholders may vote on the resolutions for approval at the meeting by appointing a proxy or electronically *in absentia* using the online web address, https://conveneagm.com/ph/BPI2025ASM, subject to validation procedures. A stockholder voting electronically or *in absentia* shall be deemed present for purposes of quorum. The detailed instructions for electronic voting *in absentia* are set forth in Annex "C".

The deadline for submission of proxy forms is on April 11, 2025.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management**

i. Security Ownership of Certain Record and Beneficial Owners of more than 5% as of January 31, 2025

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	**PCD Nominee Corporation**[1] **- Non-Filipino** **- Filipino** 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas Makati City 1226 (Stockholder)	PCD Participants acting for themselves or for their customers	 Various Filipino	 991,055,642 978,720,699 1,969,776,341	 18.7981% 18.5642% 37.3623%
Common	**Ayala Corporation**[2] 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Makati City 1226, Philippines (Stockholder)	Ayala Corporation[3]	Filipino	1,515,177,839	28.7396%
Common	**Liontide Holdings, Inc.**[4] 38F, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Brgy. Bel-Air, Makati City, 1226 (Stockholder)	Liontide Holdings, Inc.[5]	Filipino	823,218,041	15.6146%
Common	**Roman Catholic Archbishop of Manila** 121 Arzobispo St., Intramuros Manila (Stockholder)	Roman Catholic Archbishop of Manila[6]	Filipino	357,297,439	6.7771%
Common	**Robinsons Retail Holdings, Inc.** 43rd Floor Robinsons Equitable Tower, ADB Ave. corner Poveda St., Ortigas Center, Pasig City (Stockholder)	Robinsons Retail Holdings, Inc.[7]	Filipino	162,028,250	3.0733%
		PCD Nominee Corporation	Filipino	125,599,249*	2.3823%

**Shares lodged under PCD Nominee Corporation*

ii. Security Ownership of Directors and Management as of January 31, 2025

Title of Class	Name of Beneficial Owner	Position	No. of Shares	Nature of Ownership	Citizenship	% of Holdings
Directors						
Common	Jaime Augusto Zobel de Ayala	Chairman	10,402	Direct/ Indirect	Filipino	0.000%
Common	Cezar P. Consing	Vice Chairman	3,062,734	Indirect	Filipino	0.058%
Common	Jose Teodoro K. Limcaoco	Director/ President & CEO	327,625	Direct/ Indirect	Filipino	0.006%
Common	Janet Guat Har Ang	Independent Director	10	Direct	Singaporean	0.000%
Common	René dG. Bañez	Director	10	Direct	Filipino	0.000%
Common	Karl Kendrick T. Chua	Director	10	Direct	Filipino	0.000%
Common	Wilfred T. Co	Director	12,529	Direct/ Indirect	Filipino	0.000%
Common	Emmanuel S. de Dios	Independent Director	10	Direct	Filipino	0.000%
Common	Rizalina G. Mantaring	Independent Director	6,483	Direct/ Indirect	Filipino	0.000%
Common	Aurelio R. Montinola III	Director	1,956,471	Direct/	Filipino	0.037%

[1] PCD Nominee Corporation (PCD), Non-Filipino and Filipino, is the registered owner of the shares beneficially owned by its participants. The Board of Directors of each corporate participant generally has the power to decide on how shares are to be voted. Out of the 1,969,776,341 common shares registered in the name of PCD, 529,120,739 shares (or 10.0363% of the total outstanding shares), and 433,909,820 shares (or 8.2303% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation, and Citibank, respectively.
[2] 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).
[3] The Board of Directors of AC has the power to decide how AC's shares in BPI are to be voted.
[4] AC owns 95.51% of the outstanding shares, and has 93.44% effective economic ownership, of Liontide Holdings, Inc. (Liontide).
[5] The Board of Directors of Liontide has the power to decide how Liontide's shares in BPI are to be voted.
[6] The Archbishop of Manila has the power to decide how the Roman Catholic Archbishop of Manila's shares in BPI are to be voted.
[7] JE Holdings, Inc. owns 34.49% of common shares, GCH Investments Pte Ltd owns 22.14% of common shares, PCD Nominee Corporation (Filipino) owns 14.92% of common shares, PCD Nominee Corporation (Non-Filipino) owns 8.91% common shares, and Robina Gokongwei Pe owns 6.45% common shares of the outstanding shares of Robinsons Retail Holdings, Inc. (RRHI).

Title of Class	Name of Beneficial Owner	Position	No. of Shares	Nature of Ownership	Citizenship	% of Holdings
				Indirect		
Common	Mario Antonio V. Paner	Independent Director	271,858	Direct/ Indirect	Filipino	0.005%
Common	Cesar V. Purisima	Independent Director	10	Direct	Filipino	0.000%
Common	Jaime Z. Urquijo	Director	10	Direct	Filipino	0.000%
Common	Maria Dolores B. Yuvienco	Independent Director	6,331	Direct/ Indirect	Filipino	0.000%
Common	Fernando Zobel de Ayala	Director	96,327	Direct/ Indirect	Filipino	0.002%
CEO and four (4) highly compensated officers						
Common	Jose Teodoro K. Limcaoco	Director/ President & CEO	327,625	Direct/ Indirect	Filipino	0.006%
Common	Maria Cristina L. Go	EVP	72,710	Indirect	Filipino	0.001%
Common	Maria Theresa D. Marcial	EVP	347,974	Indirect	Filipino	0.007%
Common	Elfren Antonio S. Sarte, Jr.	EVP	12,000	Indirect	Filipino	0.000%
Common	Juan Carlos L. Syquia	EVP	42,130	Indirect	Filipino	0.001%
Aggregate Shareholdings of Directors & Officers as a Group			**6,225,634**			**0.117%**

None of the members of the Bank's Board of Directors and Management owns 2.0% or more of the outstanding capital stock of the Bank.

iii. 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.

iv. Changes in Control

No change of control in the Bank has occurred since the beginning of its last fiscal year.

(e) **Equity Ownership of Foreigners on Common Shares as of 31 January 2025: 982,223,484**

Item 5. **Directors and Executive Officers**

(a) **Board of Directors**

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

"Unless otherwise provided in the Corporation Law, the corporate powers of the Bank are exercised, its business conducted and its properties controlled and held, by a Board of Directors consisting of fifteen (15) members elected from among the stockholders of the Bank, said members so elected to hold their office for one year and until their successors are elected annually by the stockholders during their annual meeting or adjournment thereof, or at any special meeting called for that purpose."

The attendance of the directors at the meetings of the Board of Directors held during the year 2024 is as follows:

Name	No. of Meetings Attended/Held	Percent Present
Jaime Augusto Zobel De Ayala	13/13	100%
Cezar P. Consing	13/13	100%
Jose Teodoro K. Limcaoco	13/13	100%
Janet Guat Har Ang	12/13	92%
René G. Bañez	13/13	100%
Ignacio R. Bunye*	4/4	100%
Wilfred T. Co**	9/9	100%
Emmanuel S. de Dios	13/13	100%
Octavio Victor R. Espiritu*	4/4	100%
Rizalina G. Mantaring	11/13	85%
Aurelio R. Montinola III	12/13	92%
Mario Antonio V. Paner**	9/9	100%
Cesar V. Purisima	12/13	92%

Name	No. of Meetings Attended/Held	Percent Present
Jaime Z. Urquijo	11/13	85%
Maria Dolores B. Yuvienco	13/13	100%
Jaime Augusto Zobel De Ayala	13/13	100%
Cezar P. Consing	13/13	100%

** Board Member until 22 April 2024*
*** Elected as Board Member effective 23 April 2024*

(b) **Board Committees**

The Board has established committees to assist in exercising its authority in monitoring the performance of the business of the Company. The different committees of the Board and its membership are as follows:

Name	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance and Sustainability Committee	Related Party Transaction Committee	Personnel and Compensation Committee	Nomination Committee	Retirement/ Pension Committee
Jaime Augusto Zobel de Ayala	C					C	M	
Cezar P. Consing	VC		M			M	M	
Jose Teodoro K. Limcaoco (President and CEO)	M							
Janet Guat Har Ang (ID)			M		C			
René dG. Bañez	M				M			M
Karl Kendrick T. Chua								M
Wilfred T. Co								
Emmanuel S. de Dios				C				
Rizalina G. Mantaring (Lead ID)			C	M				M
Aurelio R. Montinola III	M					M		C
Mario Antonio V. Paner (ID)		M	M					
Cesar V. Purisima (ID)	M	M	M				C	
Jaime Z. Urquijo				M				
Maria Dolores B. Yuvienco (ID)		C			M	M		
Fernando Zobel de Ayala	M					M		

C – Chairman; VC – Vice-Chairman; M – Member; ID – Independent Director; Lead ID - Lead Independent Director
The attendance of each member of the Board of Directors, according to his/her respective Committee meetings, is enumerated in "Annex D".

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the President & CEO, and the directors. The assessment criteria or metrics is built around the board's terms of reference and committee charters which include board and committee composition, roles, functions and processes; broad leadership standards and value creation. The aggregated results are presented to the Board during the meeting immediately following the end of the assessment process. The performance assessment of the Board and the directors is conducted by an independent third-party consultant every three (3) years. In 2023, Aon Solutions Singapore Pte. Ltd. conducted the Board evaluation covering the year 2022. The third party evaluation was conducted through (1) one-on-one interviews with ten (10) directors; and (2) administration of evaluation questionnaires to the remaining five (5) directors.

(c) **The Board of Directors/Nominees for Election at the Annual Stockholders' Meeting and Key Executive Officers**

Per Article V of the Amended By-Laws of the Bank, all nominations for election as Directors by the stockholders shall be submitted in writing to the Board of Directors through the Corporate Secretary, together with the written acceptance of the nominee, not later than the date prescribed by law, rules and regulations or at such date as the Board of Directors may fix. No nominee shall qualify to be elected as Director unless this requirement is complied with. In accordance with the resolution of the Board of Directors of the Bank dated December 11, 2024, which resolution was disclosed and reported to PSE and SEC, all nominations for election of Directors for the term 2025-2026 were required to be submitted to the Corporate Secretary not later than March 04, 2025. As of said date, there were only 15 nominees to the Board received by the Corporate Secretary and all the nominees confirmed their acceptance of said nomination. Mr. Rene G. Bañez was nominated by the Roman Catholic Archbishop of Manila, Mr. Wilfred T. Co was nominated by Gabriel A. Dee, and the rest of the nominees were formally nominated by Ms. Ma. Kyla Frances D. Aquino. The nominators are stockholders of BPI who are not related to any of the nominees including the nominees for independent director. The nominations were subsequently processed and evaluated by the Nomination Committee of the Bank in a meeting called for the purpose and it was determined by the Committee that all the nominees (both regular Directors and Independent Directors) possess all the qualifications required by relevant law, rules, regulations and BPI's By-Laws and Manual on Corporate Governance and no provision on disqualification would apply to any of them.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The following persons have been nominated to the Board for election at the annual stockholders' meeting and have accepted their respective nominations:

Name	Age (as of 2025 ASM)	Citizenship
1. Jaime Augusto Zobel de Ayala	65	Filipino
2. Cezar P. Consing	64	Filipino
3. Jose Teodoro K. Limcaoco	62	Filipino
4. Janet Guat Har Ang (Independent Director)	64	Singaporean
5. René dG. Bañez	68	Filipino
6. Wilfred T. Co	59	Filipino
7. Restituto C. Cruz (Independent Director)	68	Filipino
8. Karl Kendrick T. Chua	45	Filipino
9. Emmanuel S. de Dios (Independent Director)	69	Filipino
10. Rizalina G. Mantaring (Independent Director)	64	Filipino
11. Mario Antonio V. Paner (Independent Director)	65	Filipino
12. Cesar V. Purisima (Independent Director)	64	Filipino
13. Jaime Z. Urquijo	35	Filipino
14. Fernando Zobel de Ayala	64	Filipino
15. Mariana Beatriz E. Zobel de Ayala	36	Filipino

The following is the list of Key Officers of BPI:

Name	Rank/Title	Age (As of 2025 ASM)	Citizenship
1. Jose Teodoro K. Limcaoco	President & CEO	63	Filipino
2. Ma. Cristina L. Go	EVP	55	Filipino
3. Maria Theresa D. Marcial*	EVP	54	Filipino
4. Elfren Antonio S. Sarte, Jr.	EVP	65	Filipino
5. Juan Carlos L. Syquia	EVP	58	Filipino
6. Eric Roberto M. Luchangco	SVP & CFO	54	Filipino
7. Dino R. Gasmen	SVP & Treasurer	58	Filipino
8. Maria Lourdes P. Gatmaytan	Corporate Secretary	57	Filipino

*Seconded to BPI Asset Management and Trust Corporation

None of the above-named Directors and Officers of the Bank work for the government.

Please refer to attached Annex "A" for the brief background of the Directors/Nominees and Key Officers of BPI.

(d) **Significant Employees**

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

(e) **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.

(f) **Involvement in certain 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.

(g) **Trainings and Continuing Education Programs for the Directors**

The company recognizes the value of providing relevant trainings to its directors and has set aside an annual budget to allow them to attend continuing professional development programs, applicable courses, conferences, and seminars. In 2024, the directors of BPI joined online seminars on Corporate Governance, as follows:

Topics	Directors
2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors***	Jaime Augusto Zobel de Ayala
	Cezar P. Consing
	Jose Teodoro K. Limcaoco
	Janet Guat Har Ang
	René dG. Bañez
	Ignacio R. Bunye*
	Karl Kendrick T. Chua
	Emmanuel S. de Dios
	Rizalina G. Mantaring
	Aurelio R. Montinola III
	Cesar V. Purisima
	Jaime Z. Urquijo
	Maria Dolores B. Yuvienco
	Fernando Zobel de Ayala
• Corporate Governance Orientation Program by Institute of Corporate Directors**** • 2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors***	Wilfred T. Co**
Corporate Governance Orientation Program by Institute of Corporate Directors on****	Mario Antonio V. Paner**

**Board member until 22 April 2024*
***Board member effective 23 April 2024*
****Held on 5 November 2024*
*****Held on 4 and 5 June 2024*

The aforementioned seminars were administered by or in partnership with the Institute of Corporate Directors, an SEC-accredited training provider.

(h) **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 (3) directors, majority of whom are independent directors including the Chairman, and two (2) 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	-	-	
	18,721	**80,401**	
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	
	12,717	**16,568**	

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

(i) **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 6. **Compensation of Directors and Executive Officers**

(a) **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	₱159.83M	₱122.90M	₱0
	Actual 2024	₱188.15M	₱159.17M	₱0
	Projected 2025	₱184.60M	₱188.35M	₱0
All other officers ** as a group unnamed	Actual 2023	₱12,093.37M	₱1,815.26M	₱0
	Actual 2024	₱15,173.31M	₱2,511.51M	₱0
	Projected 2025	₱16,267.52M	₱3,061.23M	₱0

* 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.

(b) **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."

(c) **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[8]. The total compensation for 2024 for each non-executive and independent director is attached as Annex "E".

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.

Item 7. **Independent Public Accountants**

(a) The external auditor of the Bank for the fiscal year 2024 is the accounting firm of Isla Lipana & Co. The same accounting firm is being recommended for re-election at the Annual

[8] 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.

Stockholders' Meeting of the Bank. Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Bank has engaged Isla Lipana & Co., as the external auditor with Mr. Roderick M. Danao as the Partner-in-Charge.

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.

The Audit Committee of BPI is chaired by Ms. Maria Dolores B. Yuvienco (Independent Director), with the following members: Mr. Mario Antonio V. Paner (Independent Director), and Mr. Cesar V. Purisima (Independent Director).

(b) Representatives of Isla Lipana & Co. are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions and to count and/or validate the votes, if needed, during the Annual Stockholders' Meeting.

(c) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

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

(d) 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	₱19.037 Mn	₱3.674 Mn
2023 paid in 2024	₱21.584 Mn 3.664 Mn	₱4.103 Mn 0.621 Mn
Approved for 2024 (not yet paid)	₱27.022 Mn	-

Audit Fees. 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. **Compensation Plans**

No matter or action relating to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

As currently provided in Seventh Article of the Bank's Amended Articles of Incorporation, not more than three percent (3%) of the authorized common stock of BPI is set aside for employee stock incentive plans such as an Executive Stock Option Plan and a Stock Purchase Plan for employees and officers of BPI and its subsidiaries, over which shares the stockholders shall have no pre-emptive rights. Said provision was approved by the Bangko Sentral ng Pilipinas, Securities and Exchange Commission and the Stockholders.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

There are no matters or actions to be taken up in the meeting with respect to the authorization or issuance of securities.

Item 10. **Modification or Exchange of Securities**

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. **Financial and Other Information**

The management's discussion and analysis, market price of shares and dividends and other data related to the Company's financial information and the Statement of Management's Responsibility for Financial Statements including the audited financial statements as of December 31, 2024, are attached hereto as Annexes "B" and "G".

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

There are no matters or actions to be taken up in the meeting with respect to mergers, consolidations, acquisitions and similar matters.

Item 13. **Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the meeting with respect to material acquisition or disposition of any property by the Company.

D. OTHER MATTERS

Item 15. **Action with Respect to Reports**

The following are to be submitted for approval during the stockholders' meeting:

(a) Approval of the Minutes of the Annual Meeting of the Stockholders on April 23, 2024, containing:

(i) Approval of the Minutes of the Annual Stockholders' Meeting on April 27, 2023
(ii) Approval of Annual Report and the Bank's Audited Financial Statements as of 31 December 2023
(iii) Ratification of the Acts of the Board of Directors and Officers
(iv) Election of the Board of Directors (including the Independent Directors)
(v) Election of External Auditors and Fixing of their Remuneration

The minutes of the 2024 Annual Stockholders' Meeting, which are available on the website of the Bank, contain the following information:

(i) Description of the voting and voting tabulation procedures used in the previous meeting
(ii) Description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given
(iii) The matters discussed and resolutions reached
(iv) A record of the voting results for each agenda item
(v) List of directors, officers and stockholders who attended the meeting

The minutes of the Annual Stockholders Meeting on April 23, 2024, attached as Annex "F", may be viewed through the following link: https://www.bpi.com.ph/about-bpi/investor-relations/disclosures/minutes-of-asm

(b) Ratification of the acts of the Board of Directors and Officers

The acts and resolutions of the Board of Directors and its committees were those taken or adopted since the annual stockholders' meeting on April 23, 2024 until April 21, 2025, contracts and transactions entered into by the Bank, credit/loan transactions including to related parties, projects and investments, treasury matters, manpower related decisions/approvals, including programs of the Bank's Executive Stock Option Plan and Stock Purchase Plan for employees and officers, corporate governance-related actions, and other matters covered by disclosures to the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The acts of Management were those taken to implement the resolutions of the Board or its committees or made in the general conduct of business.

(c) Election of Directors (Including the Independent Directors)

The members of the Board of Directors (regular and independent) of the Bank for the term 2025-2026 are to be elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting, and/or until their respective successors have been duly elected and qualified.

(d) Election of External Auditors and Fixing of its Remuneration

The Accounting Firm of Isla Lipana & Co. is proposed to be re-elected as the Bank's External Auditors for the Fiscal year 2025, at the remuneration agreed upon between BPI Management and the External Auditors.

(e) Approval of the Bank's Audited Financial Statements and Noting of Annual Report

The Audited Financial Statements as of December 31, 2024, will be presented for approval of the stockholders.

Item 15. **Matters Not Required to be Submitted**

All matters or actions that will require the vote of the security holders will be submitted in the meeting.

Item 16. **Amendment of Articles of Incorporation, By-laws or Other Documents**

There are no matters or actions to be taken up in the meeting relating to amendment of the Company's Articles of Incorporation, By-laws and other documents that will require the vote of the stockholders as of the record date.

Item 17. **Other Proposed Action**

There are no proposed actions other than those indicated in the notice for this Annual Meeting of Stockholders.

Item 18. **Voting Procedures**

(a) Vote Required for Approval or Election

The election of directors will be determined by plurality of votes and every stockholder shall be entitled to cumulate his votes.

Approval of matters required to be acted upon will need the affirmative vote of at least a majority of the issued and outstanding stock entitled to vote and represented at the meeting.

(b) Method by which the Votes will be Counted

Votes will be counted by shares and not per capita. Each outstanding share of stock entitles the registered holder to one vote. Any stockholder may cumulate his votes as provided in the Revised Corporation Code for purposes of election of the members of the Board. All votes received shall be tabulated by the Office of the Corporate Secretary and the results shall be validated by the Bank's auditor.

(c) Participation of Shareholders by Remote Communication

In accordance with the provisions of applicable rules and regulations, the Bank's By-laws on the conduct of Annual Stockholders' Meeting (ASM), and the authority granted to the Chairman to determine the manner by which ASM is to be conducted, the Bank will dispense with the physical attendance of stockholders at the meeting and will allow participation only by remote communication and by voting *in absentia*, or by voting through proxy. The virtual conduct of the ASM will allow greater participation and engagement with the stockholders regardless of location.

The live webcast of the meeting shall be accessible to registered shareholders through the following online web address: https://conveneagm.com/ph/BPI2025ASM. To enable the Bank to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders are requested to inform the Bank by email to bpi-asm@bpi.com.ph on or before April 11, 2025, of their participation in the meeting by remote communication. Stockholders may email questions or comments prior to or during the meeting at the following email address: bpi-asm@bpi.com.ph. The detailed instructions for participation through remote communication are set forth in Annex "C". Other channels may be opened to address questions and comments.

Item 19. **Acceptance of Stockholder Proposals on Agenda Item**

Stockholders of record as of March 03, 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before March 12, 2025.[9]

Item 20. **Management Report - Annex "B"**

Item 21. **Statement of Management's Responsibility and Audited Financial Statements – Annex "G"**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on the 20th day of March 2025.

BANK OF THE PHILIPPINE ISLANDS

by : MARIA LOURDES P. GATMAYTAN
Corporate Secretary

[9] The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

ANNEX "A"

LEADERS' BIOGRAPHIES
(Age as of 21 April 2025)

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Non-Executive Director

- BPI Director since March 1990 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Executive Committee (Chairman)
  - Personnel and Compensation Committee (Chairman)
  - Nomination Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Zobel is a director of the following publicly-listed companies: Ayala Corporation, Globe Telecom, Inc., and Ayala Land, Inc.

CEZAR P. CONSING
Vice-Chairman, Non-Executive Director

- BPI Director since February 1995 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Executive Committee (Vice-Chairman)
  - Risk Management Committee (Member)
  - Personnel and Compensation Committee (Member)
  - Nomination Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Consing is a director of the following publicly-listed companies: Ayala Corporation, Globe Telecom, Inc., Ayala Land, Inc., and ACEN Corporation.

JOSE TEODORO K. LIMCAOCO
President and CEO, Executive Director

- BPI Director since February 2019 and last re-elected on April 23, 2024
- BPI Committee Membership:
  - Credit Committee (Chairman)
  - Executive Committee (Member)

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 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 Muti-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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

JANET GUAT HAR ANG
Independent Director

- BPI Independent Director since May 2021 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Related Party Transaction Committee (Chairman)
  - Risk Management Committee (Member)
  - IT Steering Committee (Board Representative)

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).

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

RENÉ G. BAÑEZ
Non-Executive Director

- BPI Director since August 2021 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Executive Committee (Member)
  - Related Party Transaction Committee (Member)
  - Retirement/Pension Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

KARL KENDRICK T. CHUA
Non-Executive Director

- BPI Director since April 2023 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
    - Retirement/Pension Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Chua is a director of the publicly-listed company D&L Industries, Inc.

WILFRED T. CO
Non-Executive Director

- BPI Director since April 2024

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

RESTITUTO C. CRUZ
Independent Director

Mr. Cruz, Filipino, 68 years old, is an Independent Director of Guagua Rural Bank, Inc. since January 2024 and Philippine Payments Management, Inc. since September 2023.

SKILLS AND EXPERIENCE

Mr. Cruz worked for 43 years with the Bangko Sentral ng Pilipinas (BSP) under various capacities until his retirement in 2022. He held the following positions in the BSP throughout his decorated career: Assistant Governor from 2017-2022, Managing Director from 2014-2017, Director from 2009-2014, Deputy Director from 2006-2009, and various officer positions from 1979-2006. Prior to working with the BSP, he was a Staff Auditor at SGV & Co., CPAs from 1977-1979.

Mr. Cruz is a Certified Public Accountant. He obtained his Bachelor of Science in Business Administration and Accounting from the University of the East in 1977, and his Master's Degree in Business Administration from the Ateneo Graduate School of Business in 1996.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

EMMANUEL S. DE DIOS
Independent Director

- BPI Independent Director since April 2022 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
    - Corporate Governance and Sustainability Committee (Chairman)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. de Dios is a director of the publicly-listed company ABS-CBN Holdings Corporation.

RIZALINA G. MANTARING
Lead Independent Director

- BPI Independent Director since April 2023 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Risk Management Committee (Chairman)
  - Corporate Governance and Sustainability Committee (Member)
  - Retirement/Pension Committee (Member)
  - IT Steering Committee (Board Representative)

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).

SKILLS AND EXPERIENCE

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^{th} 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).

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Ms. Mantaring is a director of the following publicly-listed companies: Ayala Corporation, First Philippine Holdings Corporation, PHINMA Corporation, and Universal Robina Corporation.

AURELIO R. MONTINOLA III
Non-Executive Director

- BPI Director since 2004 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Retirement/Pension Committee (Chairman)
  - Executive Committee (Member)
  - Personnel and Compensation Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Montinola is a director of the following publicly-listed companies: Far Eastern University, Inc. and Roxas and Company, Inc.

MARIO ANTONIO V. PANER
Independent Director

- BPI Independent Director since April 2024
- BPI Board Committee Membership:
  - Risk Management Committee (Member)
  - Audit Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Paner is a director of ENEX Energy Corp., a publicly-listed company.

CESAR V. PURISIMA
Independent Director

- BPI Independent Director since January 2021 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Nomination Committee (Chairman)
  - Executive Committee (Member)
  - Risk Management Committee (Member)
  - Audit Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Purisima is a director of the following publicly-listed companies: Ayala Corporation, Ayala Land, Inc., Universal Robina Corporation, and Jollibee Foods Corporation.

JAIME Z. URQUIJO
Non-Executive Director

- BPI Director since September 2022 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Corporate Governance and Sustainability Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Urquijo is a director of the following publicly-listed companies: Integrated Microelectronics Inc. and ACEN Corporation.

MARIA DOLORES B. YUVIENCO
Independent Director

- BPI Independent Director since April 2016 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
  - Audit Committee (Chairman)
  - Related Party Transaction Committee (Member)
  - Personnel and Compensation Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

FERNANDO ZOBEL DE AYALA
Non-Executive Director

- BPI Director since September 2023 and last re-elected on April 23, 2024
- BPI Board Committee Membership:
    - Executive Committee (Member)
    - Personnel and Compensation Committee (Member)

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Mr. Zobel is a director of the following publicly-listed companies: Ayala Corporation, Ayala Land, Inc., and Shell Pilipinas Corporation.

MARIANA BEATRIZ E. ZOBEL DE AYALA
Non-Executive Director

Ms. Zobel de Ayala, Filipino, 36, is an Executive Director of Ayala Corporation, the oldest conglomerate in Southeast Asia, and concurrently a Senior Vice President of Ayala Land, one of the top three largest listed property developers in Southeast Asia. Ms. Zobel de Ayala currently heads its Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices, Ayala Land Hospitality, and Ayala Land Leisure Estates.

SKILLS AND EXPERIENCE

Ms. Zobel de Ayala is also a Board Director of Ayala Land and a member of its Executive, Risk Oversight, and Sustainability Committees. Additionally, she is a Board Director of Ayala Land's listed REIT subsidiary, AREIT. Currently, she serves as the Chairman and President of Ayalaland Malls, Inc. (formerly: ALI Commercial Center, Inc.); Vice Chairman of ALI Eton Property Development Corporation; Chairman of Ayalaland Offices, Inc., Chairman of Ayalaland Hotels and Resorts Corp., and Director of Fort Bonifacio Development Corporation, Alabang Commercial Corporation. She also serves as Chairman of Chirica Resorts Corporation, Ten Knots Development Corporation, Lio Resort Ventures Inc., Pangulasian Island Resort Corp., Ten Knots Phils., Inc., Regent Horizons Conservation Company, Inc., Swift Aerodrome Services, Inc., and ALI Capital Corp.; President & Director of Station Square East Commercial Corporation; and Director of Cagayan de Oro Gateway Corp., Accendo Commercial Corp., and Cebu District Property Enterprise Inc. Aside from her directorships at the Ayala Land Group, Mariana also serves as a Board Director for several Ayala Group companies, such as Ayala Healthcare Holdings, Inc., A&CO Holdings Corporation, ACX Holdings Corporation, ANKO JV Company, Inc., Ayala Group's ACTIVE Fund, WeAreAyala Business Club, Inc., and BPI's Asset Management and Trust Company.

Ms. Zobel de Ayala was named a board advisor for Asia Partners, a Singapore-based growth equity firm with over USD1 bn in assets under management, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She is also a board director of U-Go, a non-profit organization looking to drive education equality in emerging markets by providing scholarship grants to women in pursuit of a university education.

Ms. Zobel de Ayala previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Bank. Before this position, she served as the Deputy Head of Ayala Malls and previously worked in project development across Ayala Land. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation, supporting its portfolio reviews across the conglomerate and business development interests in the healthcare industry.

Ms. Zobel de Ayala began her career at J.P. Morgan in New York. She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and an MBA from INSEAD.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

Ms. Zobel de Ayala is a director of the following publicly-listed companies: AREIT, Inc. and Ayala Land, Inc.

THE KEY OFFICERS OF BPI AS OF DECEMBER 31, 2024

(Age as of 21 April 2025)

JOSE TEODORO K. LIMCAOCO
President & Chief Executive Officer

MARIA CRISTINA L. GO
Executive Vice President

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

MARIA THERESA D. MARCIAL
Executive Vice President

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

Ms. Marcial has cultivated 26 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.

SKILLS AND EXPERIENCE

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 Exchange 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 (PISF) Inc., 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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

ELFREN ANTONIO S. SARTE, JR.
Executive Vice President

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.

SKILLS AND EXPERIENCE

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 26th in 2014 to rank 16th 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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

JUAN CARLOS L. SYQUIA
Executive Vice President

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).

SKILLS AND EXPERIENCE

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).

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

DINO R. GASMEN
Senior Vice-President, Treasurer

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. Mr. Gasmen is Chairman of the Bank's Asset & Liability Committee and is a member of the Management Committee.

Mr. Gasmen serves as Director of BPI (Europe) PLC and is a 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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

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

- BPI Committee Membership:
  - Finance Committee (Chair)
  - Sustainability Council (Chair)
  - Credit Committee (Member)
  - Asset and Liabilities Committee (Member)
  - BPI Wealth Executive Committee (Member)

Mr. Luchangco, Filipino, 54 years old, serves as BPI's Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance. In this role, he manages the Bank's strategic planning and financial budgeting, capital structure, investor relations and sustainability agenda, as well as overseeing the legal, business transformation and bank property management teams.

Mr. Luchangco is also a director of the following BPI subsidiaries: BPI Payments Holdings, Inc. and Legazpi Savings Bank, Inc. In addition, he also serves as Treasurer of The Bank of the Philippine Islands Foundation, Inc. and Cupertino Trading Corporation. He likewise serves as director of the following entities: Mercato Central, Inc., Murray Hill, Inc., ICCP Managers, Inc., Beacon International School Foundation (Chair), Global Payments Asia-Pacific Philippines, Inc., AF Payments, Inc., Cartera Interchange Corporation, and Zip Financial.

SKILLS AND EXPERIENCE

Mr. Luchangco initially joined the BPI Group in 2013 as Head of Debt Capital Markets of BPI Capital, BPI's investment banking unit. In June 2017, he moved to BPI to become the Head of Corporate Credit Products, where his team managed the credit reviews of the accounts under Corporate Banking. From June 2019 until May 2022, Mr. Luchangco served as the Head of Business Banking, where he managed BPI's presence within the SME space with a vision of becoming the partner of choice for SMEs in the Philippines, before moving into his current role

Prior to joining BPI, 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.

Mr. Luchangco graduated Management Economics from Ateneo de Manila University and received his MBA degree from the Ross School of Business at the University of Michigan.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

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.

SKILLS AND EXPERIENCE

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.

DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE

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

COVER SHEET

PW-121
S.E.C. Registration Number

BANK OF THE PHILIPPINE ISLANDS

(Company's Full Name)

AYALA TRIANGLE GARDENS TOWER 2
PASEO DE ROXAS COR. MAKATI AVE.,
BEL-AIR, MAKATI CITY

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

ATTY. MARIA LOURDES P. GATMAYTAN
Contact Person

8663-6525
Company Telephone Number

12 31
Month *Day*
Fiscal Year

Certificate of Independent Director
FORM TYPE

04 21 25
Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

REPUBLIC OF THE PHILIPPINES)
) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JANET GUAT HAR ANG**, Singaporean, of legal age, and a resident of 53 MacKerrow Road, Singapore 358593, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 19 May 2021;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
SISTIC Pte Ltd	Non-Executive Director and Chairman	2019 – Present
RGE Group Pte Ltd	Senior Advisor	2021 – Present
International Women's Forum (Singapore) Chapter	Member	2002 – Present
Singapore Computer Society	Fellow	2012 – Present
Singapore Computer Society	Member	1995 – Present
Singapore Polytechnic	Board Member	2020 – Present
Singapore Polytechnic	Chairman, Board of Governors	2020 – Present
Home Team Science & Technology Agency, Singapore	Board Member	2019 – Present
Singapore Business Federation Foundation	Independent Director	2019 – Present
Singapore Business Federation Foundation	Chairman	2024 - Present
The Esplanade Company Ltd (TECL), Singapore	Board Member	2019 – Present
Singapore Institute of Directors	Fellow	2021 – Present
Tanoto Foundation	Independent Director	2022 – Present
Public Transport Council	Chairman / Independent Director	2022 – Present
Cenacle Mission (Singapore) Ltd.	Independent Director	2015 – Present
Swire Shipping Pte Ltd	Independent Director	2023 – Present
BPI Wealth Singapore Pte Ltd	Independent Director	2023 – Present
Philanthropy Asia Alliance Limited	Independent Director	2023 – Present
Institute of Systems Science, National Univ. of Singapore	Chairman of the Board	2016 – Present
Institute of Systems Science, National Univ. Of Singapore	Member of the Board of Management	2012 – Present
Ministry of Foreign Affairs	Singapore's Non-Resident Ambassador to the Holy See	2020 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

JA

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;

7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

JA

Done, this ____________________ at ____________________.

JANET GUAT HAR ANG
Affiant

SUBSCRIBED AND SWORN to before me this ____________________ at ______________; affiant JANET GUAT HAR ANG personally appeared before me and exhibited to me her Passport with No. issued at on valid until .

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2025.

Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

13 March 2025

Atty. Maria Lourdes P. Gatmaytan
Senior Vice President, Head of Corporate Legal Affairs and Corporate Secretary
BANK OF THE PHILIPPINE ISLANDS
Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue,
Makati City 1226
email: *corporate.secretary@bpi.com.ph*

Re: REQUEST TO SUSPEND NOTARIZATION REQUIREMENT

Dear Atty. Gatmaytan:

This refers to your letter dated 07 March 2025 requesting for the suspension of the notarization requirement and wet signature for the Certificate of Independent Directors (CID) of Ms. Janet Guat Har Ang, with the Definitive Information Statement (SEC Form 20-IS) to be submitted by the **Bank of Philippine Islands**.

In the said letter, it was stated that Ms. Ang, one of the company's Independent Directors, remains overseas and she is expected to travel to the Philippines some time in April 2025, in time for the company's Annual Stockholders' Meeting. In view thereof, she cannot personally sign the CID and appear before a notary public.

In consideration of the aforementioned circumstances, the request for the suspension of the notarization requirement and wet signature for the CID of Ms. Ang, is hereby **GRANTED**, subject to the company's compliance with the following conditions:

a. The company shall timely submit the SEC Form 20-IS together with an undertaking to submit the following:

    1. Written Explanation in accordance with item (c) hereof; and
    2. Duly executed and notarized CID in accordance with item (d) hereof.

b. The foregoing submission must be done pursuant to SEC Memorandum Circular No. 18, Series of 2023 dated 9 October 2023, entitled, "Guidelines on the Submission of Digital Copies of Applications, Compliance Documents and Other Requests, and Further Reduction of the Number of Hard Copies to be Filed with the Commission" and other applicable rules;

c. The company shall submit a written explanation duly executed and signed under oath by the concerned signatory within ten (10) days from the date of her arrival in the country.

    The written explanation shall set forth the circumstances and relevant facts of the travel abroad with attached proof of departure abroad and arrival in the country (e.g. copy of stamped passport, plane ticket, and/or boarding pass, etc.); and

d. The written Explanation shall be filed together with the CID duly notarized and executed by the concerned signatory.

The company's failure to submit the required written explanation within the prescribed period shall invalidate the prior conditional approval of the request and shall be a ground for the issuance of a show cause order to the company.

For your guidance and appropriate action.

Very truly yours,

RACHEL ESTHER J. GUMTANG-REMALANTE
Director
Reference No. 202503-055-OD

/dlb
//jgl

REPUBLIC OF THE PHILIPPINES)
) s.s.
MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RESTITUTO C. CRUZ**, Filipino, of legal age, and a resident of 308 F. Torres Street, Samson Road, Barangay 75, Caloocan City, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Guagua Rural Bank, Inc.	Independent Director	2024 – Present
Philippine Payments Management, Inc.	Independent Director	2023 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;

7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 0 6 2025 at MAKATI CITY.

RESTITUTO C. CRUZ
Affiant

SUBSCRIBED AND SWORN to before me this MAR 0 6 2025 at MAKATI CITY; affiant RESTITUTO C. CRUZ personally appeared before me and exhibited to me his Passport No. issued at on valid until .

Doc. No. 80
Page No. 166
Book No. VI
Series of 2025.

ATTY. CESAR T. 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
OFFICE ADDRESS: #2733 G/F CARREON BLDG.
ZENAIDA ST., BRGY. POBLACION MAKATI C

REPUBLIC OF THE PHILIPPINES)
) s.s.
MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMMANUEL S. DE DIOS**, Filipino, of legal age, and a resident of 7 Yakal St., Monte Vista Subdivision, Industrial Valley, Marikina City, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 28 April 2022;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Philippine Human Development Network	President	2012 – Present
ABS-CBN Holdings Corporation	Independent Director	2020 – Present
Pulse Asia Research, Inc.	Trustee & Chairman	2013 – Present
Assisi Development Foundation, Inc.	Trustee	2016 - Present
Peace and Equity Foundation, Inc.	Trustee	2020 - Present
Rockwell Land Corporation	Independent Director	2023 – Present
University of the Philippines School of Economics	Professor Emeritus	2019 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;

7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 06 2025 at MAKATI CITY.

EMMANUEL S. DE DIOS
Affiant

SUBSCRIBED AND SWORN to before me this MAR 06 2025 at MAKATI CITY ; affiant EMMANUEL S. DE DIOS personally appeared before me and exhibited to me his Passport with No. issued at on valid until .

Doc No. 76;
Page No. 16;
Book No. VI;
Series of 2025.

ATTY. CESAR T. 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
OFFICE ADDRESS: #2733 G/F CARREON BLDG.
ZENAIDA ST., BRGY. POBLACION MAKATI CITY

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) s.s.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RIZALINA G. MANTARING**, Filipino, of legal age, and a resident of 12 Vicente Lim St., Ayala Heights, Matandang Balara, Quezon City, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 27 April 2023;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Ayala Corporation	Independent Director	2020 – Present
First Philippine Holdings Corporation	Independent Director	2016 – Present
PHINMA Corporation	Independent Director	2019 – Present
Universal Robina Corporation	Independent Director	2020 – Present
East Asia Computer Center Inc.	Independent Director	2018 – Present
Sun Life Grepa Financial Inc.	Director	2011 – Present
GoTYME Bank	Independent Director	2022 – Present
Maxicare Healthcare Corporation	Independent Director	2022 - Present
Makati Business Club	Trustee	2017 – Present
Philippine Business for Education	Trustee	2017 – Present
Foundation for Economic Freedom	Fellow	2020 – Present
BPI Asset Management and Trust Corporation (doing business under the Trade Name and Style of BPI Wealth – A Trust Corporation)	Independent Director	2023 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;

7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 0 6 2025 at MAKATI CITY.

RIZALINA G. MANTARING
Affiant

SUBSCRIBED AND SWORN to before me this MAR 0 6 2025 at MAKATI CITY; affiant RIZALINA G. MANTARING personally appeared before me and exhibited to me her Passport with No. issued at on valid until .

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Page No. 16
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ZENAIDA ST., BRGY. POBLACION MAKATI CITY

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) s.s.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIO ANTONIO V. PANER**, Filipino, of legal age, and a resident of No. 29 Indigo Wells St., Ayala Southvale Village-Sonera, Daang Hari, Brgy. Almanza Dos, Las Piñas City, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 23 April 2024;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
ENEX Energy Corporation	Independent Director	2021 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;

7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 0 6 2025 at MAKATI CITY.

MARIO ANTONIO V. PANER
Affiant

SUBSCRIBED AND SWORN to before me this MAR 0 6 2025 at MAKATI CITY; affiant MARIO ANTONIO V. PANER personally appeared before me and exhibited to me his Passport No. issued at on valid until .

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ZENAIDA ST., BRGY. POBLACION MAKATI CITY

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) s.s.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CESAR V. PURISIMA**, Filipino, of legal age, and a resident of 1567 Cypress Street Dasmariñas Village, Makati City, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 20 January 2021;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
AIA Group Limited	Independent Director	2017 - Present
Ayala Land, Inc.	Independent Director	2018 - Present
Universal Robina Corporation	Independent Director	2018 - Present
Jollibee Foods Corporation	Independent Director	2020 - Present
Ikhlas Capital Singapore Pte. Ltd	Founding Partner / Director	2019 - Present
Sumitomo Mitsui Banking Corporation	Member of the Global Advisory Council	2018 - Present
ABS-CBN Corporation	Member of the Board of Advisors	2020 - Present
Singapore Management University (Philippines)	Member of the International Advisory Council	2017 - Present
International School of Manila	Board Trustee	2017 - Present
Milken Institute	Asia Fellow	2016 - Present
Asian Institute of Management	Executive-in-Residence	2016 - Present
Unistar Credit and Finance Corporation	Independent Non-Executive Director	2019 - Present
BPI Capital Corporation	Independent Director	2021 - Present
Ayala Corporation	Independent Director	2022 - Present
Bloomberg Task Force on Fiscal Policy for Health	Member	2023 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;

7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 0 6 2025 at MAKATI CITY.

CESAR V. PURISIMA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 0 6 2025 at MAKATI CITY; affiant CESAR V. PURISMA personally appeared before me and exhibited to me his Passport with No. issued at on valid until .

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ANNEX "B"

MANAGEMENT REPORT

Description of Business

As the first bank in the Philippines and Southeast Asia, the Bank of the Philippine Islands (BPI or the Bank), a member of the Ayala group of companies, is one of the first institutions to be listed on the PSE. BPI has established a history of client trust, financial strength, and innovation. Since 1851, our business, products, and services have created sustainable value and played a significant role in every Filipino's daily life, as well as in the country's growing economy.

A fully diversified universal bank and a recognized leader in the banking industry, BPI, together with its subsidiaries and affiliates, offers a diverse range of products and services in consumer and corporate banking as well as in asset management, payments, insurance, investment banking, foreign exchange, leasing, and securities distribution. BPI has long recognized the primacy of corporate governance and the culture of integrity, values, and ethics that have always been the hallmark of the Bank. BPI's Board of Directors and Senior Management work towards a sustainable and more inclusive society, framed around prudent and sound banking practices, quality of profits, and business fundamentals leadership.

BPI also has 2,581 ATMs and CAMs, and almost 16.0 million clients being served by a 22,603-strong employee workforce. Together with subsidiaries and affiliates in the BPI group, the Bank seeks to serve all client segments, including corporate, consumer, or small, medium, and micro-entrepreneurs.

Principal Subsidiaries. The Bank's principal subsidiaries are:

(1) 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.

(2) 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.

(3) Legazpi Savings Bank, Inc. ("LSB") is focused on providing financial assistance to teachers, including deposit-related financial services. The bank was incorporated and registered with the SEC on May 8, 1976, and was acquired by Robinsons Bank Corporation on December 26, 2012. On January 1, 2024, when the merger between the Ayala-led BPI and RBC took effect, with the former as the surviving entity, LSB became a subsidiary of BPI.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

(9) 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).

(10) 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.

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.

Market Information

The common shares of BPI have been listed on the Philippine Stock Exchange (PSE) since 1971.

The table below shows the high and low prices of BPI shares transacted at the PSE for each quarter within the last three (3) fiscal years.

		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

The high and low prices of BPI at the Philippine Stock Exchange on February 26, 2025 were P132.00 and P130.00, respectively, with a closing price of P132.00.

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. As its dividend payout history shows, the Bank has consistently paid annual dividends. On May 2022, the Bank’s Board of Directors approved a dividend policy based on a dividend payout ratio (“DPO”) of 35% to 50% of previous year’s earnings. This replaces the practice of paying a fixed dividend amount of PHP0.90 per share per semester.

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

Date	Date of	Amount of Dividends	
Declared	**Payment**	**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 is reflected in Note 18 of the 2024 Audited Financial Statements.

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%, respectively. 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, P462.79 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 deferred charges. **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

In Million Pesos	2021	2022	2023	2024	CAGR
Net Interest Income	69,583	85,065	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	57,989	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 an 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 the 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 the 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 the 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, as 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.

<u>2023 vs. 2022</u>

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 posted a P2.00 billion or 80.9% improvement 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[1]	13.1%	15.3%	15.1%
Return on Assets[1]	1.6%	1.9%	2.0%
Net Interest Margin[1]	3.6%	4.1%	4.3%
Operating Efficiency Ratio	48.9%	50.0%	49.3%
Capital Adequacy Ratio[2]	16.0%	16.2%	14.6%

[1] Using daily average method

[2] 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.

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.

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 sustain loan growth led by 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 and 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 will continue to use data to grow the business through customer acquisition, hyperpersonalization, 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 companies with extensive 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.

The Bank remains committed to its Sustainability Agenda of Responsible Operations and Responsible Banking. We will continue to incorporate Environment, Social, and Governance (ESG) principles into how we conduct our business – how we resource, how we craft the products and services we offer, how we serve our customers, and how we add value to our various stakeholders. As a bank responsible for a meaningful share of the country's loans and deposits, how we allocate resources will have a significant impact on how we grow as a nation.

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.

There were approximately 11,638 common shareholders of BPI as of January 31, 2025.

Equity Ownership of Foreigners on Common Shares as of 31 January 2025

Nationality	Number of Stockholders	Number of Shares	Percent of Holdings
AMERICAN	60	1,160,953	0.02%
AUSTRALIAN	5	29,842	0.00%
BRAZILIAN	1	42	0.00%
BRITISH	4	34,317	0.00%
CANADIAN	13	103,237	0.00%
CHINESE	63	1,014,861	0.02%
DANISH	1	1,089	0.00%
DUTCH	1	487,335	0.01%
FOREIGN	6	978,803,992	18.57%
GERMAN	2	480	0.00%
HONGKONG	1	261	0.00%
INDIAN	2	19,136	0.00%
INDONESIAN	3	197,131	0.00%
JAPANESE	2	13,701	0.00%
KOREAN	1	19,970	0.00%
MALAYSIAN	2	743	0.00%
SINGAPOREAN	6	3,176	0.00%
SPANISH	3	260,797	0.00%
TAIWANESE	8	72,421	0.00%
Total	**184**	**982,223,484**	**18.62%**

Top 20 Stockholders as of January 31, 2025

Name of Stockholders		Number of Shares Held	Percent of Holdings
1.	AYALA CORPORATION	1,515,177,839	28.7396%
2.	PCD NOMINEE CORPORATION (FILIPINO)	991,055,642	18.7981%
3.	PCD NOMINEE CORPORATION (NON-FILIPINO)	978,720,699	18.5642%
4.	LIONTIDE HOLDINGS INC.	823,218,041	15.6146%
5.	ROMAN CATHOLIC ARCHBISHOP OF MANILA	357,297,439	6.7771%
6.	JG SUMMIT CAPITAL SERVICES CORP.	188,399,564	3.5735%
7.	ROBINSONS RETAIL HOLDINGS INC.	162,028,250	3.0733%
8.	MICHIGAN HOLDINGS INC.	100,993,230	1.9156%
9.	BPI ESPP 2024	12,843,860	0.2436%
10.	BPI - ESPP 2021	8,413,861	0.1596%
11.	MERCURY GRP. OF COMPANIES INC	8,339,940	0.1582%
12.	ESTATE OF VICENTE M. WARNS	8,160,037	0.1548%
13.	BPI - ESPP 2022	7,459,879	0.1415%
14.	BPI ESPP 2023	7,464,070	0.1416%
15.	SOCIAL SECURITY SYSTEM	4,554,911	0.0864%
16.	BPI GROUP OF COMPANIES RETIREMENT FUND	4,548,420	0.0863%
17.	XAVIER P. LOINAZ AND/OR MA. TERESA J. LOINAZ	4,255,918	0.0807%

Name of Stockholders		Number of Shares Held	Percent of Holdings
18.	HERMANN BARRETTO WARNS	3,135,572	0.0595%
19.	SAHARA MANAGEMENT AND DEVELOPMENT CORPORATION	2,952,394	0.0560%
20.	BLOOMINGDALE ENTERPRISES INC	2,925,927	0.0555%
	Total	**5,191,945,493**	**98.4797%**

Discussion of compliance with leading practices on 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 the 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 very positive and constructive working relationship between the Board and management. With the Chairman at the helm, the Board sets the Bank'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 role in the Board. The Board of Directors shall ensure that the Lead Independent Director functions in an environment that allows him to effectively challenge the CEO as circumstances may warrant. The Lead Independent Director shall also perform a more enhanced function over the other independent directors and shall: (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 the directors and their roles and functions in the Bank. It includes provisions on board composition, Board Committees, and board governance, subject to the Bank's Articles of Incorporation, Amended By-Laws, and applicable laws. It is incorporated in Bank's Manual on Corporate Governance and is reviewed together with the annual review of the Manual. 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 or Deputy 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) **Nominations**. 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 Revised 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 Nominations 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. 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 Revised 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 Board approved Management's recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia in the 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. The Office of the Corporate Secretary tabulates all votes received and the Bank's external auditor 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) **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.

(i) **Directorships in PLCs.** The Bank applies a limit of five on directorships of Non-Executive Directors and Independent Directors in publicly-listed companies. 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.

(j) **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, Anti-Bribery and Anti-Corruption, Data Privacy and Related Party Transactions. In fulfillment of the Corporate Governance and Sustainability Committee's charter responsibilities for the provision of on-boarding/orientation programs for first time directors and new members of the board, the BPI CG Dept., conducted several on-boarding/orientation sessions in 2024 for Mr. Wilfred T. Co and Mr. Mario Antonio V. Paner. 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 5, 2024, members of the Board, including senior officers of the Bank, attended the Ayala Corporate Governance, Risk Management and Sustainability Summit conducted in collaboration with the Institute of Corporate Directors (ICD).

(k) **Remuneration**. BPI's 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 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)

(l) **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.

(m) **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.

(n) **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

(o) **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.

(p) **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.

(q) **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 at least a 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.

(r) **Strategy Process**. The Bank's new vision and 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

(s) **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 August 2024, and amendments were approved by the Board of Directors in December 2024. When updated or amended, the Manual is resubmitted to the SEC. The Manual is also posted on the company website.

(t) **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.

Director's Code of Conduct. BPI has a Code of Conduct for its Board, 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 its rights 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.

(u) **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.

(v) **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.

(w) **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 non-related 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 fillings 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.

(x) **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.

(y) **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 (ABC 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.

(z) **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 and on the internal database, 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.

(aa) **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

(bb) **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.

(cc) **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 BPI virtual ASM was successfully conducted via a livestream webcast at 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.

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, including the DIS, 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 by proxy executed in writing by the stockholder or by a duly authorized attorney-in-fact. In its meeting held in 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. 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. In this respect, minutes of the 2024 ASM were posted on the company website within five (5) calendar days from the date of the ASM.

(dd) **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, as previously mentioned. These may also be viewed at www.bpi.com.ph.

VI. Sustainability, Stakeholder Engagement and ESG Reporting

(ee) **Sustainability and Stakeholder Engagement**. The Bank operates on a sustainability framework of shared values which emphasizes importance of all stakeholders and how their interests are integrated into the business of BPI. In this regard, the Bank established a Sustainability Agenda Policy and Sustainability Council Charter in 2021. The Sustainability Council was likewise convened, during the year together with the formal appointment of a Chief Sustainability Officer 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: learning and development programs; long-term, merit-based performance incentive mechanisms such as executive stock purchase plans and regular subscription plans. For communities: extending credit and financial services to underserved and unbanked sectors; improving financial literacy initiatives and factoring ESG dimensions into its business and risk models and loan products and services. For clients: financial wellness, financial inclusion and sustainable development investments. For suppliers: a supplier policy based on the principle of transparency - equal opportunity for qualified suppliers and contractors while ensuring a properly managed supply chain from the point-of-view of sustainability and good governance. For creditors: counterparties are protected by fairness, accountability and transparency; policies and procedures are in place safeguarding creditor's rights as required by the BSP.

(ff) **Environmental, Social and Governance Reporting**. BPI considers the most appropriate way to report non-financial information to ensure that its ESG reporting provides internal and external stakeholders with the non-financial information needed to understand the context that the Bank operates in today. ESG reporting may be through a stand-alone sustainability report, an integrated annual report, and company website. It has adopted a globally-recognized standard/ framework, G4 Framework by the Global Reporting Initiative, for its ESG reporting.

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.

SEC FORM 17-A (Annual Report)

Upon the written request of the stockholders, the Corporation undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A should be addressed to:

> Office of the Corporate Secretary
> Bank of the Philippine Islands
> 28F Ayala Triangle Gardens Tower 2,
> Paseo De Roxas Cor. Makati Ave.,
> Bel-Air, Makati City

ANNEX "C"

2025 ANNUAL STOCKHOLDERS' MEETING
OF
BANK OF THE PHILIPPINE ISLANDS
(THE "MEETING")

REQUIREMENTS AND PROCEDURE FOR
ELECTRONIC VOTING IN ABSENTIA
AND
PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting in absentia and participation by remote communication shall be allowed only through complete registration and successful validation in ConveneAGM (the "*Voting System*").

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 3, 2025 ("Stockholders") have the option of electronic voting *in* absentia on the matters in the Agenda after complete registration and successful validation in the Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.

2. Stockholders with email addresses on record shall be sent an e-mail with a link to the Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent to their e-mail.

3. Otherwise, Stockholders may access the link https://conveneagm.com/ph/BPI2025ASM to create an account and register in the Voting System. Stockholders should complete the online registration and submit for validation the requirements listed in Item 5 below. Once the online registration has been completed and validated, access to the digital ballot will be available for the Stockholders to cast their votes.

4. All registered accounts shall be subject to validation requirements set forth in Item 5 below. The deadline for registration to vote in absentia is April 11, 2025. Registered stockholders may vote until the end of the meeting. The Voting System will be open for registration on March 25, 2025.

5. The following are needed for registration:

   5.1. For individual Stockholders –

      5.1.1. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
      5.1.2. A valid and active email address;

5.1.3. Valid and active contact number;

5.2. For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

5.3. For Stockholders under Broker accounts –

5.3.1. A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.3.2. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.3.3. A valid and active e-mail address;
5.3.4. A valid and active contact number;

5.4. For corporate Stockholders –

5.4.1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.4.2. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
5.4.3. A valid and active e-mail address of the Stockholder's representative;
5.4.4. A valid and active contact number of the Stockholder's representative.

Important Notes:

- Incomplete or inconsistent information may result in an unsuccessful registration. As a result, a Stockholder will not be allowed access to vote electronically *in absentia* but may still vote by submitting a duly accomplished proxy form on or before April 11, 2025.

6. The validation process in the Voting System will be completed by the Bank no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's Dashboard in the Voting System will indicate the status of registration.

Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

7. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Voting System and the registered Stockholder may vote as follows:

    7.1. For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the shares of the registered Stockholder.

    7.2. For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

    7.3. The votes cast electronically in absentia will have equal effect as votes cast by proxy.

    7.4. Stockholders may still cancel or change their votes until the end of the voting period.

8. The Committee of Inspectors of Proxies and Ballots will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 3, 2025 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before April 11, 2025. Together with the notification, Stockholders should provide validation requirements as follows:

    1.1 For individual Stockholders –

    1.1.1 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
    1.1.2 A valid and active contact number;

    1.2 For Stockholders under Broker accounts –

    1.2.1 A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
    1.2.2 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
    1.2.3 A valid and active contact number;

1.3 For corporate Stockholders –

1.3.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
1.3.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
1.3.3 A valid and active contact number of the Stockholder's representative.

1.4 Duly validated proxies appointing the Chairman of the Meeting as proxy shall be counted for quorum and voting purposes. Proxies other than the Chairman of the Meeting must attend remotely through a link to the meeting livestream to be provided by the Company.

2. After successful validation, Stockholders will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Validated Stockholders who attended the meeting remotely shall be included in the determination of quorum at the Meeting, together with the Stockholders who voted in absentia and by proxy. Access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.

3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to bpi-asm@bpi.com.ph.

4. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to bpi-asm@bpi.com.ph.

For any clarifications, please contact our Enterprise Operations through bpi-asm@bpi.com.ph.

ANNEX "D"

ATTENDANCE AT BOARD COMMITTEE MEETINGS IN 2024

Committee	Name	Attendance/ Meetings[1]
Executive Committee	Jaime Augusto Zobel de Ayala	24/30[4]
	Cezar P. Consing	29/30[4]
	Jose Teodoro K. Limcaoco	25/30[4]
	Rene dG. Bañez	28/30[4]
	Aurelio R. Montinola III	23/30[4]
	Cesar V. Purisima	30/30[4]
	Fernando Zobel de Ayala	24/30[4]
Audit Committee	Maria Dolores B. Yuvienco	17/17[5]
	Octavio Victor R. Espiritu[2]	6/6
	Mario Antonio V. Paner[3]	11/11[5]
	Cesar V. Purisima	17/17[5]
Risk Management Committee	Rizalina G. Mantaring	13/13[6]
	Janet Guat Har Ang	11/13[6]
	Cezar P. Consing	11/13[6]
	Octavio Victor R. Espiritu[2]	4/4
	Mario Antonio V. Paner[3]	9/9[6]
	Cesar V. Purisima	13/13[6]
Corporate Governance and Sustainability Committee	Emmanuel S. de Dios	4/4
	Rizalina G. Mantaring	4/4
	Jaime Z. Urquijo	4/4
Nomination Committee	Cesar V. Purisima	1/1
	Jaime Augusto Zobel de Ayala	1/1
	Cezar P. Consing	1/1
Personnel and Compensation Committee	Jaime Augusto Zobel de Ayala	6/7[4]
	Cezar P. Consing	7/7[4]
	Aurelio R. Montinola III	6/7[4]
	Maria Dolores B. Yuvienco	7/7[4]
	Fernando Zobel de Ayala	6/7[4]
Related Party Transactions Committee	Ignacio R. Bunye[2]	4/4
	Janet Guat Har Ang[3]	8/8
	Rene dG. Bañez	12/12
	Maria Dolores B. Yuvienco	12/12
Retirement Pension Committee	Aurelio R. Montinola III	4/4
	Rene dG. Bañez	4/4
	Karl Kendrick T. Chua	4/4
	Rizalina G. Mantaring	3/4

[1] For the period of 01 January to 31 December 2024
[2] Committee member until 22 April 2024
[3] Committee member effective 23 April 2024
[4] Includes Joint Audit, Executive, and Personnel & Compensation Committee
[5] Includes Joint Audit, Executive, and Personnel & Compensation Committee, and Joint Audit Committee and Risk Management Committee
[6] Includes Joint Audit Committee and Risk Management Committee

ANNEX "E"

TOTAL COMPENSATION FOR EACH DIRECTOR FOR 2024

Director*	Total
Jaime Augusto Zobel De Ayala	6,320,000.00
Cezar P. Consing	6,830,000.00
Janet Guat Har Ang	5,905,000.00
René G. Bañez	6,725,000.00
Ignacio R. Bunye**	400,000.00
Karl Kendrick T. Chua	5,405,000.00
Wilfred T. Co***	5,005,000.00
Emmanuel S. de Dios	5,405,000.00
Octavio Victor R. Espiritu**	580,000.00
Rizalina G. Mantaring	5,865,000.00
Aurelio R. Montinola III	6,310,000.00
Mario Antonio V. Paner***	5,575,000.00
Cesar V. Purisima	7,105,000.00
Jaime Z. Urquijo	5,265,000.00
Maria Dolores B. Yuvienco	6,425,000.00
Fernando Zobel De Ayala	6,220,000.00

* Directors for the term 2024-2025
**Director until 22 April 2024
***Elected as Director on 23 April 2024

ANNEX "F"

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
BANK OF THE PHILIPPINE ISLANDS
Conducted virtually via http://www.ayalagroupshareholders.com/
April 23, 2024

(For approval at the 2025 Annual Meeting of Stockholders)

The Annual Meeting of Stockholders of the Bank of the Philippine Islands ("BPI" or the "Bank") was conducted virtually via http://www.ayalagroupshareholders.com/ on April 23, 2024 at 9:00 in the morning. The Board of Directors, members of the Advisory Council and key officers convened at, and broadcast live from Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City.

I. Call to Order

The Chairman of the Board of Directors, Mr. Jaime Augusto Zobel de Ayala, presided over and called the meeting to order at 9:00 A.M. The Corporate Secretary, Ms. Maria Lourdes P. Gatmaytan, recorded the minutes of the meeting.

The Chairman welcomed the stockholders joining the live webcast of the proceedings and reminded that (registered) stockholders may vote using the electronic Voting in Absentia and Shareholder System (VIASH) until the end of the meeting, while questions may be sent to the designated email address bpi-asm@bpi.com.ph. The Chairman then introduced Mr. Cezar P. Consing (Vice Chairman of the Board of Directors) and each of the presenters: Mr. Jose Teodoro K. Limcaoco (President and CEO), Mr. Cesar V. Purisima (Chair of the Nomination Committee), Ms. Maria Dolores B. Yuvienco (Chair of the Audit Committee), Ms. Maria Consuelo A. Lukban (Head of Corporate Strategy, Investor Relations, and Sustainability) and Ms. Gatmaytan. He also acknowledged the presence of the other members of the Board, the members of the Chairman's Advisory Council, the Bank's Executive Vice Presidents and the rest of the BPI Leadership Team. Representatives of the Bank's external auditor, Isla Lipana & Co., who joined via webcast, were likewise acknowledged.

The Chairman stated that the meeting will have two parts. In the first part, the Corporate Secretary will inform the Chairman and the stockholders about the Bank's compliance with the requirements for the meeting and report the voting results on the five (5) matters submitted for approval by the stockholders. The second part will consist of Chairman's and the President's reports followed by an open forum.

II. Certification of Notice of Meeting and Determination of Quorum

The Corporate Secretary informed the Chairman and the stockholders that the meeting was duly convened and that the Bank has complied with the requirements under the Bank's By-Laws and applicable rules. First, the stockholders were duly notified of the meeting. The Notice of the Annual Stockholders' Meeting was sent on March 26, 2024 to stockholders of record as of March 04, 2024 by email, by posting on the Bank's website, and by disclosure to the Philippine Stock Exchange. The Notice was also published on April 01 and 02, 2024 in print or online formats of the Philippine Daily Inquirer, Manila Bulletin, Business World, and The Philippine Star. Second, adequate information was provided to the stockholders on matters submitted for their approval, the voting procedures, and other matters that the Bank is required to provide information on. Finally, the Corporate Secretary reported that there was a quorum for the meeting. Present at the meeting, by proxy or remote communication or voting *in absentia*, were stockholders owning at least 4,145,321,264 shares representing 78.82% of the 5,259,201,283 total outstanding shares.

Stockholders representing an additional 336,400 shares also joined by remote communication, bringing up the attendance of the stockholders to a total of 4,145,657,664 shares or 78.83% of BPI's total outstanding shares. The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are set forth below:

Mode of Attendance	% of Total Shares Outstanding
Appointment of the Chairman of the Meeting as proxy	78.82%
Voting *in absentia*	0.00%
Remote communication	0.01%

Additionally, there were 575 viewers of the live webcast of the meeting.

Thereupon, the Chairman asked the Corporate Secretary to present the matters submitted for voting by the shareholders and the voting results. The Corporate Secretary stated that there were five (5) matters in the agenda and mentioned that the stockholders voted on the matters in the agenda either through the Chairman of the Meeting as proxy, pursuant to the voting instructions of stockholders, or by electronic ballot via VIASH. Furthermore, the Corporate Secretary mentioned that registered stockholders could cast their votes beginning March 27, 2024 and may continue to do so until the end of the meeting through electronic voting via the VIASH system.

The Corporate Secretary reported that the votes cast, as of April 15, 2024, after the end of the proxy validation and preliminary tabulation process, were from stockholders owning 4,145,321,264 voting shares representing 78.82% of the total outstanding shares.

III. Approval of the Minutes of the Annual Stockholders' Meeting on April 27, 2023

The Corporate Secretary then presented the first matter for voting by the stockholders which was the approval of the minutes of the Annual Stockholders' Meeting held on April 27, 2023. The electronic copy of the minutes was made available on the Bank's website.

Thereafter, the following shareholder resolution was approved and adopted:

RESOLUTION NO. ASM-2024-01

RESOLVED, to approve the minutes of the Annual Stockholders' Meeting held on April 27, 2023.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,145,321,264	-	336,400
% of Voting Shares Present	99.99%	0.00%	0.01%

IV. Approval of Annual Report and Audited Financial Statements as of December 31, 2023

The Corporate Secretary proceeded to the second matter for voting by the stockholders, i.e. the approval of the Bank's Annual Report and audited financial statements as of December 31, 2023, as audited by its external auditor, Isla Lipana & Co. The financial statements were part of the Definitive Information Statement, and the Annual Report was accessible on the Bank's website.

Thereafter, the following shareholder resolution was approved and adopted:

RESOLUTION NO. ASM-2024-02

RESOLVED, to approve the Annual Report and audited financial statements of Bank of the Philippine Islands as of December 31, 2023.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,144,538,963	-	1,118,701
% of Voting Shares Present	99.97%	0.00%	0.03%

V. Ratification of the Acts of the Board of Directors and Officers

The Corporate Secretary presented the third matter for voting by the stockholders, which was the ratification of all the acts and resolutions of the Board, the Executive Committee, and other Board Committees, which were adopted from April 27, 2023 until April 23, 2024. These acts and resolutions include the election of officers and members of the various Board Committees, contracts and transactions entered into by the Bank, credit/loan transactions, including those with related parties, projects and investments, treasury matters, manpower related decisions/ approvals, including programs of the Bank's employee stock incentive plans, corporate governance-related actions, and other matters covered by disclosures to the Bangko Sentral ng Pilipinas, Securities and Exchange Commission and/or the Philippine Stock Exchange.

Stockholders' ratification was also sought for the acts of the Bank's officers, from April 27, 2023 to date, to implement the resolutions of the Board or its Committees, or made in the general conduct of business.

Thereafter, the following shareholder resolution was approved and adopted:

RESOLUTION NO. ASM-2024-03

RESOLVED, to ratify all the acts and resolutions of the Board of Directors, Executive Committee, and other Board Committees, and all the acts of Management since the Annual Stockholders Meeting on April 27, 2023 until April 23, 2024.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,141,122,182	3,301,635	1,233,847
% of Voting Shares Present	99.89%	0.08%	0.03%

VI. Election of the Board of Directors

The fourth matter for voting by the stockholders was the election of directors.

At the request of the Chairman, Mr. Cesar Purisima, Chairman of the Nomination Committee, reported that the following fifteen (15) duly nominated stockholders, including the nominees for Independent Directors, were qualified to serve as members of the Board of Directors of BPI for the year 2024-2025:

(1) Jaime Augusto Zobel de Ayala
(2) Fernando Zobel de Ayala
(3) Cezar P. Consing
(4) Janet Guat Har Ang
(5) René G. Bañez
(6) Karl Kendrick T. Chua
(7) Wilfred T. Co
(8) Emmanuel S. de Dios
(9) Jose Teodoro K. Limcaoco
(10) Rizalina G. Mantaring
(11) Aurelio R. Montinola III
(12) Mario Antonio V. Paner

(13) Cesar V. Purisima
(14) Jaime Z. Urquijo
(15) Maria Dolores B. Yuvienco

The Corporate Secretary then reported the results of the election. Each of the fifteen (15) nominees for directors garnered at least 88.75% votes, receiving enough votes for election to the Board.

Therefore, the following shareholder resolution was approved and adopted:

RESOLUTION NO. ASM-2024-04

RESOLVED, to elect the following as directors of the Bank to serve as such beginning today until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Cezar P. Consing
Janet Guat Har Ang*
René G. Bañez
Karl Kendrick T. Chua
Wilfred T. Co
Emmanuel S. de Dios*
Jose Teodoro K. Limcaoco
Rizalina G. Mantaring*
Aurelio R. Montinola III
Mario Antonio V. Paner*
Cesar V. Purisima*
Jaime Z. Urquijo
Maria Dolores B. Yuvienco*

**Nominated as Independent Director.*

Note: Subject to confirmation by the BSP Monetary Board and other applicable regulatory confirmation/approvals.

The votes received by the nominees are as follows:

Director	Voted in Favor	Voted Against	Abstained
Jaime Augusto Zobel de Ayala	3,887,653,465	51,109,922	206,894,277
Fernando Zobel de Ayala	4,018,492,296	32,622,528	94,542,840
Cezar P. Consing	3,853,282,651	43,048,258	249,326,755
Janet Guat Har Ang	4,141,846,549	856,960	2,945,155
René G. Bañez	4,086,405,856	28,706,591	30,545,217
Karl Kendrick T. Chua	4,073,455,812	29,974,142	42,227,710
Wilfred T. Co	4,083,754,965	31,357,482	30,545,217
Emmanuel S. de Dios	4,132,097,476	4,272,186	9,288,002
Jose Teodoro K. Limcaoco	4,116,121,903	27,423,781	2,111,980
Rizalina G. Mantaring	4,079,579,376	26,316,321	39,761,967
Aurelio R. Montinola III	3,915,519,570	33,295,528	196,842,566
Mario Antonio V. Paner	4,139,293,647	2,739,351	3,624,666
Cesar V. Purisima	3,679,362,133	45,889,844	420,405,687
Jaime Z. Urquijo	4,061,729,676	35,435,009	48,492,979
Maria Dolores B. Yuvienco	3,988,706,331	48,465,175	108,486,158

The Chairman welcomed Wilfred T. Co and Mario Antonio V. Paner to the Board, and thanked them for their willingness to serve as directors of the Bank.

VII. Election of External Auditors and Fixing of their Remuneration

The fifth and final matter for voting by the stockholders was the election of the Bank's external auditor, and the fixing of its remuneration.

The Chairman requested Ms. Maria Dolores B. Yuvienco, Chairman of the Audit Committee, to present the item. Ms. Yuvienco informed the stockholders that the Audit Committee and the Board of Directors endorsed for stockholders' approval, the re-election of Isla Lipana & Co. as the External Auditor of BPI and its major subsidiaries and affiliates for 2024 for an audit fee of Twenty-Seven Million Twenty-Two Thousand Two Hundred Pesos (PHP 27,022,200.00).

Thereafter, the following shareholder resolution was approved and adopted:

RESOLUTION NO. ASM-2024-05

RESOLVED, to appoint Isla Lipana & Co. as the external auditor of BPI and its major subsidiaries and affiliates for the year 2024 for an audit fee of PHP 27.022Mn.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,111,717,693	33,458,976	480,995
% of Voting Shares Present	99.18%	0.81%	0.01%

With no other matters presented or having properly come before the meeting, the Chairman proceeded to the second part of the meeting, starting with the presentation of his pre-recorded message.

Message of the Chairman

"The year 2023 marked a tremendous milestone for BPI, when we were recognized by Euromoney as the "Best Bank in the Philippines," citing our profitability numbers that grew the fastest among our peers and with metrics beating the industry average. This comes three years after Euromoney cited the Bank for the same award at the height of the pandemic. We see this as a strong testament to BPI's resilience and strong fundamentals, providing us with a solid platform for a more ambitious future.

We move forward with a BPI that is highly digitalized, sustainability-driven, and financially inclusive in delivering delightful customer experiences. I am excited at what the future holds for the Bank, and are delighted to have you, our shareholders, together with us in the journey.

Looking back at 2023, the Philippine economy performed well amidst challenges. The Philippines was one of the best performing Southeast Asian economies and remained among the top economic performers in Asia. The country's full-year gross domestic product (GDP) growth rate of 5.6%, not only surpassed major economies in Asia, such as China (5.2%), Vietnam (4.9%), and Malaysia (3.8%) but also exceeded or matched the forecasts of multilateral organizations and private analysts, such as the International Monetary Fund (IMF), the ASEAN+3 Macroeconomic Research Office (AMRO), and the World Bank (WB).

The labor market, on the other hand, remained strong and resilient as the unemployment rate continued to decline to 3.1% in December.

Our robust economic fundamentals were winning factors for the country. They encouraged Fitch Ratings to affirm the country's 'BBB' credit rating and upgrade its outlook from 'negative' to 'stable' on May 22, 2023.

The Philippine financial system reflected the macroeconomic story. The full reopening of the domestic economy as well as prudent regulatory and supervisory reforms allowed for the banking sector to remain a key provider of credit to the economy. Banks' loans rose by 7.8%, reaching Php 12.7 trillion. Lending remained broad-based and supportive of key productive sectors, including households. Most loans went to real estate; wholesale and retail trade; electricity, gas, steam, and air-conditioning supply; manufacturing; as well as financial and insurance activities.

Soaring inflation primarily driven by food prices was a concern at the beginning of the year which led the market to expect further rate hikes from the BSP in the first half of the year, followed by easing in the second half. Instead, the BSP delivered a total increase of 100 basis points, bringing the monetary policy rate to 6.5%. Coming to the final quarter of 2023, however, inflation seemed under control, declining for the third straight month to 3.9% in December.

Amid inflationary pressures and a high-interest rate environment, key indicators of capital, asset quality, profitability, and liquidity still point to the stability and soundness of the banking sector. The Philippine banking industry demonstrated sustained resilience, supported by a strong balance sheets, profitable operations, sufficient capital and liquidity buffers, and ample loan loss reserves.

The year was a milestone for BPI's profitability as we delivered our highest full year net income of P51.7 billion, up 30.5% from the previous year's P39.6 billion, driven by record revenues and lower provisions, notwithstanding the acceleration in operating expenses. This solid financial performance is a reflection of our strengthened customer franchise and deeper customer engagement which led to growing volumes to new highs and gaining market share in key businesses.

The strength of our Brand was validated by the boost in our client base, which grew 18% from 9.3 million as of 31 December 2022 to 11.0 million as of 31 December 2023. Of these 7.0 million are enrolled in our digital platforms and of whom 4.2 million are active users; 1.9 and 2.2 times more than their respective 2019 numbers.

Total revenues soared 16.7% to P138.3 billion, attributable to the 22.7% increase in net interest income to P104.4 billion, as our average asset base expanded 7.7% and net interest margin widened 50 basis points to 4.09%. Non-interest income, meanwhile, grew 1.5% to P34.0 billion, on the back of record trading income gains of P5.2 billion, up 37.0% year-on-year.

Though our fee income may have declined overall, removing the one-time impact of the 2022 sale of a Pasong Tamo property, we see that fee income was actually higher year-on-year, with some businesses having noteworthy growth momentum as follows:

- *Credit cards, attributable to the increase in average active customer base, transaction count, and billings from retail, cash advances and installment loans. This was also our highest growing loan portfolio for the year, boasting the lowest past due rates among the top give credit card issuers in the country, and gained market share across important metrics – client base and card billings;*

- *Wealth Management, on the back of successive net inflows and an expanding client base of which 98% was acquired digitally, bolstering our market shares in both the trust and UITF industries. The 2023 launch of BPI's Signature Private Wealth experience also underpinned the 36% increase in private wealth AUM; and*

- *Bancassurance, comprised of equity income from our life and non-life insurance joint ventures, royalty fees, and branch commissions, which were all higher year-on-year.*

These gains tempered our continuous investment thrust for our people, our customer acquisition campaigns, and in furthering our digital initiatives.

Total assets reached P2.9 trillion, reflecting a 10.9% growth year-on-year. Total loans stood at P1.9 trillion, a 10.5% increase over the previous year, due to the strong growth across all our portfolios, most of which were trending *ahead of industry. With BPI's culture of prudent risk management, the drive to capture market share gains was balanced with stringent credit underwriting policies and processes, leading to resilient asset quality.*

While we have strategically expanded our portfolios, non performing loan (NPL) upticks have likewise been closely monitored, resulting in an overall NPL ratio of 1.84%., We are confident that our provisioning is more than adequate with NPL provisioning coverage at 156.1% as of the end of the year. In addition to the provision cover, our collateral cover is close to 200%. We provisioned less for the year, bringing our credit cost down to 23 basis points from 58 basis points last year, backed by our confidence in the strong macro fundamentals and our ability to manage our risk-adjusted returns.

The well of resources is deep and we have always strived to maintain a fortress balance sheet by optimizing our funding costs and sources, while actively engaging in advantageous lending and investing opportunities. Our liquidity remained healthy, supported by a stable and reliable franchise. Eighty four per cent (84%) of the deposit growth last year was from retail customers, notwithstanding the lower branch count. Total deposits stood at P2.3 trillion, up 9.5% year-on-year, mainly from the growth in time deposits which tempered the decline in CASA, resulting in a CASA ratio of 67.0% and the Loan-to-Deposit Ratio at 82.0%.

We complemented our deposit franchise by tapping the debt capital markets. Our leadership in this space gave us a competitive edge in garnering strong investor demand. In 2023, we executed the following successful transactions, (1) the US$ 250 million IFC Green Financing Deal – the largest deal of IFC with a Philippine bank, (2) the Php 20.3 billion RISE Bonds or Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs), and (3) the Php 36.7 billion fixed rate bonds due 2025, the final issue size of the latter two increased four and seven times over their respective initial targets.

Our capital position further strengthened, driven by strong income generation, which offset the impact of sustained increases in shareholder returns and credit risk-weighted assets. Total equity stood at P357.2 billion. Our Common Equity Tier 1 Ratio stood at 15.3% and the Capital Adequacy Ratio of 16.2%, both well above regulatory requirements.

Last year was also a record for capital distribution. Following our 2022 shift from a fixed dividend amount per share to a variable dividend amount based on a 35 to 50% payout ratio on previous year's income, we declared a cash dividend of P1.68 per share per semester, up 58% from last year and 87% from previous years. This is equivalent to a payout ratio of 40.2% for the year, the highest in our history.

We have delivered consistent improvement in returns in the past four years, with a Return on Equity of 15.35% and a Return on Assets of 1.93% in 2023. Earnings per share (EPS) for 2023 reached Php 10.90, up 24.1% compared to last year's EPS of Php 8.78.

On the last trading day of 2023, BPI's share price closed at PHP 103.80, 10.9% higher than a year ago and with a total shareholder return of 14.6% when factoring in cash dividends. This reflects the markets' recognition of BPI's strong operating results. We continue to be the most valued among listed banks in terms of price-to-book and remain the country's second largest bank by market capitalization.

We continue to reinforce the view that BPI has always been a high-quality bank. We are highly esteemed by our regulators, who assess us based on three major elements – impact to the financial system, risk profile, and supervisory intensity. The Bank has earned top marks for our resiliency to various risks, having a robust enterprise risk and assurance framework, strong capital position, steady profitability, ample liquidity, and availability of governance support.

We hold the distinction of being the first private domestic bank and only the second of two Philippine companies to be given a credit rating equivalent to the Philippine government at BBB+ by S&P Global Ratings, which we have maintained ever since 2019. Moody's Investors Service at Baa2 and Fitch Ratings at BBB- also reaffirmed their investment grade credit ratings. Moreover, Fitch upgraded its Outlook on BPI from Negative to Stable, mirroring their action on the Philippine sovereign outlook. Finally, as noted by Bain and Company, BPI got the highest Net Promoter Score (NPS) among all banks in the Philippines for 2023. We are honored for this recognition of our renewed focus on customer experience.

Notably, BPI was also named Asia's 2023 Best Bank for Corporate Responsibility, becoming the first Philippine bank to win the accolade in the Euromoney Awards for Excellence 2023. We were recognized for our initiatives in *achieving better financial literacy in the Philippines through our social development arm, BPI Foundation. Among the Foundation's most notable programs is FinEd Unboxed, a financial education platform that seeks to improve financial literacy levels among migrant domestic workers, public officials, farmers, and fishing communities.*

Moreover, we achieved an impressive tally of 14 prestigious Environmental, Social, and Governance or ESG awards in 2023, a record number received in any single year. In the Finance Asia Awards, BPI was honored as the "Best Sustainable Bank" for the fourth year in a row and we were acknowledged for making the "Biggest ESG Impact in the Philippines." Additionally, the Bank clinched the Best Sustainability Drive nod at the 5th Bank Marketing Awards for our Sustainability Awareness Month or SAM program. These accolades underscore BPI's exceptional dedication to ESG principles, affirming our leadership in advancing sustainable banking practices both locally and globally.

As a final point, let me share some quick thoughts on our merger with Robinsons Bank Corporation. This merger officially took effect on January 1st of this year, with BPI as the surviving entity. This has opened up exciting new paths for the bank, one that will provide us the opportunity to collaborate across the Gokongwei Group's ecosystem and allow us to offer a wider range of products and services on an expanded network of branches and other touchpoints. We are excited at what we can do together in the coming months and years.

Once again, let me express my deepest gratitude to our Board of Directors for their invaluable advice; our management and employees for their expertise and commitment; and you, our shareholders and stakeholders for your steadfast trust and support.

We forge on, building a better Philippines – one family, one community at a time."

Report of the President

"The year 2023 was a year of remarkable success and achievements - a year of strength and growth - for all of us at the Bank of the Philippine Islands. I am proud to share the significant milestones and progress we have made, as we reflect on our continuing journey and set our sights on the path ahead.

We celebrated BPI's 172nd year in 2023 with our theme, "MORE with BPI," which encapsulates our commitment to BE MORE, DO MORE, SHARE MORE, and INSPIRE MORE. These four pillars serve as our guiding principles. They embody the essence of who we are and what we aspire to be as we continue to grow the Bank by contributing to our nation's progress and advancement.

BE MORE embodies our dedication to nurture our greatest asset — our Unibankers. We strive to create an environment where each one can thrive, make moments that matter, and reach full professional and personal potential. By way of people initiatives such as wellness programs, engagement activities, and learning opportunities, we aim to enrich employee well-being and empowerment.

In line with our employer value proposition at BPI that you can 'Be More', we launched programs in 2023 that supported our goal to provide holistic stewardship of our employees.

Amid our digital transformation efforts, we have been upskilling our employees on requisite data skills by launching a bank-wide data literacy program that we called 'FLAGS', wherein our employees acquired skills on data analytics, data visualization, and data software, among others. More than 2,000 officers have either enrolled in or successfully completed this program.

Our dedication to customer obsession remains unwavering, driving us to deliver products and services that prioritize ease, effectiveness, and quality. This commitment extends not only to our external customers but also to our internal clients - our valued employees. And so, we launched the Real-time HR Express Assist (RHEA), a comprehensive digital HR solution designed to streamline all HR processes. From recruitment to retirement, RHEA offers convenient access to these services anytime, anywhere, through a mobile-first platform.

With Sustainability integrated into our core strategy, we prioritize the well-being of our workforce, understanding that a healthy team is vital for the longevity and productivity of our organization. To support this, we launched the BPI Well program, which offers a range of interventions addressing physical, financial, social, spiritual, and emotional wellness dimensions. In May, we organized the BPI Best Life Run, the first corporate run in Makati since the pandemic, with nearly 2,000 participants including clients, employees, their families, and even pets. Proceeds from *a nominal fee supported initiatives of the BPI Foundation. In August, we initiated the "Walk to the Moon Challenge," a bank-wide walking competition resulting in 17,000 employees collectively logging an impressive total of 1.9 billion steps, equivalent to the distance from the Earth to the Moon. We strive to maintain our position as among the top employers of the country and towards this, we continue to enhance the total compensation package of our employees through a differentiated approach on pay depending on performance with particular focus on our top and emerging talents. We have also expanded the definition of dependents to include domestic partners that will allow them to benefit from our health and insurance programs. We endeavor to provide our employees a progressive total rewards program that addresses the different needs of employees and their families. Our journey is grounded on our NICE core values — being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence. With this value system ingrained in our culture, we can overcome challenges and embrace opportunities with unwavering determination.*

Exemplifying positive C.H.A.N.G.E. as leaders is the bedrock of our transformative journey. The competencies to "lead Customer Obsession, inspire High Performance, set Aspirations, lead with a Nurturing Spirit, lead with a Growth Mindset, and lead with Excellence" propel us forward and empower us to make a positive impact on the lives of Filipinos nationwide.

DO MORE exemplifies our dedication to our clients. We are committed to offering relevant digital solutions at every life stage, accompanied by excellent customer service and trusted advice. With the promise that they can "DO MORE WITH BPI," we will empower our customers to achieve their financial aspirations, contributing to their personal growth and overall well-being.

The introduction of our new and future-ready mobile banking app in April 2023 reinforced our position as the digital banking leader in the Philippines. Our commitment to digital excellence is not just evident through the successful launch of our new mobile app but more so through the expansion of our whole BPI ecosystem. We have achieved significant milestones, such as digital onboarding, the expansion of our digital engagement platforms, and the strong partnerships with over 100 brands and more than 6,500 services.

The digitalization front continues to evolve, with updates on client engagement platforms shaping the way forward. Platforms like the BPI Mobile App, VYBE by BPI, BPI Trade, the Banko App, BPI BizKo, and BPI BizLink are not just tools but gateways to a more seamless, secure, and personalized banking experience.

Our commitment to digitalization goes beyond customer-facing platforms. With agile core systems and data-driven decision-making, we are ensuring the robustness and security of our digital infrastructure.

In 2023, we embarked on a transformative journey centered around customer obsession, intertwining financial inclusion initiatives with a relentless pursuit of customer satisfaction. Our launch of Agency Banking paved the way for partnerships with prominent players in the retail sector, demonstrating our commitment to facilitate Filipinos' access to financial services. Today, one can access BPI products through leading online retail marketplaces and over 5,300 physical doors of 18 retail partners. Our collaboration with sari-sari store owners nationwide through BPI BanKo, our microfinance arm, reflects our dedication to empowering communities and driving positive change.

At the start of 2023, we set forth a bold mission to claim the top position in Net Promoter Score, reflecting our collective commitment to being #1 in the hearts and minds of our customers. This unwavering dedication to customer obsession reached its peak when we achieved the coveted top spot among banks based on the 2023 final report of our NPS rating. This achievement is not a culmination but an ongoing commitment, a pledge to continuously prioritize and elevate the customer experience.

Throughout the year, the impact of our customer obsession became palpable as we witnessed how translating it into action and fostering collaboration among units made a tangible difference in our customers' lives. This journey reaffirms that our pursuit of customer excellence goes beyond rhetoric—it is a dynamic force that propels us to innovate, to improve, and to forge stronger connections with our customers.

SHARE MORE embodies our commitment to giving back to the communities we serve. Through acts of volunteerism and support for sustainable advocacies and charities, we aim to make a positive impact and uplift those in need, fostering a culture of caring and equity.

Our dedication to sustainability remains steadfast. At BPI, we believe that responsible business practices go hand-in-hand with our commitment to social and environmental impact. Our unique formula, ESG+E2, seamlessly *integrates Environmental, Social, and Governance principles into our products and services as well as our day-to-day operations while ensuring equitable economic benefits. Through initiatives like green financing and BPI BanKo's efforts in empowering underserved communities, we create positive and lasting change, promoting inclusive growth across the nation.*

We all know that Sustainability is embedded in the way we conduct our business, and our responsible banking and operations reflect our dedication to making a positive impact on the world.

The first quarter saw BPI Forbes Park becoming the sixth BPI branch with IFC EDGE Certification, a testament to our dedication to environmental sustainability. By the end of the year, we also secured our 7th, 8th, 9th, 10th, and 11th IFC EDGE-certified branch locations at BPI Agoo La Union, BPI Bicutan, BPI Iloilo Jaro McArthur, BPI Cubao P. Tuazon, and BPI Ayala Columns.

Further demonstrating the Bank's commitment to sustainability, BPI engaged in multiple sustainability-oriented funding activities this past year. We surpassed the Php 10 billion target for the Green Saver Time Deposit. We issued the BPI RISE (Reinforcing Inclusive Support for MSMEs) bonds to support eligible Micro, Small, and Medium Enterprises. The USD 250-million Green Bond deal with the International Finance Corporation supporting climate finance marked the largest deal of IFC with any Philippine bank. We also established the Responsible Lending Policy, further enhancing the integration of environmental and social risks to the Bank's credit quality assessment process.

INSPIRE MORE represents our aspiration to inspire positive change in the lives of others. By sharing stories of success, meaningful content on sustainable initiatives, and engaging with our stakeholders, we hope to ignite a spark of inspiration, encouraging others to take action and contribute to the betterment of our nation.

As 2023 drew to a close, we obtained all regulatory approvals for our merger with Robinsons Bank. Thus on January 1, 2024, we completed the merger and welcomed 2,231 RBankers to the Unibank team. We are excited by the potential of this merger, from strengthened relationships with shareholders, new customers from their ecosystems, and new products such as motorcycle financing and teacher loans.

Thus, as we move forward in our journey of banking excellence anchored on trust and the best digital offers, I once again encourage each of you to embrace the spirit of our 172nd anniversary theme, "MORE with BPI." Let this be more than a theme; let it be a rallying cry that inspires us to push our boundaries, surpass expectations, and embrace the limitless possibilities that the future holds. Certainly, there is more we can achieve.

In closing, allow me to express profound appreciation for each member of our BPI family: to our Board of Directors for their wise counsel, support and conviction in our actions; to my fellow Unibankers whose unwavering dedication, tireless efforts, and unshakeable resilience have been the driving force behind our shared successes; and to all our stakeholders–our shareholders, customers, clients, partners, neighbors, and friends–who believe that together we can build a better Philippines – one family, one community at a time.

Thank you for being an important part of the BPI family, and here is to accomplishing even more in 2024."

After thanking Mr. Limcaoco, the Chairman announced that questions and comments from the stockholders will now be addressed. He requested Ms. Maria Consuelo A. Lukban, the Head of Corporate Strategy, Investor Relations and Sustainability to read aloud the questions and comments received from stockholders.

Ms. Lukban read the question sent by stockholder Ana Catherine Pural who asked about the status of the merger with Robinsons Bank Corporation (RBC) and how significant it is to BPI. Mr. Limcaoco addressed the question, replying that the transaction closed on January 1, and the full integration will take over a year. RBC clients may bank as usual, and their deposits will be backed by the full strength and security of BPI.

He added that all RBC employees are now BPI employees, as the Bank made sure no jobs were lost in the process. RBC platforms and systems will be converted to BPI brand and technology over time. With the merger, BPI effectively expands its market to include the ecosystems of RBC owners – the JG

Summit Group and RRHI, and to some extent the Fil-Chinese market. The potential to accelerate growth and create value is great, as BPI will also acquire a loan book that has high exposure in consumer loans and was growing ahead of industry averages. RBC's subsidiary, Legazpi Savings Bank (LSB), is one of the banks accredited by the Department of Education to provide loans to public school teachers. LSB can leverage on BPI's strength to tap the teachers' loans market where LSB's reach was limited by its capitalization, and physical and digital distribution channels.

Ms. Lukban next read the question sent by stockholder Jhio Aranzaso, who noted that for the past two years, stockholders have been receiving higher peso dividend per share. Mr. Aranzaso then asked what can be expected this year or if the Bank will be raising capital as the last capital call was in 2018. The Chairman confirmed that the dividend peso per share has increased since 2021. Notwithstanding the increase in dividend payment to investors and above industry loan growth in the past two years, the Bank remains well-capitalized, largely because of its strong ability to generate income. Projections show that the Bank may continue growing its loan book and pay dividends over the next five (5) years without raising capital. As to the dividend distribution, the payment of higher peso dividend per share is based on the dividend policy the Bank adopted in 2022 which states that the Bank will pay 35% to 50% of previous year's income as dividends. The Chairman affirmed the Bank's intention to consistently apply the policy and to pay higher peso dividends each year.

Ms. Lukban thereafter read another question, sent by stockholder Karen Canare who askedhow the current year is going for the Bank. Mr. Limcaoco replied that the Bank is pleased with another quarter of strong results, with record net income of Php15.26Bn, up by 26% compared to the same period last year, driven by strong revenue growth, which offset the impact of higher operating expenses and higher provisions for probable losses. The Bank generated Php39.52Bn revenues, up 25% from last year, which included a 24% increase in net interest income attributed to higher net interest margins and loans growth that has been ahead of the industry average for the past three (3) years. Fees increased 28% from last year, driven by the Bank's biggest businesses - credit cards, asset management, and insurance. The Bank's loan book increased 19% Year-on-Year, led by the high-yield consumer segment. Mr. Limcaoco noted that this is the first quarter the Bank is reporting RBC, which is about 5-6% of the combined balance sheet as of December last year. Excluding RBC, organic loan growth remains strong. Mr. Limcaoco added that there was an uptick in NPL ratio as a natural consequence of an expanding loan book but asset quality remained strong, with NPL ratio at 2.12% and NPL cover at 136%. Capital position remained robust despite the increase in dividend payments and high loan growth, providing the Bank the capacity to continue investing for growth. Client base has been expanding at a fast pace, and majority of the Bank's new clients were acquired digitally through the Bank's platforms and agency banking partners. Mr. Limcaoco shared that the Bank continues to enhance its digital capabilities in order to offer more products and services, and encourage clients to bank with BPI as they find it easy, fast and secure. As clients do more transactions, they become more profitable, thereby creating more value to shareholders.

The next question came from stockholder Anna Marie de Castro who noted that part of Sustainability is ensuring SMEs can also do their share in having successful ESG projects and asked if BPI has helped SMEs or only the ESG projects of larger companies. The Chairman replied that BPI has a Sustainable Development Finance (SDF) Program, the first in the country, a multi-awarded financing program for renewable energy, energy efficiency, climate resilience (including green buildings), and sustainable agriculture primarily focused on helping ensure the success of SME's sustainability projects. Under SDF, BPI provides free technical consultations, a key factor in the success of the 417 projects under SDF, which are currently primarily SME-led. It also empowers its clients in mitigating environment degradation by reducing their in-house greenhouse gas emissions, and reduces environmental risk exposure by helping climate-proof their businesses.

The following question was sent by stockholder Ma. Felicia G. Aquino who asked for an update on the digitalization initiatives of the Bank and what have been enhanced or added to the Bank's digital offerings. Mr. Limcaoco responded that the Bank has made significant progress in its digital strategy, particularly on digital onboarding, digital engagement and digital partnerships that increased the number of clients, improved customer experience and generated new revenue streams for the Bank. The Bank ended 2023 with a customer base of 11M, up 1.7M from 2022 - the largest increase in customer base that the Bank has seen in recent years. 52% of the new customers were onboarded digitally via the Bank's platforms and Agency Banking partner stores. In the past twelve (12) months, new customer engagement platforms were built and existing ones enhanced. The Bank launched its e-wallet, Vybe, which also hosts the Bank's rewards program. The Bank also launched its new BPI mobile app which features an improved user experience; the first banking app in the country to feature AI-powered tracking and insights. The Bank also added functionalities in its BPI Trade app where clients can trade seamlessly. The Bank continued to enhance its BizKo platform for Business Banking/SME Clients and Bizlink platform for corporate clients to address cash, payroll and payments requirements of small businesses and corporate accounts. In March this year, the Bank launched its seventh platform, which caters to High Net Worth clients. Among other functionalities, the website provides clients a 360-degree view of their funds with BPI. Additionally, in April this year, the Bank launched the online check deposit where clients can deposit checks with a few clicks on their phones. The Bank now has 7M clients enrolled in its digital platforms. On digital partnerships, the Bank's open banking infrastructure allows customers access to over 16,500 services provided by 127 partners, up from over 2000 services in 2022. Investments were also made in the Bank's service platforms to increase the Bank's capabilities in open banking, real time payments, and payment gateways. These digitalization initiatives enabled the Bank not only to expand its customer base and offer more products and services, but also to efficiently process more transactions, thereby creating value for the shareholders.

Ms. Lukban then read another question, sent by stockholder Marco Miguel Javier who asked how the Bank was doing as to its commitment to be zero in coal generation by 2032. The Chairman assured that the Bank is on track with its commitment to be zero coal by 2032. The Bank no longer finances new greenfield coal power generation projects offered. This is to achieve the Bank's commitment to reduce its 2020 coal portfolio by 50% by 2026 and to zero it out by 2032. In 2022, BPI funded the first-in-the-world Energy Transition Finance Facility (ETFF), which reduces the technical operating life of a 246 MW coal generation plant by 15 years to 2040.

The next question came from stockholder Mark Carlos who asked if BPI plans to expand its list of excluded sectors/ activities, in addition to coal power generation. The Chairman replied that BPI has established a Board-approved Exclusion List which guides the Bank's financing activities. Guided by the principles and standards espoused by the International Finance Corporation of the World Bank Group, BPI crafted a list of excluded sectors in accordance with current Philippine laws.

Ms. Lukban thereafter read another question, sent by stockholder Sherwin Vengco who asked what the thinking is behind closing branches whereas other banks continue to open new branches. Mr. Limcaoco explained that the strategy is not to cut off, but to rationalize, the branches. The Bank continues to believe in the value of physical branches and it will continue to open branches in areas where it does not have a presence, while consolidating and co-locating branches in saturated areas. In rationalizing branches, the Bank will certainly not be ceding its territories. Further, the Bank has observed that, as people adopt digitalization, numerous transactions can be pushed to digital channels. As a result, many branches, especially in the urban areas, experience less traffic. Rationalizing the branches also means turning these branches into stores that will handle more complex products and services, like loans, insurance and investments.

Mr. Limcaoco added that the Bank is also complementing branch rationalization with agency banking. The Bank has created a team that will bring BPI to its customers. In total, the Bank has partnered with 18 merchants with over 5,300 stores which display the Bank's QR codes to allow customers to open a deposit account, apply for loans and insurance, and pay bills. Soon, these partner stores will allow clients to cash in and cash out transactions, making them operate like a branch. For second and third tier municipalities, the Bank will use its microfinance arm, BanKo. BanKo also rolled out last year its BanKo-on-the-Go vehicles which will bring banking even to remote areas.

Ms. Lukban then confirmed that that was the last question received.

Adjournment

The Chairman thanked the stockholders for their questions and participation in the meeting. The Chairman then acknowledged the directors who stepped down from the Board after many years of dedicated service – Ignacio R. Bunye and Octavio Victor R. Espiritu.

The Chairman likewise thanked the members of his Advisory Council – Chief Justice Artemio V. Panganiban, Delfin L. Lazaro, Mercedita S. Nolledo, Antonio Jose U. Periquet, Jr., and Lance Y. Gokongwei – for their insights, counsel, and high level of engagement.

The Chairman announced that the link to the audio and video recording of the meeting will be posted on the Bank's website. There being no other comments or questions from the stockholders and no other matters to discuss, the meeting was adjourned.

PREPARED BY:	ATTESTED BY:
MARIA LOURDES P. GATMAYTAN Corporate Secretary and Secretary of the Meeting	JAIME AUGUSTO ZOBEL DE AYALA Chairman of the Board and Chairman of the Meeting

ANNEX "A"

Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/ Beneficial Owner
1	Jaime Augusto Zobel de Ayala	Common	129	Chairman of the Meeting
2	Fernando Zobel de Ayala	Common	129	Chairman of the Meeting
3	Aurelio R. Montinola III	Common	53,514	Chairman of the Meeting
4	Cesar V. Purisima	Common	10	Chairman of the Meeting
5	Emmanual Soriano De Dios	Common	10	Chairman of the Meeting
6	Jose Teodoro K. Limcaoco	Common	10	Chairman of the Meeting
7	Karl Kendrick T. Chua	Common	10	Chairman of the Meeting
8	Maria Dolores B. Yuvienco	Common	117	Chairman of the Meeting
9	René G. Bañez	Common	10	Chairman of the Meeting
10	Alice Vergara Garrobo	Common	55	Chairman of the Meeting
11	BPI-ESPP 2013	Common	26,310	Chairman of the Meeting
12	BPI-ESPP 2014	Common	31,350	Chairman of the Meeting
13	BPI-ESPP 2015	Common	32,519	Chairman of the Meeting
14	BPI-ESPP 2016	Common	15,900	Chairman of the Meeting
15	BPI-ESPP 2017	Common	12,950	Chairman of the Meeting
16	BPI-ESPP 2018	Common	44,910	Chairman of the Meeting
17	BPI-ESPP 2019	Common	4,591,300	Chairman of the Meeting
18	BPI-ESPP 2021	Common	9,304,930	Chairman of the Meeting
19	BPI-ESPP 2022	Common	7,882,165	Chairman of the Meeting
20	BPI-ESPP 2023	Common	7,767,610	Chairman of the Meeting
21	ANNA CHRISTINA U. DEL FIERRO	Common	4,032	Chairman of the Meeting
22	ELLEN THERESA DU OLMEDO	Common	1,758	Chairman of the Meeting
23	EMILY VILDA RAYMUNDO	Common	289	Chairman of the Meeting
24	GRACE PACITA ALIGA SAULOG	Common	12,580	Chairman of the Meeting
25	JANET LEE U	Common	316	Chairman of the Meeting
26	JEFFREY L. SY	Common	3	Chairman of the Meeting
27	JERI ALANZ A. BANTA	Common	894	Chairman of the Meeting
28	KATHERINE L. SOTO-JACINTO	Common	1,758	Chairman of the Meeting
29	MA. CARMINA T. MARQUEZ	Common	6,403	Chairman of the Meeting
30	MARITA SOCORRO D. GAYARES	Common	5,964	Chairman of the Meeting
31	MARIZA V. PRIMICIAS	Common	269	Chairman of the Meeting
32	MARY ANN JOY L. ROSAS	Common	10	Chairman of the Meeting
33	MA. CRISTINA F. ASIS	Common	6,918	Chairman of the Meeting
34	TRINI ANNE G. NIEVA	Common	3,464	Chairman of the Meeting
35	VICTOR H. BOCALING	Common	649,579	Chairman of the Meeting
36	ROBINSONS RETAIL HOLDINGS, INC.	Common	287,627,499	Chairman of the Meeting
37	NELSON AVERGONZADO ARTIAGA	Common	289	Chairman of the Meeting
38	JG SUMMIT CAPITAL SERVICES CORP.	Common	188,399,564	Chairman of the Meeting
39	INTER ISLANDS INVESTMENTS, INC.	Common	423,541	Chairman of the Meeting
40	CONGREGACION DE SAN PEDRO	Common	153,300	Chairman of the Meeting
41	ROMAN CATHOLIC ARCHBISHOP OF MLA (ST. PAUL`S HOSPITAL)	Common	1,931,296	Chairman of the Meeting
42	ROMAN CATHOLIC ARCHBISHOP OF MLA (MAYORDOMIA DELA CATEDRAL)	Common	2,903,089	Chairman of the Meeting
43	ROMAN CATHOLIC ARCHBISHOP OF MANILA (HOSPITAL DE SAN JUAN DE DIOS)	Common	24,050,722	Chairman of the Meeting
44	ROMAN CATHOLIC ARCHBISHOP OF MLA (HOSP DE SA JUAN DE DIOS)	Common	4,669,728	Chairman of the Meeting
45	ROMAN CATHOLIC ARCHBISHOP OF MLA (REAL CASA DE MISERICORDIA)	Common	45,120,711	Chairman of the Meeting

ANNEX "A"

Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/ Beneficial Owner
46	ROMAN CATHOLIC ARCHBISHOP OF MLA (HOSPICIO DE SAN JOSE)	Common	6,555,951	Chairman of the Meeting
47	ROMAN CATHOLIC ARCHBISHOP OF MANILA	Common	272,065,916	Chairman of the Meeting
48	ROMAN CATHOLIC ARCHBISHOP OF MANILA	Common	26	Chairman of the Meeting
49	AYALA CORPORATION	Common	1,515,177,839	Chairman of the Meeting
50	MICHIGAN HOLDINGS, INC.	Common	100,993,230	Chairman of the Meeting
51	LIONTIDE HOLDINGS INC.	Common	823,218,041	Chairman of the Meeting
52	JAIME ZOBEL DE AYALA URQUIJO	Common	10	Chairman of the Meeting
53	BPI GROUP OF COMPANIES RETIREMENT FUND	Common	4,548,420	Chairman of the Meeting
54	SCB OBO SCBLSGID-PPLA-PH000317400088	Common	3,376	Chairman of the Meeting
55	SCB OBO SCBHK A/C PRU HK LTD	Common	326,410	Chairman of the Meeting
56	SCB OBO CN CSAM FOR ACGF	Common	480,000	Chairman of the Meeting
57	SBBK1000000 VARIOUS NON-RESIDENT FOREIGN CORP	Common	214,317,601	Chairman of the Meeting
58	SCB OBO DBS BANK A/C PVT BKG CLT	Common	70,616	Chairman of the Meeting
59	SCBK1000058 SUN LIFE GREPA FINANCIAL INC.	Common	13,770,517	Chairman of the Meeting
60	DEUTSCHE BANK AG MANILA BRANCH	Common	1,905,740	Chairman of the Meeting
61	CITIOMNIFOR	Common	114,471,563	Chairman of the Meeting
62	CITIOMNILOC	Common	10,821,516	Chairman of the Meeting
63	CITIOFAOPHILAM	Common	46,428,718	Chairman of the Meeting
64	BPI SECURITIES CORPORATION	Common	6,836,549	Chairman of the Meeting
65	HSBC - MNL CNC NOM 24/0453	Common	389,718,769	Chairman of the Meeting
66	HSBC - MNL CNC NOM 24/0454	Common	36,879,610	Chairman of the Meeting
67	Oscar S. Reyes	Common	182	Chairman of the Meeting
68	John Christhoper Clavesillas	Common	237	Chairman of the Meeting
69	JO ANN BUENO EALA	Common	18,668	Chairman of the Meeting
70	Rizalina Mantaring	Common	10	Chairman of the Meeting
71	Octavio Espiritu	Common	973,366	Chairman of the Meeting
	Sub-Total (Proxy)		**4,145,320,795**	
72	COL Financial Group, Inc. - ANNA RHEA A. FEGALQUIN	Common	444	
73	COL Financial Group, Inc. - Edward C. Yao	Common	4	
74	BPI SECURITIES CORPORATION - jcfermano@gmail.com	Common	21	
75	CAMPOS, LANUZA & COMPANY, INC. - IGNACIO RICARDO ORTIGAS ORTIGAS	Common	23,775	
76	ABRAHAM TEOFILO A. ALIBIN	Common	237	
77	ALEJANDRO ALEJO	Common	73	
78	ALLAN RONALD D. FOLLANTE	Common	237	
79	ANGELA MARIE D. UY	Common	269	
80	ANNA MARIE AGUILAR DE CASTRO	Common	157	
81	MARIE ANTOINETTE SALES CORTEZ	Common	3,276	
82	ANTONIO CRUZ CHUA AND/OR TERESA BUSTOS CHUA	Common	289	
83	ANTONIETA RANOSA RENIVA	Common	289	

ANNEX "A"

Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/ Beneficial Owner
84	MA. ARLENE LUISTRO LUKANG	Common	3,771	
85	ARNILA SANTOS GERVACIO	Common	1,901	
86	AUDREY MAY M. RODRIGUEZ	Common	1,789	
87	JOSE BENJAMIN AUGUSTO P. AQUINO JR.	Common	1,789	
88	BERYL L. BENITO	Common	894	
89	CAITLIN MAE D. EVACULA	Common	1,101	
90	CAROLYN I. CASAYURAN	Common	865	
91	CEARLCHY L. LASTICA	Common	10	
92	CHARINA G. ARABIT	Common	133	
93	CHERRY-ANN N. DIMAYACYAC	Common	133	
94	CHONA A. RUIZ	Common	894	
95	DALE DANIEL C. ESCUETA	Common	772	
96	MADONNA ANNE A. SAMSON/ MADONNA ANNE S. ACOSTA	Common	2,006	
97	ERIC CAPUNITAN VILLAVICENCIO	Common	1,101	
98	ERICSON H. BARROQUILLO	Common	20	
99	VANESSA R. VITANGCOL	Common	237	
100	FAYE ELOISA U. OSTREA	Common	507	
101	FLORINDA A. SUYAT	Common	810	
102	FREDERICK M. FAUSTINO	Common	3,578	
103	FREDERICO PAOLO A. DE LOS SANTOS	Common	237	
104	FREIDA LISA B. PESTIO	Common	1,443	
105	GAYLE M. MATILLANO	Common	113	
106	GEMMA T. VELEZ	Common	3,241	
107	GLEN OLIVER BERNARDO MONTES	Common	1,514	
108	GLENDA R. LOS BANOS	Common	2,739	
109	IRENAEUS REY C. CATABAS	Common	1,758	
110	MARY JANE YOUNG LAQUINDANUM	Common	8,386	
111	MARY JANE A. MANTILLA	Common	29	
112	MARY JHOANNA J. RAMOS	Common	894	
113	MAYFLOR T. ESCALONA	Common	269	
114	MARI MARGARET Z. CATALAN	Common	1,674	
115	MELISSA IRIS V. DISINI	Common	2,809	
116	MELISSA B. VELASCO	Common	4,545	
117	MERLINA P. MENDOZA	Common	3,281	
118	MYRA LIZA ACOSTA VITTO	Common	3,008	
119	NAPOLEON I. CRUZ JR/NAPOLEON I. CRUZ /NAPOLEON I. CRUZ JR.	Common	44,238	
120	NERISSA E. ESPANOL	Common	233	
121	PAMELA Z. MALINIS	Common	39	
122	PAULO R. ESMAQUEL	Common	75	
123	PHILIP L CODILLA	Common	215	
124	RANJIT KAUR G. BASI	Common	120	
125	RHODORA ADELAIDA C. PAGULAYAN	Common	8,090	
126	MA. RIA D. VILLACORTA	Common	2,569	
127	ROCHELLE SORIANO MONTEMAYOR	Common	383	
128	SHEILA MIRANDA NICDAO	Common	1,789	
129	SHEILA PENASALES ROJO	Common	1,620	
130	MARIA TERESA ANNA K. LIM	Common	10,973	
131	KRISTINE JOY V. SANTOYO	Common	810	
132	CRISTINA JAVELLANA SY	Common	580	
133	VINCENT LEH YU	Common	1,594	

ANNEX "A"

Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/ Beneficial Owner
134	JAMAICA DEL CARMEN ARADA	Common	237	
135	JAY MICHAEL A. MARQUEZ	Common	237	
136	JERAMIL M. QUIZO	Common	1,404	
137	JIM Y. DEPALCO	Common	1,758	
138	JOANAROS T. PINEDA	Common	507	
139	JOSEPHINE B. FERRER	Common	7,901	
140	JULIUS J. SANVICTORES	Common	31	
141	KAMILE M. DAVID	Common	315	
142	MA KAREN A. CANARE	Common	810	
143	KIMBERLY O. KHOO	Common	7,457	
144	LESTER ONG	Common	13,904	
145	LORLEE S. NACUA	Common	75	
146	MARIA PAULA POSADAS FLORENTINO	Common	114,267	
147	MARIA ANGELIQUE M. RUALO	Common	615	
148	MA CRISTINA ABELLA BASILIO	Common	3,578	
149	MARIA ANA M. LUNA	Common	10,205	
150	MARIA MELROSE D. MACANDOG	Common	5,986	
151	MARIA RAMONA ISABELLE L. ROLDAN	Common	484	
152	MARIBETH G. SEGUI	Common	5,199	
153	MARICHELLE MARTIN JOSON	Common	1,111	
154	MA. LUCIA C. POCO	Common	138	
	Sub-Total (Voting *In Absentia* and Remote Communication)		**336,869**	
	Total		**4,145,657,664**	

BPI

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			

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

ATTY. CESAR Y. 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
OFFICE ADDRESS: #2738 CARREON BLDG
... IDA ST., BRGY. POBLACION MAKATI CITY

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W - 1 2 1

Company Name

BANK OF THE PHILIPPINE ISLANDS

Principal Office (No./Street/Barangay/City/Town/Province)

22/F-28/F AYALA TRIANGLE GARDENS TOWER 2, PASEO DE ROXAS COR. MAKATI AVE., BEL-AIR, MAKATI CITY 1226

Form Type	Department requiring the report	Secondary License Type, if applicable
AAFS	SEC	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
corporate.secretary@bpi.com.ph	8663-6525	+639958726360

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
11,641	04/21	December 31

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Eric Roberto M. Luchangco	emluchangco@bpi.com.ph	8663-6740	N/A

Contact Person's Address

Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati Ave., Bel-Air, Makati City

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

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

Independent Auditor's Report

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.

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
Impairment losses on loans and advances	
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. 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. 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.	We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included: • 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; • review and approval of key judgments, assumptions and forward-looking information used in the ECL models; • review of data from source systems to the detailed ECL model analyses; • assessment of credit quality of loans and advances relative to the established internal credit risk rating system; • the review and approval process for the outputs of the impairment models; and • 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. Our work over the impairment of loans and advances included: • 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;

Key Audit Matter	How our audit addressed the Key Audit Matter
(cont'd.) Key elements in the impairment of loans and advances include: • 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 • 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. 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, *Financial instruments*, 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.	• 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. • 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; • 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; • 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; • testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation; • 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 • 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.

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.

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.

- 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.

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.

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)

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

(forward)

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CONDITION
December 31, 2024 and 2023
(In Millions of Pesos)

		Consolidated		Parent	
	Notes	**2024**	2023	**2024**	2023
LIABILITIES AND CAPITAL FUNDS					
DEPOSIT LIABILITIES	15	**2,614,802**	2,295,106	**2,564,135**	2,264,133
DUE TO BSP AND OTHER BANKS		**3,135**	1,881	**3,135**	1,881
DERIVATIVE FINANCIAL LIABILITIES	7	**4,976**	2,821	**4,913**	2,774
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	**163,182**	137,104	**163,083**	133,726
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		**9,941**	8,463	**9,935**	8,431
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		**17,327**	14,973	**15,061**	13,543
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	**16,541**	15,202	**-**	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	**56,219**	53,452	**53,050**	51,031
Total liabilities		**2,886,123**	2,529,002	**2,813,312**	2,475,519
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI	18				
Share capital		**52,610**	49,307	**52,610**	49,307
Share premium		**143,278**	113,414	**143,248**	113,383
Treasury shares		**-**	-	**-**	-
Reserves		**10,889**	643	**43,217**	32,975
Accumulated other comprehensive loss		**(12,640)**	(11,127)	**(10,722)**	(9,076)
Surplus		**236,332**	204,967	**175,413**	149,714
		430,469	357,204	**403,766**	336,303
NON-CONTROLLING INTERESTS		**2,221**	2,166	**-**	-
Total capital funds		**432,690**	359,370	**403,766**	336,303
Total liabilities and capital funds		**3,318,813**	2,888,372	**3,217,078**	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)

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

		Consolidated			Parent		
	Note	**2024**	2023	2022	**2024**	2023	2022
NET INCOME FOR THE YEAR		**62,240**	51,912	39,836	**56,384**	50,053	36,999
OTHER COMPREHENSIVE INCOME (LOSS)	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)
Total other comprehensive (loss) income, net of tax effect		**(1,492)**	3,179	(5,654)	**(1,646)**	2,767	(5,018)
Total comprehensive income for the year		**60,748**	55,091	34,182	**54,738**	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	**-**	-	-
		60,748	55,091	34,182	**54,738**	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)

	Attributable to equity holders of BPI (Note 18)								
Consolidated	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive loss	Surplus	Total	Non-controlling interests	Total capital funds
Balance, January 1, 2022	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)
Total comprehensive income for the year	-	-	-	-	(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)
Total transaction with owners	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
Total other movements	-	-	-	88	-	(77)	11	-	11
Balance, December 31, 2022	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
Total comprehensive income for the year	-	-	-	-	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)
Total transaction with owners	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
Total other movements	-	-	-	83	-	517	600	-	600
Balance, December 31, 2023	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)
Total comprehensive income for the year	-	-	-	-	(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)
Total transaction with owners	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
Total other movements	-	-	-	10,278	-	(9,806)	472	-	472
Balance, December 31, 2024	**52,610**	**143,278**	**-**	**10,889**	**(12,640)**	**236,332**	**430,469**	**2,221**	**432,690**

(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
Balance, January 1, 2022	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)
Total comprehensive income for the year	-	-	-	-	(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)
Total transactions with owners	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
Balance, December 31, 2022	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
Total comprehensive income for the year	-	-	-	-	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)
Total transactions with owners	114	9,260	33,043	(80)	-	(58,298)	(15,961)
Other movements	-	-	-	-	-	415	415
	114	9,260	33,043	(80)	-	(57,883)	(15,546)
Balance, December 31, 2023	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)
Total comprehensive income for the year	-	-	-	-	(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)
Total transactions with owners	3,303	29,865	-	(32)	-	(20,878)	12,258
Other movements							
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-
Others	-	-	-	-	-	467	467
Total other movements	-	-	-	10,274	-	(9,807)	467
Balance, December 31, 2024	**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)

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

		Consolidated			Parent		
	Notes	**2024**	2023	2022	**2024**	2023	2022
(*forwarded*)							
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of bank premises, furniture, fixtures and equipment		**(3,416)**	(4,778)	(1,657)	**(3,267)**	(4,578)	(1,580)
Disposal of bank premises, furniture, fixtures and equipment		**849**	2,144	1,200	**835**	2,127	1,191
Placements in investment securities		**(201,348)**	(248,565)	(95,218)	**(200,635)**	(247,299)	(94,789)
Proceeds from:							
Maturities/sales of investment securities		**227,374**	171,331	49,008	**227,205**	171,332	49,008
Sale of investment properties		**-**	-	4,721	**-**	-	4,721
Decrease (increase) in:							
Investment in subsidiaries and associates, net		**53**	769	694	**(2,182)**	(120)	-
Assets attributable to insurance operations		**(418)**	(270)	474	**-**	-	-
Impact of merger	29	**22,071**	-	-	**20,572**	-	78,200
Dividends received		**93**	100	60	**1,505**	3,066	880
Net cash from (used in) investing activities		**45,258**	(79,269)	(40,718)	**44,033**	(75,472)	37,631
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash dividends paid	17,18	**(21,034)**	(16,125)	(9,745)	**(20,877)**	(15,934)	(9,568)
Issuance cost of treasury shares as dividends	18	**-**	(372)	-	**-**	(403)	-
Proceeds from share issuance	18	**573**	456	208	**573**	456	208
Increase in bills payable and other borrowed funds	16,29	**11,127**	39,601	2,464	**14,405**	40,724	868
Payments for principal portion of lease liabilities		**(2,066)**	(1,893)	(1,624)	**(1,803)**	(1,652)	(1,417)
Net cash (used in) from financing activities		**(11,400)**	21,667	(8,697)	**(7,702)**	23,191	(9,909)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**11,605**	15,362	(92,833)	**10,718**	8,556	(19,880)
CASH AND CASH EQUIVALENTS							
January 1	4,5	288,482	273,120	365,953	274,005	265,449	285,329
December 31		**300,087**	288,482	273,120	**284,723**	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	% of ownership 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)	
Assets			
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
		20,995	19,067

	2024	2023
	(In Millions of Pesos)	
Liabilities		
Reserves and other balances	**14,682**	13,240
Accounts payable, accrued expenses and other payables	**1,859**	1,962
	16,541	15,202

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
	6,500	4,987	4,086
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
	3,489	3,144	2,707
Income before income tax and minority interest	**3,011**	1,843	1,379

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.

The segment assets and liabilities as at December 31 and the results of the operations of the reportable segments of the BPI Group for the years ended December 31 follow:

	2024			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(In Millions of Pesos)			
Net interest income	82,975	33,246	16,955	133,176
Provision for (reversal of) credit and impairment losses	11,570	(5,058)	115	6,627
Net interest income after provision for credit and impairment losses	71,405	38,304	16,840	126,549
Fees, commissions and other income, net	24,616	3,584	10,710	38,910
Total income	96,021	41,888	27,550	165,459
Compensation and fringe benefits	20,876	3,587	2,152	26,615
Occupancy and equipment-related expenses	9,075	567	1,121	10,763
Other operating expenses	32,691	4,892	2,268	39,851
Total other expenses	62,642	9,046	5,541	77,229
Operating profit	33,379	32,842	22,009	88,230
Income tax expense				17,503
Net income				62,240
Share in net income of associates				2,738
Total assets	781,780	1,693,238	781,382	3,256,400
Total liabilities	1,890,077	787,196	175,303	2,852,576

	2023			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(In Millions of Pesos)			
Net interest income	65,271	28,108	15,117	108,496
Provision for (reversal of) credit and impairment losses	7,711	(3,837)	140	4,014
Net interest income after provision for credit and impairment losses	57,560	31,945	14,977	104,482
Fees, commissions and other income, net	20,328	2,932	8,749	32,009
Total income	77,888	34,877	23,726	136,491
Compensation and fringe benefits	19,375	3,314	1,786	24,475
Occupancy and equipment-related expenses	10,144	1,089	865	12,098
Other operating expenses	26,485	4,082	3,221	33,788
Total other expenses	56,004	8,485	5,872	70,361
Operating profit	21,884	26,392	17,854	66,130
Income tax expense				13,299
Net income				51,912
Share in net income of associates				1,372
Total assets	644,092	1,505,254	717,734	2,867,080
Total liabilities	1,670,879	687,265	163,858	2,522,002

	2022			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(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 management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(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:

		Consolidated		Parent	
	Notes	**2024**	2023	**2024**	2023
		(In Millions of Pesos)			
Cash and other cash items		**49,762**	34,843	**49,136**	34,444
Due from Bangko Sentral ng Pilipinas (BSP)		**164,571**	199,619	**161,247**	192,246
Due from other banks		**72,060**	36,292	**68,439**	33,081
Interbank loans receivable and securities purchased under agreements to resell (SPAR)	5	**13,519**	17,535	**5,901**	14,234
Cash and cash equivalents attributable to insurance operations	2	**175**	193	**-**	-
		300,087	288,482	**284,723**	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	**7,500**	15,177	**-**	11,982
Other banks	**9,227**	5,483	**9,111**	5,379
	16,727	20,660	**9,111**	17,361
Accrued interest receivable	**31**	26	**25**	24
	16,758	20,686	**9,136**	17,385
Allowance for impairment	**(43)**	(43)	**(43)**	(43)
	16,715	20,643	**9,093**	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	**4.95 - 8.37**	4.75 - 8.50	**4.95 - 8.37**	4.75 - 8.50
US dollar-denominated	**4.10 - 5.70**	4.85 - 5.25	**4.40 - 5.41**	4.85 - 5.15

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

The account at December 31 consists of:

		Consolidated		Parent	
	Note	**2024**	2023	**2024**	2023
		(In Millions of Pesos)			
Debt securities					
Government securities		**35,942**	15,928	**33,548**	13,654
Commercial papers of private companies		**5,159**	3,813	**376**	6
Listed equity securities		**351**	111	**-**	-
Derivative financial assets	7	**5,856**	3,802	**5,833**	3,796
		47,308	23,654	**39,757**	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)			
Held for trading				
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	**-**	-
Held for hedging				
Interest rate swap	**-**	-	**4**	-
	5,856	3,802	**4,976**	2,821

Parent

	Assets		Liabilities	
	2024	2023	**2024**	2023
	(In Millions of Pesos)			
Held for trading				
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	**-**	-
Held for hedging				
Interest rate swap	**-**	-	**4**	-
	5,833	3,796	**4,913**	2,774

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

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

	Consolidated		Parent	
	2024	2023	**2024**	2023
Peso-denominated	**2.48 - 8.13**	2.09 - 8.13	**2.48 - 8.13**	2.09 - 8.13
Foreign currency-denominated	**0.13 - 8.13**	0.13 - 7.32	**0.80 - 5.92**	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)	**30,866**	64,063	**29,364**	63,742
Non-current (over 12 months)	**312,242**	318,648	**306,869**	313,378
	343,108	382,711	**336,233**	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			
	Land	Buildings and leasehold improvements	Furniture and equipment	**Total**
	(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**
December 31, 2024	**2,986**	**38,122**	**16,940**	**58,048**
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**
December 31, 2024	**-**	**21,909**	**14,930**	**36,839**
Net book value, December 31, 2024	**2,986**	**16,213**	**2,010**	**21,209**

**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			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
		(In Millions of Pesos)		
Cost				
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
December 31, 2023	2,983	34,293	16,389	53,665
Accumulated depreciation				
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
December 31, 2023	-	19,388	14,526	33,914
Net book value, December 31, 2023	2,983	14,905	1,863	19,751

Parent

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

	2023			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
	(In Millions of Pesos)			
Cost				
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)
December 31, 2023	2,982	30,974	15,627	49,583
Accumulated depreciation				
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	-	-	-	-
December 31, 2023	-	17,295	13,887	31,182
Net book value, December 31, 2023	2,982	13,679	1,740	18,401

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 2024	2023	Acquisition cost 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:

	2024	2023
	(In Millions of Pesos)	
Total assets	**137,610**	129,429
Total liabilities	**114,882**	111,601
Total revenues	**30,386**	24,198
Total net income	**5,556**	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	
	2024	2023	**2024**	2023	**2024**	2023
			(In Millions of Pesos)			
Subsidiaries						
BPI Europe Plc.	**7,180**	7,180	**-**	-	**7,180**	7,180
BPI Direct BanKo, Inc., A Savings Bank (BanKo)	**2,509**	2,009	**-**	-	**2,509**	2,009
Legazpi Savings Bank (LSB)	**2,050**	-	**-**	-	**2,050**	-
BPI Wealth	**1,512**	1,502	**-**	-	**1,512**	1,502
BPI Payments Holdings Inc.	**893**	813	**(700)**	(672)	**193**	141
BPI Wealth Singapore Pte. Ltd.	**878**	-	**-**	-	**878**	-
Ayala Plans, Inc.	**864**	864	**-**	-	**864**	864
BPI Capital Corporation	**623**	623	**-**	-	**623**	623
FGU Insurance Corporation	**303**	303	**-**	-	**303**	303
BPI Forex Corp.	**195**	195	**-**	-	**195**	195
BPI Wealth Hong Kong Ltd.	**143**	143	**-**	-	**143**	143
Santiago Land Development Corporation	**140**	140	**-**	-	**140**	140
BPI Remittance Centre (HK) Ltd.	**132**	132	**-**	-	**132**	132
First Far East Development Corporation	**91**	91	**-**	-	**91**	91
FEB Stock Brokers, Inc.	**25**	25	**-**	-	**25**	25
BPI Computer Systems Corp.	**23**	23	**-**	-	**23**	23
Others	**35**	35	**-**	-	**35**	35
Associates	**2,269**	2,120	**-**	-	**2,269**	2,120
	19,865	16,198	**(700)**	(672)	**19,165**	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:

		Consolidated		Parent	
	Note	**2024**	2023	**2024**	2023
		(In Millions of Pesos)			
Beginning of the year		**18,185**	16,752	**17,536**	16,356
Impact of merger	29	**860**	-	**782**	-
Amounts recognized in statement of income		**(746)**	635	**(1,060)**	419
Amounts recognized in other comprehensive income		**(98)**	798	**(75)**	761
End of the year		**18,201**	18,185	**17,183**	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	**1,286**	99	(1,164)	**1,580**	280	(1,152)
Pension	**155**	(629)	33	**144**	(606)	46
Others	**(695)**	(105)	225	**(664)**	(93)	163
	746	(635)	(906)	**1,060**	(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:

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

		Consolidated		Parent	
	Note	**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	**426,789**	379,076	**428,977**	382,443
Savings	**1,225,451**	1,158,548	**1,207,114**	1,148,770
Time	**962,562**	757,482	**928,044**	732,920
	2,614,802	2,295,106	**2,564,135**	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)	**1,465,575**	1,392,507	**1,425,359**	1,368,484
Non-current (over 12 months)	**1,149,227**	902,599	**1,138,776**	895,649
	2,614,802	2,295,106	**2,564,135**	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	**263**	248	287	**264**	248	286
Savings	**2,343**	2,115	2,420	**1,956**	2,065	2,375
Time	**50,575**	33,664	12,114	**48,439**	32,621	12,050
	53,181	36,027	14,821	**50,659**	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
	163,182	137,104	**163,083**	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	Carrying amount 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	Carrying amount 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	**36,586**	36,371
Fixed rate bond, unconditional, unsecured and unsubordinated	August 9, 2024	6.20%	February 9, 2026	33,700	**33,485**	-

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	Carrying amount 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	**22,967**	-

(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
	9,187	5,195	3,381	**9,045**	4,956	3,273

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

		Consolidated		Parent	
	Note	**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		**163,182**	137,104	**163,083**	133,726

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
	163,182	137,104	**163,083**	133,726

17 Deferred credits and other liabilities

The account at December 31 consists of the following:

		Consolidated		Parent	
	Note	**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
		56,219	53,452	**53,050**	51,031

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)	**46,481**	41,642	**42,908**	40,268
Non-current (over 12 months)	**9,738**	11,810	**10,142**	10,763
	56,219	53,452	**53,050**	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	**54,000**	54,000	50,000
Preferred A shares	**600**	600	600
	54,600	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	**4,945,197,291**	4,919,307,531	4,513,128,255
Subscription of shares during the year	**12,893,860**	25,889,760	406,179,276
Impact of merger (Note 29)	**314,003,992**	-	-
At December 31	**5,272,095,143**	4,945,197,291	4,919,307,531
	(In absolute amounts of Pesos)		
Subscription receivable	**111,000,871**	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	**-**	-	-
	10,889	643	644	**43,217**	32,975	33,055

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	**(2,893)**	(8,058)	(3,030)	**(2,303)**	(7,465)	(2,327)
Unrealized fair value gain (loss) before tax	**997**	6,996	(4,337)	**917**	7,005	(4,393)
Amount recycled to profit or loss	**(2,350)**	(947)	(28)	**(2,349)**	(947)	(28)
Deferred income tax effect	**183**	(884)	(663)	**184**	(896)	(717)
At December 31	**(4,063)**	(2,893)	(8,058)	**(3,551)**	(2,303)	(7,465)
Share in other comprehensive loss of insurance subsidiaries						
At January 1	**(30)**	(80)	71	**-**	-	-
Share in other comprehensive income (loss) for the year, before tax	**10**	63	(187)	**-**	-	-
Deferred income tax effect	**(2)**	(13)	36	**-**	-	-
At December 31	**(22)**	(30)	(80)	**-**	-	-
Share in other comprehensive income (loss) of associates						
At January 1	**292**	(162)	166	**-**	-	-
Share in other comprehensive (loss) income for the year	**(220)**	454	(328)	**-**	-	-
At December 31	**72**	292	(162)	**-**	-	-
Translation adjustment on foreign operations						
At January 1	**(636)**	(582)	(517)	**-**	-	-
Translation differences and others	**349**	(54)	(65)	**-**	-	-
At December 31	**(287)**	(636)	(582)	**-**	-	-
Cash flow hedge reserves						
At January 1	**-**	-	-	**-**	-	-
Translation differences and others	**(1)**	-	-	**(1)**	-	-
At December 31	**(1)**	-	-	**(1)**	-	-
Remeasurements of defined benefit obligation, net						
At January 1	**(7,860)**	(5,374)	(5,360)	**(6,773)**	(4,378)	(4,498)
Actuarial (losses) gains for the year	**(399)**	(3,434)	191	**(323)**	(3,342)	104
Deferred income tax effect	**(80)**	948	(205)	**(74)**	947	16
At December 31	**(8,339)**	(7,860)	(5,374)	**(7,170)**	(6,773)	(4,378)
	(12,640)	(11,127)	(14,256)	**(10,722)**	(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)
For the year ended December 31, 2024		
May 15, 2024	1.98	10,439
November 20, 2024	1.98	10,439
		20,878
For the year ended December 31, 2023		
May 17, 2023	1.68	7,626
November 15, 2023	1.68	8,308
		15,934
For the year ended December 31, 2022		
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	**62,049**	51,687	39,605	**56,384**	50,053	36,999
b) Weighted average number of common shares outstanding during the year	**5,266**	4,741	4,513	**5,266**	4,741	4,513
c) Basic EPS (a/b) based on net income	**11.78**	10.90	8.78	**10.71**	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	**-**	-	-
	15,162	12,717	11,339	**13,744**	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:

		Consolidated			Parent		
	Notes	**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
		17,609	14,267	17,053	**13,572**	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:

		Consolidated		**Parent**	
	Notes	**2024**	2023	**2024**	2023
		(In Millions of Pesos)			
Right-of-use assets					
Buildings and leasehold improvements	11	**8,287**	8,404	**7,177**	7,365
Lease liabilities (included in “Deferred credits and other liabilities”)	17				
Current		**2,964**	2,577	**2,665**	2,337
Non-current		**6,860**	7,179	**5,976**	6,341
		9,824	9,756	**8,641**	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:

		Consolidated		Parent	
	Note	**2024**	2023	**2024**	2023
		(In Millions of Pesos)			
Depreciation expense					
Buildings and leasehold improvements	11	**2,278**	2,186	**1,965**	1,936
Interest expense (included in “Occupancy and equipment-related expenses”)		**372**	321	**293**	281
Expense relating to short-term leases (included in “Occupancy and equipment-related expenses”)		**450**	101	**449**	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”)		**511**	397	**452**	354
		3,611	3,005	**3,159**	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:

		Consolidated			Parent		
	Note	**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
		28,939	23,221	19,528	**25,214**	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
	29,725	23,877	19,701	**27,404**	22,142	18,195

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	**17,503**	**21.95**	13,299	20.39	11,532	22.45

	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	**16,053**	**22.16**	12,181	19.57	10,283	21.75

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 trusteed 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 as 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	**19,860**	18,632	**19,304**	18,098
Fair value of plan assets	**(15,667)**	(14,103)	**(15,182)**	(13,722)
	4,193	4,529	**4,122**	4,376
Effect of asset ceiling	**33**	12	**-**	-
	4,226	4,541	**4,122**	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	**14,103**	12,876	**13,722**	12,515
Impact of merger	**470**	-	**470**	-
Contributions	**1,213**	2,251	**1,165**	2,229
Interest income	**775**	886	**752**	860
Benefit payments	**(1,703)**	(1,032)	**(1,691)**	(1,030)
Remeasurement gain (loss) - return on plan assets	**1,539**	(878)	**1,494**	(852)
Transfer to the plan	**(730)**	-	**(730)**	-
At December 31	**15,667**	14,103	**15,182**	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	**10,130**	8,517	**9,817**	8,287
Equity securities	**4,341**	4,307	**4,207**	4,191
Others	**1,196**	1,279	**1,158**	1,244
	15,667	14,103	**15,182**	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	**3,845**	3,347	**3,754**	3,260
More than 1 year to 5 years	**14,575**	13,753	**14,163**	13,165
More than 5 years to 10 years	**9,837**	9,837	**9,545**	9,409
More than 10 years to 15 years	**4,569**	4,716	**4,340**	4,421
More than 15 years to 20 years	**3,319**	3,306	**3,139**	3,047
Over 20 years	**3,069**	3,410	**2,875**	3,068

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at December 31 follows:

Consolidated

2024

		Impact on defined benefit obligation	
	Change in assumption	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

		Impact on defined benefit obligation	
	Change in assumption	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

		Impact on defined benefit obligation	
	Change in assumption	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

		Impact on defined benefit obligation	
	Change in assumption	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:

	Consolidated		Parent	
	2024	2023	**2024**	2023
	(In Millions of Pesos)			
Present value of defined benefit obligation	**3,911**	595	**3,443**	531
Fair value of plan assets	**(3,712)**	(2,261)	**(3,270)**	(1,898)
	199	(1,666)	**173**	(1,367)
Effect of asset ceiling	**-**	1,666	**-**	1,367
	199	-	**173**	-

The movements in the present value of the defined benefit obligation follow:

	Consolidated		Parent	
	2024	2023	**2024**	2023
	(In Millions of Pesos)			
At January 1	**595**	889	**531**	767
Impact of merger	**-**	-	**-**	-
Interest cost	**36**	66	**33**	56
Current service cost	**62**	120	**54**	95
Benefit payments	**(186)**	(184)	**(157)**	(156)
Remeasurement - changes in financial assumptions	**3**	54	**3**	45
Remeasurement - experience adjustment	**2,671**	369	**2,262**	336
Remeasurement - changes in demographic assumptions	**-**	(719)	**-**	(601)
Transfer to the plan	**730**	-	**717**	(11)
At December 31	**3,911**	595	**3,443**	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

	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	**-**	**-**	
	18,721	**80,401**	
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**	
	12,717	**16,568**	

	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

	2024		
	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**	
	18,709	**80,476**	
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**	
	11,759	**21,951**	

	2023		
	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	-	-	
	(2,963)	61,767	
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	
	51	10,192	

	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:

Consolidated	**2024**	2023	2022
	(In Millions of Pesos)		
Interest income			
Associates	**-**	8	-
Ayala Group	**3,162**	2,297	1,724
Key management personnel	**1**	-	-
	3,163	2,305	1,724
Other income			
Associates	**2,359**	327	1,771
Ayala Group	**1,543**	935	833
	3,902	1,262	2,604
Interest expense			
Associates	**17**	18	1
Ayala Group	**539**	4	29
Key management personnel	**9**	14	1
	565	36	31
Other expenses			
Associates	**216**	191	389
Ayala Group	**1,632**	799	1,769
	1,848	990	2,158
Retirement benefits			
Key management personnel	**61**	50	52
Salaries, allowances and other short-term benefits			
Key management personnel	**1,646**	1,477	831
Directors' remuneration	**125**	113	157

Parent	2024	2023	2022
	(In Millions of Pesos)		
Interest income			
Subsidiaries	**21**	19	5
Associates	**-**	8	-
Ayala Group	**3,162**	2,297	1,724
Key management personnel	**1**	-	-
	3,184	2,324	1,729
Other income			
Subsidiaries	**1,811**	209	733
Associates	**2,359**	139	1,771
Ayala Group	**1,543**	935	648
	5,713	1,283	3,152
Interest expense			
Subsidiaries	**21**	19	5
Associates	**17**	18	1
Ayala Group	**539**	4	29
Key management personnel	**9**	14	1
	586	55	36
Other expenses			
Subsidiaries	**48**	127	817
Associates	**216**	-	282
Ayala Group	**1,632**	799	1,744
	1,896	926	2,843
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:

	Consolidated		Parent	
	2024	2023	**2024**	2023
	(In Millions of Pesos)			
Outstanding DOSRI loans	**31,588**	18,701	**31,588**	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:

Classifications	Large corporate	SME	Cross-Border
Standard monitoring	AAA to B-, unrated, and ≤ 30 days past due (dpd)	AAA to B-, unrated, and ≤ 30 dpd	AAA to B- with no significant increase in credit risk (SICR), and ≤ 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.

Classifications	Credit cards	Personal*, auto, housing and MAX 500**	SEME***
Standard monitoring	≤ 29 dpd	≤ 30 dpd	≤ 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.

Classifications	Applicable ratings
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
	2,238,765	1,882,007	**2,186,928**	1,849,840

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 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	1,414,762	92,448	-	**1,507,210**	1,147,940	1,865	-	1,149,805
Special monitoring	104,098	56,727	-	**160,825**	129,537	199,296	-	328,833
Default	-	-	44,364	**44,364**	-	-	38,813	38,813
Gross amount	1,518,860	149,175	44,364	**1,712,399**	1,277,477	201,161	38,813	1,517,451
Loss allowance	(5,901)	(2,159)	(23,685)	**(31,745)**	(10,767)	(3,483)	(25,164)	(39,414)
Carrying amount	1,512,959	147,016	20,679	**1,680,654**	1,266,710	197,678	13,649	1,478,037

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	472,088	18,810	-	**490,898**	345,864	16,160	-	362,024
Special monitoring	715	11,655	-	**12,370**	524	8,286	-	8,810
Default	-	-	21,640	**21,640**	-	-	16,604	16,604
Gross amount	472,803	30,465	21,640	**524,908**	346,388	24,446	16,604	387,438
Loss allowance	(3,393)	(3,478)	(11,763)	**(18,634)**	(4,135)	(3,229)	(8,271)	(15,635)
Carrying amount	469,410	26,987	9,877	**506,274**	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	**162,219**	200,390	12,072	212,462
Past due up to 30 days	86	5,355	**5,441**	389	4,544	4,933
Past due 31 - 90 days	600	12,165	**12,765**	382	8,306	8,688
Past due 91 - 180 days	-	-	**-**	-	-	-
Over 180 days	-	-	**-**	-	-	-
	149,176	31,249	**180,425**	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	**162,198**	200,390	12,033	212,423
Past due up to 30 days	85	5,343	**5,428**	389	4,522	4,911
Past due 31 - 90 days	600	11,414	**12,014**	382	7,891	8,273
Past due 91 - 180 days	-	-	**-**	-	-	-
Over 180 days	-	-	**-**	-	-	-
	149,175	30,465	**179,640**	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	**164,571**	199,619	**161,247**	192,246
Due from other banks	**72,060**	36,292	**68,439**	33,081
Interbank loans receivable and SPAR, net	**16,715**	20,643	**9,093**	17,342
Financial assets at FVTPL	**46,957**	23,543	**39,757**	17,456
Financial assets at FVOCI, net	**264,358**	215,780	**260,834**	212,442
Investment securities at amortized cost, net	**343,108**	382,711	**336,233**	377,120
	907,769	878,588	**875,603**	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)				
Credit grade								
Standard monitoring								
Due from BSP	164,571	-	-	**164,571**	199,619	-	-	199,619
Due from other banks	72,060	-	-	**72,060**	36,292	-	-	36,292
Interbank loans receivable and SPAR	16,720	-	-	**16,720**	20,645	-	-	20,645
Financial assets at FVTPL	46,957	-	-	**46,957**	23,543	-	-	23,543
Financial assets at FVOCI	263,903	455	-	**264,358**	215,438	342	-	215,780
Investment securities at amortized cost	342,189	1,035	-	**343,224**	381,811	931	-	382,742
Default								
Interbank loans receivable and SPAR	-	-	38	**38**	-	-	41	41
Gross carrying amount	906,400	1,490	38	**907,928**	877,348	1,273	41	878,662
Loss allowance	(97)	(24)	(38)	**(159)**	(33)	-	(41)	(74)
Carrying amount	906,303	1,466	-	**907,769**	877,315	1,273	-	878,588

Parent

	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								
Due from BSP	161,247	-	-	**161,247**	192,246	-	-	192,246
Due from other banks	68,439	-	-	**68,439**	33,081	-	-	33,081
Interbank loans receivable and SPAR	9,098	-	-	**9,098**	17,344	-	-	17,344
Financial assets at FVTPL	39,757	-	-	**39,757**	17,456	-	-	17,456
Financial assets at FVOCI	260,379	455	-	**260,834**	212,100	342	-	212,442
Investment securities at amortized cost	335,282	1,034	-	**336,316**	376,220	931		377,151
Default								
Interbank loans receivable and SPAR	-	-	38	**38**	-	-	41	41
Gross carrying amount	**874,202**	**1,489**	**38**	**875,729**	848,447	1,273	41	849,761
Loss allowance	(64)	(24)	(38)	**(126)**	(33)	-	(41)	(74)
Carrying amount	**874,138**	**1,465**	**-**	**875,603**	848,414	1,273	-	849,687

26.1.3.3 Other financial assets at amortized cost

Other financial assets at amortized cost that are exposed to credit risk are as follows:

	Consolidated		**Parent**	
	2024	2023	**2024**	2023
		(In Millions of Pesos)		
Accounts receivable, net	**2,626**	1,242	**5,010**	2,758
Rental deposits	**905**	828	**851**	781
Other accrued interest and fees receivable	**98**	76	**5**	9
Others, net	**341**	377	**320**	358
	3,970	2,523	**6,186**	3,906

The carrying amounts of the above financial assets represent the BPI Group's maximum exposure to credit risk.

The BPI Group's other financial assets at amortized cost (shown under Other assets, net) generally arise from transactions with various unrated counterparties with good credit standing. The BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss methodology for other financial assets.

26.1.3.4 Loan commitments

Credit risk exposures arising from undrawn loan commitments are as follows:

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)				
Credit grade								
Standard monitoring	704,278	1,609	-	**705,887**	542,193	1,749	-	543,942
Special monitoring	21,421	19	-	**21,440**	16,241	-	-	16,241
Default	-	-	339	**339**	-	-	543	543
Gross amount	725,699	1,628	339	**727,666**	558,434	1,749	543	560,726
Loss allowance*	(1,130)	(112)	(25)	**(1,267)**	(1,067)	(94)	(71)	(1,232)
Carrying amount	724,569	1,516	314	**726,399**	557,367	1,655	472	559,494

**Included in "Miscellaneous liabilities" in Note 17*

Parent

	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	704,278	1,609	-	**705,887**	542,193	1,749	-	543,942
Special monitoring	21,421	19	-	**21,440**	16,241	-	-	16,241
Default	-	-	339	**339**	-	-	543	543
Gross amount	725,699	1,628	339	**727,666**	558,434	1,749	543	560,726
Loss allowance*	(1,130)	(112)	(25)	**(1,267)**	(1,067)	(94)	(71)	(1,232)
Carrying amount	724,569	1,516	314	**726,399**	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	**70,002**	**38,399**	**31,603**	57,969	35,263	22,706
Fair value of collateral	**31,611**			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	**66,004**	**35,448**	**30,556**	55,417	33,435	21,982
Fair value of collateral	**31,570**			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 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,596	3,483	25,167	**39,246**
Impact of merger	160	268	1,470	**1,898**
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,030	**989**
Transfer from Stage 2	87	(2,028)	166	**(1,775)**
Transfer from Stage 3	17	4	(148)	**(127)**
New financial assets originated	6,189	-	-	**6,189**
Financial assets derecognized during the year	(1,500)	(749)	(2,720)	**(4,969)**
Changes in assumptions and other movements in provision	(3,197)	(309)	(3,184)	**(6,690)**
	(2,955)	(1,572)	(1,856)	**(6,383)**
Write-offs and other movements	(2,080)	(20)	(1,084)	**(3,184)**
Loss allowance, at December 31, 2024	**5,721**	**2,159**	**23,697**	**31,577**

**The above movements include the effect of RBC allowance transfers.*

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	4,890	3,242	10,096	**18,228**
Impact of merger	306	53	963	**1,322**
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(2,530)	2,491	7,020	**6,981**
Transfer from Stage 2	114	(1,745)	2,401	**770**
Transfer from Stage 3	7	55	(509)	**(447)**
New financial assets originated	3,076	-	-	**3,076**
Financial assets derecognized during the year	(449)	(166)	(816)	**(1,431)**
Changes in assumptions and other movements in provision	(1,150)	(414)	3,691	**2,127**
	(932)	221	11,787	**11,076**
Write-offs and other movements	63	(20)	(8,144)	**(8,101)**
Loss allowance, at December 31, 2024	**4,327**	**3,496**	**14,702**	**22,525**

**The above movements include the effect of RBC allowance transfers.*

Parent

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,767	3,483	25,164	**39,414**
Impact of merger	160	268	1,452	**1,880**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,029	**988**
Transfer from Stage 2	87	(2,028)	166	**(1,775)**
Transfer from Stage 3	17	4	(148)	**(127)**
New financial assets originated	6,188	-	-	**6,188**
Financial assets derecognized during the year	(1,500)	(749)	(2,719)	**(4,968)**
Changes in assumptions and other movements in provision	(3,193)	(309)	(3,176)	**(6,678)**
	(2,952)	(1,572)	(1,848)	**(6,372)**
Write-offs and other movements	(2,074)	(20)	(1,083)	**(3,177)**
Loss allowance, at December 31, 2024	**5,901**	**2,159**	**23,685**	**31,745**

**The above movements include the effect of RBC allowance transfers.*

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	4,135	3,229	8,271	**15,635**
Impact of merger	298	52	833	**1,183**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,119)	2,475	4,685	**6,041**
Transfer from Stage 2	113	(1,591)	2,142	**664**
Transfer from Stage 3	7	54	(475)	**(414)**
New financial assets originated	1,441	-	-	**1,441**
Financial assets derecognized during the year	(161)	(165)	(696)	**(1,022)**
Changes in assumptions and other movements in provision	(1,421)	(557)	3,153	**1,175**
	(1,140)	216	8,809	**7,885**
Write-offs and other movements	100	(19)	(6,150)	**(6,069)**
Loss allowance, at December 31, 2024	**3,393**	**3,478**	**11,763**	**18,634**

**The above movements include the effect of RBC allowance transfers.*

Consolidated

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(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 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(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 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(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 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(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	-	**578,351**
Real estate activities	-	-	-	12	329	4,180	521,509	-	**526,030**
Manufacturing	-	-	-	263	3,523	4,802	324,932	-	**333,520**
Consumer	-	-	-	-	983	1,311	305,299	-	**307,593**
Transportation, storage and communications	-	-	-	21	1,977	9,429	247,634	-	**259,061**
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	253,819	-	**262,529**
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,125	-	**206,569**
Others	-	-	-	20,890	207,838	287,414	211,000	5,405	**732,547**
Allowance	-	-	(43)	-	-	(116)	(54,102)	(1,435)	**(55,696)**
At December 31, 2024	**164,571**	**72,060**	**16,715**	**46,957**	**264,358**	**343,108**	**2,238,765**	**3,970**	**3,150,504**

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)
At December 31, 2023	199,619	36,292	20,643	23,543	215,780	382,711	1,882,007	2,523	2,763,118

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	-	**559,193**
Real estate activities	-	-	-	12	329	4,180	519,857	-	**524,378**
Manufacturing	-	-	-	210	3,523	3,475	323,052	-	**330,260**
Consumer	-	-	-	-	983	118	270,573	-	**271,674**
Transportation, storage and communications	-	-	-	21	1,977	9,429	246,267	-	**257,694**
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	242,807	-	**251,517**
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,023	-	**206,467**
Others	-	-	-	17,131	204,394	284,219	206,189	7,545	**719,478**
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	**(51,864)**
At December 31, 2024	**161,247**	**68,439**	**9,093**	**39,757**	**260,914**	**336,233**	**2,186,928**	**6,186**	**3,068,797**

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)
At December 31, 2023	192,246	33,081	17,342	17,456	212,442	377,120	1,849,840	3,906	2,703,433

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:

		Consolidated			Parent		
	Notes	**2024**	2023	2022	**2024**	2023	2022
				(In Millions of Pesos)			
Loans and advances	10	**4,693**	3,940	8,215	**1,513**	2,164	7,512
Assets held for sale		**837**	(222)	411	**837**	(223)	396
Interbank loans receivable and SPAR	5	**7**	3	(6)	**7**	3	(6)
Investment securities at amortized cost	9	**56**	20	5	**56**	20	5
Undrawn loan commitments	31	**(57)**	198	287	**(57)**	198	287
Impairment on equity investment	12	**-**	-	-	**28**	-	-
Accounts receivable	14	**689**	34	172	**639**	12	160
Other assets		**375**	27	83	**405**	28	83
		6,600	4,000	9,167	**3,428**	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	**3,609**	3,196	344	3,540
Due from other banks	36,067	25,860	**61,927**	16,038	12,530	28,568
Interbank loans receivable and SPAR	20	5,957	**5,977**	2,287	32	2,319
Financial assets at FVTPL	8,278	2,461	**10,739**	12,745	455	13,200
Financial assets at FVOCI - debt securities	67,176	1,164	**68,340**	51,353	1,143	52,496
Investment securities at amortized cost	119,096	1,347	**120,443**	138,928	1,768	140,696
Loans and advances, net	130,881	11,561	**142,442**	115,324	5,284	120,608
Others financial assets	302	1	**303**	61	1	62
Total financial assets	**365,183**	**48,597**	**413,780**	339,932	21,557	361,489
Financial liabilities						
Deposit liabilities	283,061	42,803	**325,864**	271,646	17,685	289,331
Due to BSP and other banks	2,225	-	**2,225**	1,149	-	1,149
Derivative financial liabilities	1,127	1,865	**2,992**	1,568	449	2,017
Bills payable	85,128	-	**85,128**	53,497	-	53,497
Manager's checks and demand drafts outstanding	200	-	**200**	209	1	210
Accounts payable	404	3	**407**	475	3	478
Other financial liabilities	1,208	183	**1,391**	712	1	713
Total financial liabilities	**373,353**	**44,854**	**418,207**	329,256	18,139	347,395
Net on-balance sheet position	**(8,170)**	**3,743**	**(4,427)**	10,676	3,418	14,094

**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	**3,609**	3,195	344	3,539
Due from other banks	35,601	25,851	**61,452**	15,701	12,510	28,211
Interbank loans receivable and SPAR	-	5,859	**5,859**	2,214	-	2,214
Financial assets at FVTPL	6,811	1,930	**8,741**	11,661	385	12,046
Financial assets at FVOCI - debt securities	66,489	1,164	**67,653**	50,898	1,143	52,041
Investment securities at amortized cost	113,563	-	**113,563**	134,797	303	135,100
Loans and advances, net	127,212	10,974	**138,186**	111,902	659	112,561
Others financial assets	302	-	**302**	61	-	61
Total financial assets	**353,341**	**46,024**	**399,365**	330,429	15,344	345,773
Financial liabilities						
Deposit liabilities	281,433	38,304	**319,737**	270,759	17,566	288,325
Due to BSP and other banks	2,225	-	**2,225**	1,149	-	1,149
Derivative financial liabilities	1,066	1,866	**2,932**	1,520	449	1,969
Bills payable	85,028	-	**85,028**	50,119	-	50,119
Manager's checks and demand drafts outstanding	200	-	**200**	209	1	210
Accounts payable	401	3	**404**	208	3	211
Other financial liabilities	1,186	168	**1,354**	712	-	712
Total financial liabilities	**371,539**	**40,341**	**411,880**	324,676	18,019	342,695
Net on-balance sheet position	**(18,198)**	**5,683**	**(12,515)**	5,753	(2,675)	3,078

**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.

		Effect on pre-tax income	
Year	Change in currency	**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				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	**Total**
			(In Millions of Pesos)		
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-		-	49,762	**49,762**
Due from BSP	-	-	-	164,571	**164,571**
Due from other banks	-	-	-	72,060	**72,060**
Interbank loans receivable and SPAR	-	-	-	16,715	**16,715**
Financial assets at FVTPL	161	720	879	45,196	**46,956**
Financial assets at FVOCI	-	-	-	264,358	**264,358**
Investment securities at amortized cost	-	-	-	343,108	**343,108**
Loans and advances, net	1,332,408	291,669	313,924	300,764	**2,238,765**
Other financial assets	-	-	-	3,970	**3,970**
Total financial assets	1,332,569	292,389	314,803	1,260,504	**3,200,265**
Financial Liabilities					
Deposit liabilities	1,465,575	458,825	690,402	-	**2,614,802**
Due to BSP and other banks	-	-	-	3,135	**3,135**
Derivative financial liabilities	165	338	570	3,903	**4,976**
Bills payable and other borrowed funds	-	-	-	163,182	**163,182**
Manager's checks and demand drafts outstanding	-	-	-	9,941	**9,941**
Other financial liabilities	-	-	-	9,865	**9,865**
Total financial liabilities	1,465,740	459,163	690,972	190,026	**2,805,901**
Total interest gap	**(133,171)**	**(166,774)**	**(376,169)**	**1,070,478**	**394,364**

Consolidated (December 31, 2023)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	Total
			(In Millions of Pesos)		
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,843	34,843
Due from BSP	-	-	-	199,619	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
Total financial assets	1,096,549	328,834	258,858	1,113,720	2,797,961
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
Total financial liabilities	1,394,180	350,494	553,599	158,418	2,456,691
Total interest gap	(297,631)	(21,660)	(294,741)	955,302	341,270

Parent Bank (December 31, 2024)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	**Total**
	(In Millions of Pesos)				
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,136	**49,136**
Due from BSP	-	-	-	161,247	**161,247**
Due from other banks	-	-	-	68,439	**68,439**
Interbank loans receivable and SPAR	-	-	-	9,093	**9,093**
Financial assets at FVTPL	162	720	879	37,996	**39,757**
Financial assets at FVOCI	-	-	-	260,834	**260,834**
Investment securities at amortized cost	-	-	-	336,233	**336,233**
Loans and advances, net	1,327,577	291,348	313,207	254,796	**2,186,928**
Other financial assets	-	-	-	6,186	**6,186**
Total financial assets	1,327,739	292,068	314,086	1,183,960	**3,117,853**
Financial Liabilities					
Deposit liabilities	1,425,358	455,238	683,539	-	**2,564,135**
Due to BSP and other banks	-	-	-	3,135	**3,135**
Derivative financial liabilities	165	338	570	3,840	**4,913**
Bills payable and other borrowed funds	-	-	-	163,083	**163,083**
Manager's checks and demand drafts outstanding	-	-	-	9,935	**9,935**
Other financial liabilities	-	-	-	8,903	**8,903**
Total financial liabilities	1,425,523	455,576	684,109	188,896	**2,754,104**
Total interest gap	**(97,784)**	**(163,508)**	**(370,023)**	**995,064**	**363,749**

Parent Bank (December 31, 2023)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	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	-	-	-	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
Total financial assets	1,092,012	328,496	258,286	1,059,083	2,737,877
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
Total financial liabilities	1,368,496	347,714	549,430	156,026	2,421,666
Total interest gap	(276,484)	(19,218)	(291,144)	903,057	316,211

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	**159.07%**	206.67%	**156.25%**	207.35%
Net stable funding ratio	**145.70%**	153.55%	**138.97%**	152.54%
Leverage ratio	**10.75%**	10.95%	**10.15%**	10.38%
Total exposure measure	**3,403,607**	2,957,335	**3,315,223**	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	-	-	**49,762**
Due from BSP	164,571	-	-	**164,571**
Due from other banks	72,060	-	-	**72,060**
Interbank loans receivable and SPAR	15,171	1,340	559	**17,070**
Financial assets at FVTPL	28,506	3,491	9,616	**41,613**
Financial assets at FVOCI	31,931	41,772	227,905	**301,608**
Investment securities at amortized cost	49,155	192,356	155,373	**396,884**
Loans and advances	1,136,998	722,198	524,459	**2,383,655**
Other financial assets	3,970	-	-	**3,970**
Total financial assets	1,552,124	961,157	917,912	**3,431,193**
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	**2,614,802**
Due to BSP and other banks	3,135	-	-	**3,135**
Bills payable and other borrowed funds	70,025	70,190	22,967	**163,182**
Manager’s checks and demand drafts outstanding	9,941	-	-	**9,941**
Lease liabilities	2,459	3,931	4,234	**10,624**
Other financial liabilities	9,865	-	-	**9,865**
Total financial liabilities	1,561,000	532,946	717,603	**2,811,549**
Total maturity gap	**(8,876)**	**428,211**	**200,309**	**619,644**

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
Total financial assets	1,343,380	534,412	1,146,609	3,024,401
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
Total financial liabilities	1,479,332	420,398	546,291	2,446,021
Total maturity gap	(135,952)	114,014	600,318	578,380

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	-	-	**49,136**
Due from BSP	161,247	-	-	**161,247**
Due from other banks	68,439	-	-	**68,439**
Interbank loans receivable and SPAR	7,550	1,340	559	**9,449**
Financial assets at FVTPL	25,540	2,093	8,385	**36,018**
Financial assets at FVOCI	29,821	40,945	227,730	**298,496**
Investment securities at amortized cost	47,296	191,387	150,416	**389,099**
Loans and advances	1,124,452	690,694	483,375	**2,298,521**
Other financial assets	6,186	-	-	**6,186**
Total financial assets	1,519,667	926,459	870,465	**3,316,591**
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	**2,614,794**
Due to BSP and other banks	3,135	-	-	**3,135**
Bills payable and other borrowed funds	69,926	70,190	22,967	**163,083**
Manager’s checks and demand drafts outstanding	9,935	-	-	**9,935**
Lease liabilities	2,149	3,348	3,775	**9,272**
Other financial liabilities	8,903	-	-	**8,903**
Total financial liabilities	1,557,027	537,309	714,786	**2,809,122**
Total maturity gap	**(37,360)**	**389,150**	**155,679**	**507,469**

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
Total financial assets	1,312,216	508,942	1,137,722	2,958,880
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
Total financial liabilities	1,452,204	416,761	542,092	2,411,057
Total maturity gap	(139,988)	92,181	595,630	547,823

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	**1,760**
- Outflow	(165)	(334)	(570)	**(1,069)**
- Net inflow	**(3)**	**386**	**308**	**691**
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	**-**
- Outflow	-	(4)	-	**(4)**
- Net outflow	**-**	**(4)**	**-**	**(4)**
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	**63**
- Outflow	(486)	-	-	**(486)**
- Net outflow	**(423)**	**-**	**-**	**(423)**

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	**1,760**
- Outflow	(165)	(334)	(570)	**(1,069)**
- Net inflow	**(3)**	**386**	**308**	**691**
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	**-**
- Outflow	-	(4)	-	**(4)**
- Net outflow	**-**	**(4)**	**-**	**(4)**
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	**63**
- Outflow	(485)	-	-	**(485)**
- Net outflow	**(422)**	**-**	**-**	**(422)**

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**

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
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	**4,008**
- Outflow	(3,336)	(4)	(15)	**(3,355)**
- Net inflow	**524**	**108**	**21**	**653**
Warrants				
- Inflow	-	-	2	**2**
- Outflow	-	-	-	**-**
- Net inflow	**-**	**-**	**2**	**2**

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
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			
		Level 1	Level 2	Level 3	**Total**
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,856	-	5,856	-	**5,856**
Trading assets					
- Debt securities	41,101	41,101	-	-	**41,101**
- Equity securities	351	351	-	-	**351**
Financial assets at FVOCI					
- Debt securities	264,358	264,358	-	-	**264,358**
- Equity securities	3,844	2,293	399	1,152	**3,844**
	315,510	308,103	6,255	1,152	**315,510**
Financial liabilities					
Derivative financial liabilities	4,976	-	4,976	-	**4,976**
Non-recurring measurements					
Assets held for sale, net	8,411	-	25,956	-	**25,956**

Consolidated (December 31, 2023)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Recurring measurements:		(In Millions of Pesos)			
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
	242,308	236,898	4,501	909	242,308
Financial liabilities					
Derivative financial liabilities	2,821	-	2,821	-	2,821
Non-recurring measurements					
Assets held for sale, net	4,743	-	14,424	-	14,424

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Recurring measurements:		(In Millions of Pesos)			
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	**5,833**
Trading assets					
- Debt securities	33,924	33,924	-	-	**33,924**
- Equity securities	-		-	-	**-**
Financial assets at FVOCI					
- Debt securities	260,834	260,834	-	-	**260,834**
- Equity securities	2,378	2,378	-	-	**2,378**
	302,969	297,136	5,833	-	**302,969**
Financial liabilities					
Derivative financial liabilities	4,913	-	4,913	-	**4,913**
Non-recurring measurements					
Assets held for sale, net	8,154	-	25,470	-	**25,470**

Parent Bank (December 31, 2023)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Recurring measurements:		(In Millions of Pesos)			
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
Non-recurring measurements					
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	**49,762**
Due from BSP	164,571	-	164,571	**164,571**
Due from other banks	72,060	-	72,060	**72,060**
Interbank loans receivable and SPAR, net	16,715	-	16,715	**16,715**
Investment securities at amortized cost, net	343,108	328,793	-	**328,793**
Loans and advances, net	2,238,765	-	2,710,915	**2,710,915**
Other financial assets	3,970	-	3,970	**3,970**
Financial liabilities				
Deposit liabilities	2,614,802	-	2,593,439	**2,593,439**
Due to BSP and other banks	3,135	-	3,135	**3,135**
Bills payable and other borrowed funds	163,182	163,083	99	**163,182**
Manager’s checks and demand drafts outstanding	9,941	-	9,941	**9,941**
Other financial liabilities	9,865	-	9,865	**9,865**
Non-financial assets				
Investment properties	62	-	472	**472**

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		
		Level 1	Level 2	**Total**
		(In Millions of Pesos)		
Financial assets				
Cash and other cash items	49,136	-	49,136	**49,136**
Due from BSP	161,247	-	161,247	**161,247**
Due from other banks	68,439	-	68,439	**68,439**
Interbank loans receivable and SPAR, net	9,093	-	9,093	**9,093**
Investment securities at amortized cost, net	336,233	320,711	-	**320,711**
Loans and advances, net	2,186,696	-	2,655,343	**2,655,343**
Other financial assets	6,186	-	6,186	**6,186**
Financial liabilities				
Deposit liabilities	2,564,135	-	2,543,600	**2,543,600**
Due to BSP and other banks	3,135	-	3,135	**3,135**
Bills payable and other borrowed funds	163,083	163,083	-	**163,083**
Manager's checks and demand drafts outstanding	9,935	-	9,935	**9,935**
Other financial liabilities	8,903	-	8,903	**8,903**
Non-financial assets				
Investment properties	62	-	472	**472**

Parent Bank (December 31, 2023)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
		(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	**418,664**	355,303	**417,974**	355,255
Less: Regulatory adjustments to CET1 capital	**52,619**	31,359	**81,427**	55,040
Tier 1 capital	**366,045**	323,944	**336,547**	300,215
Tier 2 capital	**20,480**	18,792	**19,553**	18,414
Total qualifying capital	**386,525**	342,736	**356,100**	318,629
Risk weighted assets	**2,641,674**	2,118,317	**2,560,487**	2,058,301
CAR (%)	**14.63%**	16.18	**13.91%**	15.48
CET1 (%)	**13.86%**	15.29	**13.14%**	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
Carrying amount	62,794,600

***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)
Net carrying amount	110,324,797
Fair value	109,374,170

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
	20,571,531

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, PRFS 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[1]	**15.07**	15.35	**14.45**	15.71
- Simple average[2]	**15.67**	15.22	**15.24**	15.76
Return on average assets				
- Daily average[3]	**1.98**	1.93	**1.86**	1.91
- Simple average[4]	**2.00**	1.88	**1.87**	1.87
Net interest margin				
- Daily average[5]	**4.31**	4.09	**4.08**	3.93
- Simple average[6]	**4.31**	3.98	**4.07**	3.82

[1]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.
[2]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.
[3]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.
[4]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.
[5]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.
[6]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	**22.74**	23.12	**23.24**	23.48
Manufacturing	**14.17**	15.47	**14.44**	15.70
Consumer	**13.32**	11.44	**12.09**	10.62
Transportation, storage and communications	**11.07**	11.33	**10.85**	11.48
Wholesale and retail trade	**10.80**	11.20	**11.01**	11.01
Financial institutions	**10.53**	9.70	**10.80**	9.85
Electricity, gas, steam and air-conditioning supply	**8.16**	9.18	**8.36**	9.34
Agriculture and forestry	**1.57**	1.73	**1.59**	1.75
Others	**7.64**	6.83	**7.62**	6.77
	100.00	100.00	**100.00**	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	**142.47**	138.44	**154.47**	148.97
Manufacturing	**88.77**	92.63	**95.99**	99.62
Consumer	**83.40**	68.48	**80.40**	67.37
Transportation, storage and communications	**67.65**	67.87	**73.17**	72.85
Wholesale and retail trade	**69.34**	67.07	**72.15**	69.83
Financial institutions	**65.99**	58.09	**71.77**	62.49
Electricity, gas, steam and air-conditioning supply	**51.12**	54.93	**55.57**	59.25
Agriculture and forestry	**9.84**	10.36	**10.54**	11.11
Others	**47.81**	40.84	**50.72**	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	**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.

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	**1,663,158**	**22,391**	**1,685,549**	1,483,876	16,662	1,500,538
Credit cards	**161,855**	**7,265**	**169,120**	124,606	5,107	129,713
Other retail loans	**401,387**	**18,708**	**420,095**	282,627	13,666	296,293
	2,226,400	**48,364**	**2,274,764**	1,891,109	35,435	1,926,544
Allowance for probable losses	**(11,229)**	**(29,940)**	**(41,169)**	(11,154)	(22,726)	(33,880)
Net carrying amount	**2,215,171**	**18,424**	**2,233,595**	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	**80,401**	61,680	**80,476**	61,767
% to total outstanding related party loans				
Unsecured related party loans	**47.85**	8.82	**47.88**	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	**31,588**	18,701	**31,588**	18,701

	Consolidated		Parent	
	2024	2023	**2024**	2023
	(In percentages)			
% to total outstanding loans and advances	**1.39**	0.97	**1.42**	0.99
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	**1.61**	2.30	**1.61**	2.30
Past due DOSRI loans	**0.02**	0.04	**0.02**	0.04
Non-performing DOSRI loans	**0.03**	0.02	**0.03**	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	**1,530,708**	1,223,096	**-**	-
Derivatives	**496,116**	319,337	**489,149**	314,881
Commitments	**245,341**	186,611	**245,341**	186,611
Financial standby letters of credit - foreign	**36,103**	30,472	**36,103**	30,472
Bills for collection	**35,060**	22,923	**35,060**	22,923
Spot foreign exchange contracts	**24,679**	7,310	**24,679**	7,310
Performance standby letters of credit - foreign	**11,228**	10,898	**11,228**	10,898
Commercial letters of credit	**10,242**	11,322	**10,242**	11,322
Guarantees issued	**3,555**	2,521	**3,555**	2,521
Trade related guarantees	**2,758**	1,208	**2,758**	1,208
Other contingent accounts	**40,285**	39,712	**39,545**	39,618
	2,436,075	1,855,410	**897,660**	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	**663,659**	504,918	**663,659**	504,918
Unused letters of credit	**64,007**	55,808	**64,007**	55,808
Gross carrying amount	**727,666**	560,726	**727,666**	560,726
Loss allowance	**(1,267)**	(1,232)	**(1,267)**	(1,232)
Carrying amount	**726,399**	559,494	**726,399**	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	**11,867**
Trade finance documents	**794**
Mortgage documents	**620**
Shares of stocks	**33**
Others	**5**
	13,319

(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
	13,924	**1,908**	**15,832**

(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
	9,271	**765**	**10,036**

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.

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
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		59.36	58.53
	Total current assets	1,552,124		
	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		37.91	38.38
	Total liabilities (Bills payable and Bonds payable)	163,182		
	Divided by: Total equity	430,469		
	Debt-to-equity ratio	0.3791		
Asset-to-equity ratio	Total assets divided by total equity		770.98	808.61
	Total assets	3,318,813		
	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		236.29	274.24
	EBITDA	147,368		
	Divided by: Total interest expense	62,368		
	Interest rate coverage ratio	2.3629		
Return on equity	Net income divided by daily average equity		15.07	15.35
	Net income	62,049		
	Divided by: Daily average equity	411,819		
	Return on equity	0.1507		
Return on assets	Net income divided by daily average assets		1.98	1.93
	Net income	62,049		
	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 Divided by: Daily average Net Interest Bearing Assets 2,960,101 NIM 0.0431	4.31	4.09
Other ratios:			
Average assets to average equity	Daily average assets divided by daily average equity Daily average assets 3,133,116 Divided by: Daily average equity 411,819 Average assets to average equity 7.6080	760.80	796.78
Net interest to average assets (NRFF)	Net interest income divided by daily average assets Net interest income 127,586 Divided by: Daily average assets 3,133,116 NRFF 0.0407	4.07	3.89
Cost to income ratio	Total operating expense divided by total income (Net interest income and Other income) Total operating expense 83,796 Divided by: Total income (Net Interest income and Other income) 170,139 Cost to income ratio 0.4925	49.25	49.96
Cost to asset ratio	Total operating expense divided by daily average assets Total operating expense 83,796 Divided by: Daily average assets 3,133,116 Cost to asset ratio 0.0267	2.67	2.58
Capital to assets ratio	Total equity divided by total assets Total equity 430,469 Divided by: Total assets 3,318,813 Capital to assets ratio 0.1297	12.97	12.37

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.

Roderick M. Danao
Partner
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Makati City
February 19, 2025

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)

Unappropriated retained earnings, beginning of the year		**149,034**
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
		149,501
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
Unappropriated retained earnings, as adjusted		**118,349**
Add/Less: Net Income (loss) for the current year		**56,384**
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
		54,656

(continued)

Bank of the Philippine Islands
Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2024

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)	-	**-**
		54,656
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		**55,336**
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

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	-	**-**
Total retained earnings, end of the year available for dividend declaration		**173,685**

BANK OF THE PHILIPPINE ISLANDS

- BPI DIRECT BANKO, INC. a SAVINGS BANK 100%
- LEGAZPI SAVINGS BANK [1] 99.94%
- BPI CAPITAL CORPORATION 100%
  - BPI SECURITIES CORPORATION 100%
- BPI PAYMENTS HOLDINGS INC. 100%
  - AF PAYMENTS, INC. 20%
- BPI EUROPE PLC 100%
- BPI WEALTH HONG KONG LIMITED [8] 100%
- BPI REMITTANCE CENTRE HK, LIMITED 100%
- BPI FOREX CORPORATION 100%
- BPI ASSET MANAGEMENT AND TRUST CORP. [2] 100%
- BPI WEALTH SINGAPORE PTE. LTD. [3] 100%
- FGU INSURANCE CORP. 94.62%
  - BPI/MS INSURANCE CORP. 9.45%
- BPI/MS INSURANCE CORP. 41.40%
  - FCS INSURANCE AGENCY 24.92%
- BPI INVESTMENTS, INC. [4] 100%
  - ALFM GLOBAL MULTI-ASSET INCOME FUND, INC. 100%
  - ALFM RETAIL CORPORATE FIXED INCOME FUND, INC. 100%
  - ALFM FIXED INCOME FEEDER FUND, INC. [5] 100%
  - ALFM REAL ESTATE INCOME FUND, INC. 100%
- AYALA PLANS, INC. 98.93%
- FEB SPEED INTERNATIONAL 100%
- FEBSTOCK BROKERS INC. 100%
- SANTIAGO LAND DEVELOPMENT CORP. 100%
- FIRST FAR EAST DEVELOPMENT CORP. 100%
- FILINVEST ALGO FINANCIAL CORP. 100%
- BPI COMPUTER SYSTEMS CORP. 100%
- CITYTRUST REALTY CORP. 40%
- GLOBAL PAYMENTS ASIA-PACIFIC PHILIPPINES INC. 49%
- BPI AIA LIFE ASSURANCE CORPORATION 47.97%
- UNICON INSURANCE AND REINSURANCE BROKERS CORP. [1] [6] 40%
- BEACON PROPERTY VENTURES, INC. 20%
- BPI CENTURY TOKYO LEASE & FINANCE CORP. 49%
  - CITYTRUST SECURITIES CORP. 100%
  - BPI TOKYO CENTURY RENTAL CORP. [7] 100%
    - BRILLIANT CAR RENTAL CORPORATION [9] 100%

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.

**Updated as of March 18, 2025*

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	
TOTAL		**3,154,699**	**189,954**

(*) 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)

Name and Designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Non-current	Balance at end of period
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

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Non-current	Balance at end of period
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
Parent Bank				
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
SUB-TOTAL		**69,926**	**93,157**	**163,083**
BPI Europe				
Bills payable		99	-	Various
TOTAL		**70,025**	**93,157**	**163,182**

BANK OF THE PHILIPPINE ISLANDS
December 31, 2024

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name and related party	Balance at beginning of period	Balance at end of period
	Nothing to report.	

BANK OF THE PHILIPPINE ISLANDS
December 31, 2024

Schedule F - Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
		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

	2024	2023
Total audit fees	**26,072,200**	21,583,600
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	8,126,800	3,644,000
Total non-audit fees	**8,126,800**	3,644,000
Total audit and non-audit fees	**34,199,000**	25,227,600

Audit and non-audit fees of other related entities

	2024	2023
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total audit and non-audit fees of other related entities	**-**	-